



**NEW HANOVER COUNTY
FINANCE DEPARTMENT, PURCHASING DIVISION
ADDENDUM 1
QUESTIONS AND RESPONSES**

From: Lena Butler, Purchasing Supervisor
To: All Proposers
Project: "RFP-NHC Audit Services"
Date: February 4, 2022

This Addendum is related to the County's Request for "RFP-NHC AUDIT SERVICES" and is hereby made a part of said Request for Bids to the same extent as though it were originally therein.

1. In reviewing Section 1.2 Scope of Work of the RFP, is there any change in the requested level of service from the auditor? Are there any sections/areas that the County performed a task in the FY 2021 audit that the County is requesting that the auditor now perform?

The County is requesting the same level of service. County staff will prepare year-end entries, supporting workpapers, and provide requested information. County staff will also prepare the Annual Comprehensive Financial Report (ACFR) as well as the Schedule of Expenditures of Federal and State Awards (SEFSA).

2. In reviewing Section 2.5 Grants, Entitlements and Shared Revenues, what are the expected grant funding levels expected to be for FY 2022? How are the ARPA funds expected to be spent?

Federal and State expenditures totaled \$44,538,234 and \$7,347,355, respectively, for the year ended June 30, 2021. The County has received a significant amount of additional Emergency Rental Assistance funding to date during the fiscal year ended June 30, 2022. From an ARPA standpoint, expenditures will include, but are not limited to business assistance, nonprofit assistance, housing assistance, employee COVID testing, funding of positions, and utility assistance.

3. Per Section 3.5 Audit Requirements of the RFP, the County is asking the auditor to print and bind copies of the ACFR. How is the report provided to the auditor? What expectations does the County have as to the auditor's level of assistance with respect to this request?

County staff will prepare the ACFR and SEFSA using Microsoft Word and Excel. County staff will provide the formatted Word and Excel templates to the external auditors for printing. The external auditor will need to prepare the Table of Contents, add page numbers, and insert tabs for the various sections of the ACFR when printing. The Cover as well as the tabs will be provided by the County for the ACFR. The County will utilize the selected firm's standard cover format for the compliance report.

4. Section 5.2.8 Second Section – Firm’s Technical Approach of the RFP mentions the use of internal audit staff (if applicable). What is the County’s expectation with regard to use of internal audit staff to assist the auditors? Approximately how many hours, types of work, etc.?

The County has an Internal Auditor that performs various audits throughout the fiscal year. The County provides copies of all completed audit reports to the external auditors for review. Additionally, the external auditors have full access to ask any questions to the Internal Auditor.

5. Section 5.2.9 discusses the requirement to provide on-site and in office time allocations for the audit. Is the County open to remote auditing by providing documents through a secure portal? What expectations does the County have for auditors to perform work on-site?

The County is open to remote auditing. In the past, a combination of remote and in-person has been used. However, if COVID restrictions or some other event causes challenges to in-person work, full remote procedures can be done.

6. For GASB 87 Leases, what has the County done to prepare for the implementation of this standard? Will a prepackaged software be used?

Finance department staff have reached out to departments on several occasions to discuss GASB 87. Finance requested each department complete an Excel template and provide copies of lease agreements the County was either a lessee or lessor on the department was involved in. Additionally, the Chief Financial Officer and Deputy Chief Financial Officer are making note of any new leases approved during the contract approval process. A prepackaged software will not be utilized for implementation during the year ended June 30, 2022; however, the County is looking to purchase prepackaged software for future years.

7. Are there any planned computer system changes that require data migration from one system to another?

There are no planned system changes that will require data migration from one system to another.