

1. How long have the current auditors been performing the audit for LAFCO?  
***Five consecutive fiscal years, ending in FY 2019-20.***
2. How many auditors and how many weeks were the auditors on site for both interim and year end field work?  
***This varies by LAFCO, but generally on average two auditors were on-site for two days.***
3. What were the prior year annual audit fee(s)? Please provide breakdown by report.  
***The annual audit fees varied by contract and by LAFCO. The fees ranged between \$7,000 and \$9,000 per LAFCO.***
4. Are there any new services requested in this RFP that were not included in the prior year audit fee?  
***This varied by LAFCO, a new service requested by some LAFCOs that was not included in the contract audit fees was the preparation of an MD&A.***
5. If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much was the last year's fees?  
***This is not a requirement for LAFCOs. LAFCOs are not required to report to the State Controller.***
6. How many major programs were tested each year for the Single Audit? If applicable, please provide the most recent copy of the report.  
***We are very small government entities, with the following tested:***
  - ***Accounts receivable***
  - ***Accounts payable***
  - ***OPEB***
  - ***Pension liabilities***
  - ***Compensated Absences***
  - ***Capital Assets***
  - ***Please visit each participating LAFCOs website for the most recent audit reports as follows:***
    - ***Imperial LAFCO: [www.iclafco.com](http://www.iclafco.com) (About Us/Financials)***
    - ***Los Angeles LAFCO: [www.lalafco.org](http://www.lalafco.org) (Transparency)***
    - ***Orange LAFCO: [www.oclafco.org](http://www.oclafco.org) (Open Government)***
    - ***Riverside: [www.lafco.org](http://www.lafco.org) (About Us/Financial & Compensation Information)***
    - ***San Bernardino: [www.sbclafco.org](http://www.sbclafco.org) (Open Government)***
7. How many journal entries were proposed by the auditors? Were there any findings?  
***This may vary by LAFCO. Visit each individual website as listed above for specifics.***
8. Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?  
***This may vary by LAFCO. Visit each individual website as listed above for specifics.***
9. Has LAFCO entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?  
***This may vary by LAFCO. Visit each individual website as listed above for specifics.***
10. Any New Debt Issuances in the Current Fiscal Year?  
***This may vary by LAFCO. Visit each individual website as listed above for specifics.***

11. Is LAFCO involved in any litigation not included in the Prior Year Financial Statements?  
**No.**

12. Any other Major Changes in the Current Fiscal Year that would affect the operations of LAFCO?  
**Not that we are currently aware of.**

13. How did you measure the quality of the audit performed?  
**Quality, precise, and timely. The auditors provided timely notice of the items that we would need to provide and communicated with designated LAFCO staff throughout the process.**

14. What audit areas, in your opinion, were cumbersome?  
**GASB pronouncements.**

15. What efficiencies would you like to see in the audit of LAFCO's financials?  
**Refer to the RFP.**

16. Can you provide the 2018-19 audited financial statements for Imperial and San Bernardino?

**Imperial LAFCO: [www.iclafco.com](http://www.iclafco.com) (About Us/Financials)**

**San Bernardino: [www.sbclafco.org](http://www.sbclafco.org) (Open Government)**

17. For all entities can you provide the governance letters issued and any management letters on internal control.

**Most are included in the audited financial statements. If you are able to find those letters from the links below, please contact each individual LAFCO.**

- **Imperial LAFCO: [www.iclafco.com](http://www.iclafco.com) (About Us/Financials)**
- **Los Angeles LAFCO: [www.lalafco.org](http://www.lalafco.org) (Transparency)**
- **Orange LAFCO: [www.oclafco.org](http://www.oclafco.org) (Open Government)**
- **Riverside: [www.lafco.org](http://www.lafco.org) (About Us/Financial & Compensation Information)**
- **San Bernardino: [www.sbclafco.org](http://www.sbclafco.org) (Open Government)**

18. From what I see in the RFP I am assuming that there is no centralized accounting function, controls, etc. We'll be working with each entities' team separately to accomplish these audits. Please confirm.  
**Correct.**

19. Can you provide the reason for considering a change in auditors, was the predecessor terminated or withdrew and are there any prior year auditor fees that are unpaid?

**Pursuant to Government Code Section 12410.6(b):**

***Commencing with the 2013–14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013–14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.***

***There were no unpaid audit fees.***

20. May we receive the latest audited financial statement reports for the Imperial, Los Angeles, Orange, Riverside, and San Bernardino LAFCOs?

