



FAQ for Auditor RFP

1. Why are you bidding? What is the reason/cause to switch auditing firms? Have there been issues with your current audit firm?
 - ◆ As part of our Board's due diligence and governance. There have not been any issues with the current auditing firm.
2. What are you looking for in an auditor and adviser?
 - ◆ A firm that has knowledge of and can plan effective auditing process for the nonprofit sector, help us meet our audit requirements, look for accuracy and regulatory compliance, report any indicators and strengths/weaknesses of internal controls, explain any necessary compliance issues, ensure our financial statements provide reliable information, prepare a simple audit, and communicate in technical as well as basic terms.
3. Do you prefer to have a one year quote or three year quote?
 - ◆ The period of performance under this contract will be for an initial three (3) year term with two (2) optional one (1) year extensions
4. In addition to the audit services, do you require us to prepare the Form 990 as well? Is there any other items we will be required to prepare as well, such as the solicitation license renewal?
 - ◆ Yes, we will need the Form 990 prepared as well.
 - ◆ The list of items to be prepared will be:
 - Audited financial statements, independent auditor's report and report on Internal controls and compliance along with audit findings and recommend solutions
 - Form 990
 - Michigan Renewal Solicitation Form
 - DOL Forms 5500 (2).
5. Please provide us a copy of the prior year audited financial statement and Form 990 for our review.
 - ◆ We are in the process of finalizing our 2018 audit. Attached is the 2017 audit and Form 990.
6. Are there any areas of the audit that you would consider difficult?
 - ◆ No
7. Can you provide us a copy of the significant deficiency and/or material weakness letter for the prior year?
 - ◆ There were not any significant deficiency and/or material weaknesses in 2017.
8. Approximately how many audit journal entries were performed by the auditor for the prior year? How many adjusted journal entries were proposed by the auditors last year?
 - ◆ Typically 0-2
9. When do you expect the audit to begin and be completed?

- ◆ The audit would begin sometime in March and ideally completed by June 30. However, we could start earlier.
10. When are your records ready for fieldwork to begin?
- ◆ March through mid-April. However, we could start earlier.
11. Are there board or other committee meetings we will be required to attend? If so, please provide the estimated dates.
- ◆ There is an up-front planning meeting with the finance and audit committee meeting and then a final meeting to the committee to report on the final audit. Typically March for the planning meeting and June or early July for the final report out.
12. How many auditors have worked on your audit in previous years?
- ◆ We have had the same auditing firm over the last several years. Typically 1-3 staff from their firm works on our audit.
13. How long were the auditors at your office? How many days are the auditors typically onsite? How many professionals are in the field?
- ◆ The auditors are typically onsite for 2-3 days. CSW staff/management meets at our office for the planning meeting with a managing member and senior staff from the auditing firm. The onsite is a few weeks later over 2-3 days with the senior staff. All meetings with the board/finance and audit committee are conducted via conference call with the managing member, CSW finance director and president, and board/finance committee.
14. Is all audit fieldwork performed in Ann Arbor? Is there any out-of-state fieldwork typically performed?
- ◆ The auditors are typically onsite for 2-3 days at our Ann Arbor office. We meet at our office for the planning meeting with a managing member and senior staff, and the onsite is over 2-3 days with the senior staff. The auditing team does work virtually amongst their staff.
15. Will there be any major revenue changes in the current fiscal year?
- ◆ No. Our revenue mix over the last 5 years is:
 - 50-70% foundation funded (most grants, some contracts)
 - Up to 10% community based funded fee for service contracts (local, regional, Workforce Investment Boards, etc.)
 - Up to 10% funded by states (mostly fee for service contracts)
 - Up to 10% funded by national organizations including federal (mostly fee for service contracts, some grants)
 - Up to 20% funded by post-secondary educational institutions (mostly fee for service contracts)
 - Up to 5% funded by nonprofits, local businesses or trade associations (mostly fee for service contracts)
16. Does CSW receive federal funds? If they do, what is the approximate dollar amount for the current fiscal year?
- ◆ CSW does receive federal funds. We have only had an A-133 audit conducted for 3 audit years as we typically fall below the threshold. See above for our mix of funding.
17. Has the expenditure of federal awards exceeded \$750,000 in the past (i.e., is an audit in accordance with the Uniform Guidance required)?

- ◆ Not as of yet
- 18. If a single audit is required, how many major programs do you have?
 - ◆ We have roughly 3-4 program/focus areas each year.
- 19. What is the fee you are currently paying?
 - ◆ Between \$12,000-\$16,600. The higher range is when an A-133 audit needs to be conducted as well.
- 20. What accounting software do you use?
 - ◆ CSW uses Deltek Vision
- 21. What types of benefit plans does the organization have? Could you provide copies of the prior Form 5500 for each plan?
 - ◆ CSW offers medical, dental, vision, disability, and life insurance, a flexible spending account, and a 403b retirement plan. For the Form 5500, CSW has a 403b Employee Tax Deferred Annuity Plan and a 403b Defined Employer Contribution Retirement Plan with TIAA.
- 22. Page 4 of the RFP refers to audits of non-financial areas – have you had separate “agreed-upon procedures” engagements performed in the past? If so, could you please provide a copy of the resulting reporting?
 - ◆ No, we have not.