

## Questions Independent Audit RFP PY 2025-2026

1. Since the questions related to the RFP need to be in writing by the bidders, is there going to be a name attached to those questions or will they be anonymous.

Response: *No, all questions submitted by bidders will remain anonymous. Each inquiry will be documented without any identifying information and will be addressed in accordance with the established RFP process. This ensures fairness and confidentiality throughout the bidding process.*

2. Why is the RFP process going through? Why is the board looking for new auditors?

Response: *In accordance with our governance and procurement policies, it is our obligation to provide opportunities for new auditors every four years. This requirement is part of our commitment to transparency, accountability, and compliance with established regulations. By periodically opening the audit engagement to competitive bidding, we ensure fairness in the selection process and maintain the independence and objectivity of our financial oversight. This practice is standard rotation and is not related to the performance of the current auditors, who have served effectively. Rather, it reflects our dedication to best practices and sound governance.*

3. How long have you been with your previous auditor

Response: *It is our fourth year with them.*

4. Is there anything you weren't getting from the previous auditors that you are looking for?

Response: *The auditor demonstrated strong efficiency throughout the process, which is an essential quality for this role.*

5. What is the overall organization of the accounting department? When is the year-end close typically completed? What software programs are used for general ledger accounting, grant management, donor management, payroll, etc.?

Response:

- *The fiscal team consists of the CFO, Fiscal Manager, Accountant, Fiscal Monitor, and Accounting Clerk.*
- *The year-end close is typically completed by August 31<sup>st</sup>*
- *MIP software is used for GL accounting and payroll*

6. What are the significant accounting challenges (i.e., revenue recognition, leases, grant compliance)?

Response: *N/A*

7. Are there any complicated grant restrictions or requirements? Does SELACO receive material private funding or in-kind gifts, or is funding just from the federal/state/local

governments? Are there any new grants that were awarded under new programs in the current year?

Response:

- *No complicated grant restrictions or requirements*
- *SELACO receives primarily federal and state funding*
- *SELACO received a new grant, DAEI (Disability Access, Equity, and Inclusion) for 21 months*

8. The FY24 financial statement opinion was unmodified, with no material weaknesses or significant deficiencies reported, and the single audit opinion was also unmodified with low-risk auditee status. Should we anticipate any changes in control environment or risk classification for FY25? Are there any new compliance requirements for WIOA Cluster or CDE CSPP programs that would affect major program selection or testing volumes compared to last year?

Response: *No*

9. Although no material weaknesses or significant deficiencies were reported in FY24, have there been personnel or process changes (cash management, grant accounting, procurement, time reporting/cost allocation, journal entry review) that could alter control reliance this year?

Response: *No*

10. What was the timing of the prior year audits (prelim and final)? What would be current year timing preference? Length of time onsite? Deadlines?

Response:

- *Preliminary fieldwork between May and July*
- *Final fieldwork in late August to September*
- *Current year timing preference is the same*
- *Length of time onsite is one or two weeks each visit*
- *For deadlines, refer to the schedule on page 12 of the RFP*

11. Is the audit fieldwork performed on-site, remotely or hybrid? What level of in-person presence would be desired if on-site?

Response: *Hybrid*

12. What types of meetings with committees and management are desired (i.e., weekly status calls with management, periodic board of directors and/or committee meetings, etc.)? Frequency, timing, etc.

Response: *The audit team works directly with the fiscal and compliance team, and updates are provided to the executive director as needed.*

13. Are there any issues with the current auditors (service, timing, responsiveness, accounting treatments)?

Response: *None*

14. How many and what types of adjustments did the current auditors typically have? Were there passed/posted audit adjustments in FY24 not visible in the published statements? Have any process changes been implemented to reduce audit adjustments this year?

Response: *None*

15. Do the auditors provide assistance with recordkeeping / tracking of any activity such as property and equipment or leases?

Response: *Yes, they provided assistance with the leases calculation per GASB 87.*

16. Were there any internal control recommendations, findings, questioned costs, etc. from previous audits?

Response: *None*

17. Who prepares the financial statements?

Response: *Our fiscal team drafts some financial statements, and auditors finalize them.*

18. Regarding the supplementary information required by various grants as described in Section V, subsection B of the RFP, what type of supplementary information will be needed for the FY26 audit?

Response: *The same types will be needed for the FY26 audit.*

19. What are the major objectives of SELACO? Any new strategic plans? Upcoming or current projects/campaigns/strategic planning goals?

Response: *No new plans.*

20. Have there been any expansions or reductions in service locations (e.g., Cerritos, Bellflower, Lakewood, Maywood, Norwalk, Artesia) or program scope (CSPP classrooms, workforce centers)? Are there any anticipated changes that would result in a change in audit

effort (data quality, new leases, program expansions, additional subrecipients, attendance testing volume)?

Response: *Yes, there is a new lease for youth services.*

21. Have there been any ERP or financial system changes, chart-of-accounts redesign, data warehouse, or new sub-ledger tools affecting GL, payroll, grants, or lease accounting?

Response: *No*

22. Are there any major litigation, known or suspected instances of fraud, noncompliance, or other matters we should be aware of? Have there been any investigations, whistleblower reports, or related-party transactions requiring enhanced procedures in FY25?

Response: *No*