- ***Imperial LAFCO: [www.iclafco.com](http://www.iclafco.com) (About Us/Financials)***
- ***Los Angeles LAFCO: [www.lalafco.org](http://www.lalafco.org) (Transparency)***
- ***Orange LAFCO: [www.oclafco.org](http://www.oclafco.org) (Open Government)***
- ***Riverside: [www.lafco.org](http://www.lafco.org) (About Us/Financial & Compensation Information)***
- ***San Bernardino: [www.sbclafco.org](http://www.sbclafco.org) (Open Government)***

21. What type of accounting/bookkeeping system does the LAFCO County of Los Angeles use?

***There being four participating LAFCOs, the accounting systems being used are as follows:***

***Imperial LAFCO: Quickbooks***

***Los Angeles LAFCO: Quickbooks***

***Orange LAFCO: Quickbooks***

***Riverside LAFCO: Oracle/PeopleSoft***

***San Bernardino LAFCO: Systems, Applications and Products (SAP)***

22. Any major change of budgetary size or management turnover from previous year?

***This varies by LAFCO. Please contact each individual LAFCO for specifics.***

***Imperial LAFCO: No, nothing major made to the budget.***

***Los Angeles LAFCO: Yes. Special studies referred to as Municipal Service Reviews (MSRs), caused an increase in budgeted expenses.***

***Orange LAFCO: No major change to the budget.***

***Riverside LAFCO: Yes, contracted for special studies, MSRs over the course of two fiscal years.***

***San Bernardino LAFCO: None for budgetary purposes.***

23. Approximately how many audit adjustments did the prior firm make as part of their audit?

***This varies by LAFCO. Visit each individual LAFCO website for specifics.***

***Imperial LAFCO: None. [www.iclafco.org](http://www.iclafco.org) (About Us/Financials)***

***Los Angeles LAFCO: [www.lalafco.org](http://www.lalafco.org) (Transparency)***

***Orange LAFCO: [www.oclafco.org](http://www.oclafco.org) (Open Government)***

***Riverside LAFCO: Not aware of any, please contact Riverside LAFCO directly, or review their financial statements online at [www.lafco.org](http://www.lafco.org) (About Us/Financial & Compensation Information)***

**San Bernardino LAFCO: 1 Adjustment - [www.sbclafco.org](http://www.sbclafco.org) (Open Government)**

24. Any major reason why the LAFCO County of Los Angeles is considering a change of audit firms?

**Pursuant to Government Code Section 12410.6(b):**

**Commencing with the 2013–14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013–14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.**

25. Any major disagreements in regards to accounting principles or auditing procedures?

**No.**

26. How many days of fieldwork did the prior firm perform? How many auditors on those days?

**This varies by LAFCO, but generally on average two auditors were on-site for two days.**

27. Is the previous firm being asked to propose?

**Yes.**

28. How much were the previous years' auditing fees?

**That annual audit fees varied by contract and by LAFCO. The fees ranged between \$7,000 and \$9,000 per LAFCO.**

29. What were last year's fees for:

Imperial LAFCO Audit:

Los Angeles LAFCO Audit:

Orange LAFCO Audit:

Riverside LAFCO Audit:

San Bernardino LAFCO Audit:

**Annual audit fees varied by contract and by LAFCO. The fees ranged between \$7,000 and \$9,000 per LAFCO.**

30. Are MD&As being prepared by the auditing Firm? If yes, could you please advise last year's fees?

Imperial LAFCO Preparation of MD&A:

Los Angeles LAFCO Preparation of MD&A:

Orange LAFCO Preparation of MD&A:

Riverside LAFCO Preparation of MD&A:

San Bernardino LAFCO Preparation of MD&A:

**This varied by LAFCO. A new service requested by some LAFCOs, which was not included in the contract audit fees was the preparation of an MD&A.**

31. What is your preferable timeline/dates for the following stages\*:
- a. Planning/Kick off Meeting
  - b. Interim
  - c. Fieldwork

\*Considering a draft of each financial statement will be delivered to the LAFCO Executive Officer for review at least 21 days prior to January 24<sup>th</sup> of every year deadline.

***Preferably, a kickoff meeting would occur with each participating LAFCO immediately after the contract's execution. Generally, fieldwork is preferred in late summer, early fall, but again varies by LAFCO.***