

CAPITAL REGION DEVELOPMENT AUTHORITY
(Request for Proposals for Auditing Services)

QUESTION 1: Approximately how long has your current audit firm served as CRDA's independent audit firm?

ANSWER 1: *Four years.*

QUESTION 2: What are the primary factors behind CRDA soliciting bids for audit services?

ANSWER 2: *CRDA is required to solicit proposals for professional services every three years. Additionally, CRDA may not utilize the auditor for more than six years. Our current auditors will not be considered for this RFP.*

QUESTION 3: Are there any specific improvements CRDA would like to see in the audit process?

ANSWER 3: *No.*

QUESTION 4: The RFP makes mention of a "Fee Structure Outline – Exhibit F". We do not see a copy of a "Fee Structure Outline" or anything marked as Exhibit F in the RFP. Please advise and/or provide a copy of this Exhibit.

ANSWER 4: *See Exhibit F posted with the supplemental RFP information.*

QUESTION 5: Section II of the RFP provides a list of Tasks (Task # 1 through Task # 10). For each Task listed, please provide copies (electronic preferred) of the most recently issued report(s) that directly correlate to the applicable Tasks

- a. If any of the ten (10) tasks do not have a recently issued report that correlates to the Task, please indicate so in the response

ANSWER 5: *See Audit Reports posted with the supplemental RFP information.*

QUESTION 6: We respectfully request historical information on fees for the past three (3) fiscal year audits. **In providing the last 3 years' audit fees, if possible, it would be helpful if the total fee for the year could be broken down into components, such as the Task list in the RFP or some other identifiable way to segregate the fees into the various different scopes of services in the RFP.**

ANSWER 6: *See Exhibit F posted with the supplemental RFP information.*

QUESTION 7: Are there separate financial reports issued for the Convention Center, Parking Facilities, XL Center and the Stadium at Rentschler Field in addition to the consolidated financial statements

ANSWER 7: *Yes.*

QUESTION 8: Was there a management letter issued for the last fiscal year?

ANSWER 8: *No.*

QUESTION 9: Will the Authority be responsible for preparing the financial statements with the related footnote disclosures and other components of the annual report such as the MD&A?

ANSWER 9: *The Authority prepares the financial statements and MD&A, and the majority of the Notes with the exception of Notes #9 (Pension Plans) and #15 (Recent Accounting Pronouncements) as presented in the FY17 Financial Statements. The Stadium financials do not include an MD&A. Auditors assist in the preparation and review of all Notes and MD&A.*

QUESTION 10: Were there any additional billings from the auditor for the 2017, 2016 and 2015 audits and, if so, what was the amount?

ANSWER 10: *None.*

QUESTION 11: Does CRDA anticipate any significant changes in operations, such as, significant new revenue sources within the initial three-year period covered by the RFP? If so, are the newly expected sources federal or state grant funds?

ANSWER 11: *No.*

QUESTION 12: What was the approximate number of audit adjustments made/proposed by the auditor?

ANSWER 12: *CRDA consolidated financial statements had 11 proposed audit adjustments/reclassifications with 9 entries recorded.*

QUESTION 13: Are any of the accounting functions outsourced by another accounting firm? If so, what functions and which firm?

ANSWER 13: *No.*

QUESTION 14: Did the auditor prepare a SAS 114 letter and a management letter for CRDA for the year ended June 30, 2017? If so, did management agree with any recommendations and were changes made to address any such recommendations?

ANSWER 14: SAS 114 communication is provided to CRDA Board. No management letter was issued. Auditor recommendations were made verbally to management.

QUESTION 15: Are there any anticipated IT system changes or conversions to a new system in the near future?

ANSWER 15: *There were no accounting system changes. CRDA is currently in the process of migrating its Web site to a new platform. There are no other anticipated changes.*

QUESTION 16: In regards to the compliance audits referenced in Tasks 7 through 9 as outlined in “Section II. Outline of Work” in the RFP, what is the total population of certified payrolls on average per year?

ANSWER 16: Average population for Task 7 (CT Convention Center) is 250. Average population for Task 8 (CRDA Parking Facilities) is 60. Average population for Task 9 (XL Center) is 40 full-time and 780 part-time employees. Average population for Task 10 (Stadium) is 5. Tasks 7 through 10 are performed for one fiscal year over the three year bid period.

QUESTION 17: What were the hours by staff level and fees associated with each engagement noted in the RFP for the current year and the prior 2 years?

ANSWER 17: Interim audit was performed over 5 days in early May consisting of 2 partners, 1 manager, 1 senior auditor, and 2 associate auditors. Year-end audit was performed between July 24 and Aug 11 consisting of 2 partners, 1 manager, 1 senior auditor, and 4 associate auditors.

QUESTION 18: Do you have/have you had any disagreements with the current external audit firm?

ANSWER 18: *No.*

QUESTION 19: Is there an internal audit function? If so, how have the external auditors worked with the Internal Audit Group?

ANSWER 19: There is not an internal audit function.

QUESTION 20: If the internal audit function is outsourced, to what extent can the auditors rely upon the work and support provided by the outsourced professionals?

ANSWER 20: *The internal audit function is not outsourced.*

QUESTION 21: Where are books and records held? Are there any logistical restraints on scheduling the audit?

ANSWER 21: *The books are held at CRDA or the respective venues. Office space is available at each venue.*

QUESTION 22: Who will be the liaison between the external auditor and audit committee; and between the external auditor and management?

ANSWER 22: *Joseph Geremia, Chief Financial Officer.*

QUESTION 23: Are current financial statements and management letters available for review and inspection?

ANSWER 23: *Yes.*

QUESTION 24: Can the bidders visit CRDA to better understand the hierarchy and structure of the accounting/finance department, internal audit department and information technology department? If not, what information is available to the proposing external auditors to gain an understanding of the information technology infrastructure/platform?

ANSWER 24: Bidders selected for an interview can schedule a visit with CRDA or submit specific written questions to gain an understanding of the IT infrastructure.

QUESTION 25: What was the nature and magnitude of any audit adjustments under the current auditor's term?

ANSWER 25: 3 audit adjustments were made in subordinate General Ledgers with 6 account reclassification entries.

QUESTION 26: Did the predecessor auditor perform tests of internal control over financial reporting in order to reduce its substantive testing during the financial statement audit?

ANSWER 26: *Yes.*

QUESTION 27: Tasks 2 -4 reference a financial audit in accordance with the contract terms. Are separate opinions/reports issued for those entity's audits?

ANSWER 27: *Yes.*

QUESTION 28: With respect to the “contract terms” for Tasks 2-4, can you provide additional information regarding those term in order that we can evaluate the impact on the scope of the audit

ANSWER 28: *See Audit Reports posted with the supplemental RFP information.*

QUESTION 29: What date does the Authority expect to have the financial statements completed or will have the information available for audit?

ANSWER 29: Authority will present draft financial statements by the end of July. Audit completion is expected by September 10. Financial Statements are presented to the Board on September 20.

QUESTION 30: What does the Authority use for general ledger software for the Authority and for Rentschler Field, if different?

ANSWER 30: The Authority uses Intacct v.2018 Release 1 for its General Ledger software and Sage Fixed Assets-Premier v.2016.1. The CT Convention Center uses Sage 300 v.16.1 for its General Ledger software and the CRDA Parking Facilities use Epicor v.7.4sp8 for its General Ledger software. The XL Center and Stadium use Sage 100 for its General Ledger software.