

**Solicitation Number: 2020-016-RFP Addendum Number: 2**

**Auditor Services**

**Due Date and Time: February 3, 2020 at 11:00 am Arizona time**

***A signed copy of this addendum must be included with proposal***

The following questions were received in writing prior to the deadline:

Q1: How long has the current audit firm provided audit services to PMGAA?

A2: 6 years.

Q2: What is the reason the PMGAA is going out to bid for audit services?

A2: The current contract has ended and PMGAA procurement policy requires a formal solicitation.

Q3: How many auditor adjustments and reclassification entries were made in FYE 2019 and what was their nature?

A3: No auditor adjustments and/or reclassifications were made for FYE 2019

Q4: Were there significant changes in operations or federal grants from the prior year?

A4: The airport implemented a new ERP System in 2018-19, no other significant changes in operations from the prior year.

Q5: What are some of the areas you would like to see improve from your previous audit? What are some of the things you liked about your incumbent audit firm?

A5: Not relevant. All respondents will be evaluated against the stated criteria.

Q6: Regarding the level of effort of the current audit firm:

Q6a. What was the duration of time the audit firm was onsite performing audit procedures? How many staff were assigned?

A6a: Firm staff onsite for 2 weeks.

Q6b. What duration of time did the audit firm spend off-site performing audit procedures/finalizing workpapers and preparing required reports?

A6b: Audit issued 3 weeks after fieldwork.

Q7: What is the PMGAA's budget for the FY2020 audit fees and is the FY2019 audit fee made public? If so, could you please provide?

A7a: Not relevant/Budget is set based on awarded contract.

A7b: Please see Addendum No. 1.

Q8: What are PMGAA's greatest operational and accounting challenges?

A8: Not relevant/uncertain how to respond to question within scope of RFP.

Q9: How much and what business applications are run by an outside third party service provider or by standalone revenue systems?

A9: All applications are managed internally.

Q10: Does the PMGAA draft its own financial statements, footnote disclosures, and SEFA or is that the responsibility of the audit firm?

A10: PMGA drafts all statements, footnote disclosures and SEFA.

Q11: It appears as though the PMGAA is a low risk auditee status for FY2019. Have there been any recent audits from external Federal Grantor agencies that would be cause for concern for FY2020?

A11: No.

Q12: Have you done an analysis of the impact that GASB Statement No. 84, *Fiduciary Activities*, or GASB Statement No. 87, *Leases*, will have on the PMGAA's financial statements?

A12: GASB 84 will have limited/no impact on PMGA's financials. GASB 87 will have an impact on PMGA's financial statements. Evaluation is ongoing.

Q13: Can you share with us the time frame for your evaluation schedule?

A13: Please see the tentative schedule in the RFP documents, page 15.

Q14: What were the fees paid to the auditor during each year of the prior contract?

A14: This information will be made available for those submitting a Public Records Request. The forms can be found on the Airport's website: [www.gatewayairport.com](http://www.gatewayairport.com)

Q15: Have there been any disagreements with your current auditor or delays in issuance of their reports?

A15: No.

Q16: Have there been any deficiencies in internal control noted by your previous auditors?

A16: No findings were noted in most recent audit. Reports of findings are available on the single audit clearinghouse website.

Q17: What traits do you value in an external auditor (close working relationship, technical guidance, etc.)?

A17: Desired qualifications and scoring criteria have been included in the RFP.

Q18: What portions of the CAFR, if any, have you requested assistance from your auditors in completing, and/or in what areas have you required auditor assistance in the financial statement preparation process?

A18: Please see response to question 10 above.

Q19: What level of assistance have you required from the auditor in the past several years in implementing new accounting standards, and what level of assistance do you anticipate requiring in the future?

A19: Scope of work and desired qualifications are included within the RFP.

Q20: What dates historically have you closed the books, completed a draft of the CAFR, and what dates are you targeting for these functions in the future?

A20: Audit has historically been scheduled the last week of August/first week of September. These dates are the target for the Airport.

Q21: What dates have you historically been ready for the auditor to begin fieldwork?

