

Executive Team

Dominic D. Brown, CPA, CFE
Chief Executive Officer

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
Chief Legal Officer

Matthew Henry, CFE
Chief Operations Officer



Board of Retirement

Tyler Whitezell, Chair
Phil Franey, Vice-Chair
Jeanine Adams
David Couch
Juan Gonzalez
Joseph D. Hughes
Jordan Kaufman
Rick Kratt
Dustin Contreras, Alternate
Chase Nunneley, Alternate
Robb Seibly, Alternate
6th Member (Vacant)

RFP for Audit Services Response to Questions from Prospective Vendors

Question 1

Section I.C on page 2 discusses the qualifications of the Auditor. What are some things you would like to see improved in the financial audit process compared to previous years for the ACFR, and the GASB 68 Schedules?

Answer 1

Communication and timelines are areas that ebb and flow during the audit but should be steady. Consistency in staffing is always a positive reflection on the firm's ability to maintain qualified staff. Adequate knowledge of governmental retirement systems and investment practices is a must.

Question 2

Section II.D on page 4 discusses KCERA's existing systems applications. Are there any plans to implement a new pension administration system or general ledger system during the contract period?

Answer 2

Currently we do not have plans to procure or implement a new pension administration system or general ledger.

Question 3

Section III.B on pages 6 and 7 discusses the scope of work to be performed. What were the prior year's fees for the audits of the financial statements and the GASB 68 schedules?

Answer 3

ACFR - \$42,000
GASB 68 -\$7,000

Question 4

Section III.B on pages 6 and 7 discusses the scope of work to be performed. How many employers were selected on an annual basis for member census data testing? What were the sample sizes for each employer selected?

Answer 4

Prior year had four plan sponsors and sample sizes ranged from 15-30 members.

Question 5

Section IV on page 8 discusses the reports to be issued. Can you please provide the prior years' Required Communication to the Board and Management Report? Were there any uncorrected misstatements in prior years' audits?

Answer 5

See attached required communication. No misstatements were brought to our attention.

Question 6

Section IV.C on page 8 discusses reporting on irregularities and illegal acts. Were there any such items reported to the Chairman of the Board of Retirement and the CEO in prior year audits?

Answer 6

No.

Question 7

Section IV.D on page 8 discusses the report on internal controls and compliance. Were there any significant deficiencies or material weaknesses in internal control or material noncompliance reported in prior year audits? Can you please provide a copy of the prior year report?

Answer 7

No. See 06/30/2022 ACFR <https://www.kcera.org/financial-reports>

Question 8

Section VI.A.1 on page 10 discuss assistance that KCERA will provide to the Auditor during the engagement. When are year-end closing entries and trial balance available? When are draft financial statements expected to be provided?

Answer 8

Closing entries and trial balance will be available the end of September/beginning of October and draft ACFR end of October/first week of November.

Question 9

Section VI.A.2 on page 10 discusses the arrangements for workspace and other needs of the Auditor. Were any part of the prior year audits performed remotely? Is KCERA open to remote or hybrid audits in the future?

Answer 9

Yes, portions of the work were done remotely. Yes.

Question 10

Section VII.A on page 10 discusses the timetable for year-end audit work to be performed. When did the prior audit firm typically perform their interim fieldwork and for how many weeks? When did they perform their final fieldwork and for how long? Was the audit of the GASB Schedules performed at the same time?

Answer 10

Fieldwork usually begins late July and continues intermittently through August. Field work takes approximately two weeks. GASB 68 schedules are audited the following April/May.

Question 11

Section I.A on page 1 discusses the objections or concerns regarding the terms of the Agreement. Is the placement of the separate letter to be included in the Respondent's proposal in Section 6 of the Format as detailed in Section VIII.E on page 12?

Answer 11

Yes, section 6 would be the appropriate location.

Question 12

Section V.B on page 9 discusses the final signed report delivered the first week of December 2023. Would this be December 4-8, 2023, and does this include the date for the hard copy delivery?

Answer 12

First week equaling the first seven days of December (1st - 7th) for electronic. Hard copy may be sent in the following weeks.

Question 13

Section VII.A and C on page 10-11 discusses the Entrance and Exit Conferences. Are they required to be in person, or can they be virtual?

Answer 13

Virtual or in person.

Question 14

Section VIII.E on page 12 discusses the sequence of the proposal, and Section VIII.E.5. a-e on pages 16-17 discusses the Sealed Dollar Cost Bid. Please verify if Section 5 of the proposal including Attachment 3 is entirely separate/independent from the other documents which would be sections 1 through 4 and 6 combined.

Answer 14

They are separate.

Question 15

Section VIII.E.4.c. on page 13 discusses Attachment 1. Please verify that the placement of Attachment 1 and all items a, b, c, and d are to be included in Section 4.b. Technical Proposal or in Section 6 of the Proposal?

Answer 15

Section 4 is preferred.

Question 16

Section VIII.E.4.e. on page 14 discusses engagement staff CPA licenses, qualifications, and continuity and changes to engagement staff. This information is addressed in Attachment 1. Please verify the sequence of Attachment 1 items and Technical Proposal items 4. c, d, e, and Attachment 2.

Answer 16

Respondents' preference.

Question 17

Section VIII.E.4.e. on page 14 discusses Attachment 2. Does Attachment 2 go in this section or in section 6 of the proposal?

Answer 17

Respondents' preference.

Question 18

Section VIII.E.4.e on page 14 also discusses the total continuing professional education hours for the firm for the past two years. Are you requesting the CPE's for each individual assigned to the engagement team?

Answer 18

Yes.

Question 19

Section IX. C.2.b on page 19 discusses Respondent's Experience and Capabilities as part of the evaluation and selection procedure. What, if any, documentation is needed in the proposal to evaluate the firm's financial stability?

Answer 19

Financials or other support that documents the firm's ability to be able to provide the services over the course of the contract.

Question 20

Generally how many weeks and how many audit staff are in the field during fieldwork, including interim and final fieldwork?

Answer 20

One to two weeks and two to three staff.

Question 21

What has generally been the timing of interim and final fieldwork and completed draft of the ACFR?

Answer 21

Fieldwork usually begins late July and continues intermittently through August. Field work takes approximately two weeks. Draft ACFR is late October/early November.

Question 22

Does KCERA management write and compile the ACFR themselves? If the auditor assists in the writing of the report, please clarify.

Answer 22

Yes, KCERA staff handle production of the ACFR.

Question 23

Is KCERA open to doing the majority of the audit work remote, excluding required in-person meetings?

Answer 23

Yes.

Question 24

What were the previous year's audit fees?

Answer 24

ACFR - \$42,000
GASB 68 -\$7,000

Question 25

Please clarify, If the answers to any of the Minimum Qualifications listed in Attachment 2 pages 1 & 2 are "No", does that automatically disqualify the bidder?

Answer 25

Generally, Yes.

Question 26

Were there any significant changes in operations or personnel in the past fiscal year?

Answer 26

No.

Question 27

Have there been any management letters issued in the last two years?

Answer 27

No.

Question 28

How many audit adjustments were there in the last audited fiscal year and what were the nature of these audit adjustments?

Answer 28

None.

Question 29

In what ways can your previous audit experience be improved?

Answer 29

See answer to question 1 above.