A21: See response to question 20 above.

Q22: How many auditors have been in the field for interim and final work procedures in the past, and for what duration?

A22: Scope of work is defined within the RFP. Team size for audit procedures have varied.

Q23: The RFP's Financial Highlights section references that PMGAA collects Customer Facility Charges (CFC)'s. Do you expect an additional compliance report to be prepared separately for Customer Facility Charges?

A23: There is no compliance reporting requirements related to CFCs.

Q24: Does management anticipate adopting the GASB 87 during the year ending June 30, 2020 or June 30, 2021?

A24: June 30, 2021.

Q25: Have there been any turnover in key positions that oversee the accounting function during the fiscal year ending June 30, 2020?

A25: The person holding the Accounting Director position retired in February of 2019 and that position was filled in April of 2019.

Q26: Do you plan to issue new debt in the fiscal years ending June 30, 2020 – 2022?

A26: There are no current plans to issue new debt.

Q27: Are you experiencing any significant adverse litigation or regulatory matters?

A27: No.

Q28: Are there any new federal grants for which PMGAA is expected to expend more than \$750,000 in the upcoming fiscal year?

A28: PMGAA will require a single audit.

Q29: Why is the PMGAA going out for audit?

A29: See response to question 2.

Q30: Were there any issues with the current auditor?

A30: No.

Q31: Were there any journal entries discovered by the auditors during the 2019 audit process?

A31: We are uncertain how to respond to this question as worded.

Q32: How many auditors and how many days were the auditors in the field for interim and final fieldwork?

A32: See response to question 22 above.

Q33: Outside of the audit process, what does the PMGAA find/define value from its auditors?

A33: Evaluation criteria is included within the RFP.

Q34: Were there any major audit issues identified for 2019? Any anticipated ones for 2020?

A34: No audit issues were identified for 2019. No issues are anticipated for 2020.

Q35: What part of the audit process would the PMGAA like to improve over the past audits?

A35: Evaluation criteria and scope of work are defined within the RFP.

Q36: What transition issues would the PMGAA be concerned about if the audit is awarded to new auditors?

A36: Transition issues, if any, will be discussed with whichever firm is successful in the RFP process.

Q37: Does the PMGAA staff prepare the draft reports for the PMGAA? When are the draft of the reports ready for review by the auditor? When will the first draft of the SEFA be available?

A37: Please see response to questions 10 and 20 above. Availability of year-end information is subject to change based on anticipated audit timeline.

Q38: How soon after year end are the finalized trial balances completed?

A38: Please see response to question 37 above.

Q39: What is the PMGAA's anticipated timeline for single audit testing, interim and final fieldwork?

A39: Please see response to question 20 above.

Q40: Does the PMGAA require an entrance and exit conference with management?

A40: Yes.

Q41: Have there been any significant changes in key staff in the past year that would affect the 2020 audit?

A41: Please see answer to Question 25. This change would not affect the 2020 audit.

Q42: Are there any significant changes in federal funding anticipated for 2020?

A42: No.

Q43: What were the fees for the 2017, 2018 and 2019 audits for the PMGAA?

A43: Please see response to question 14.

Q44: What GASB pronouncements has the PMGAA identified that will have a significant impact in 2020?

A44: Please see response to question 12.

Q45: What steps has PMGAA taken regarding the implementation of GASB 87 – Leases? Will the implementation of GASB 87 add significant assets and liabilities to the financial statements?

A45: Please see response to question 12.

Q46: Will PMGAA need additional services from the audit firm when implementing GASB 87?

A46: Scope of work and desired qualifications are included within the RFP.

ALL OTHER PROVISIONS OF THE SOLICITATION SHALL REMAIN IN THEIR ENTIRETY.

Offeror hereby acknowledges receipt and understanding of above addendum.

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Signature

\_\_\_\_\_  
Date

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Print Name and Title

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Name of Company

The above referenced Solicitation Addendum is hereby executed January 23, 2020 at PMGAA, Mesa, Arizona.

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Marian Whilden

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Procurement Coordinator  
Phoenix-Mesa Gateway Airport Authority