

## **Request for Proposal for External Auditor Services Frequently Asked Questions**

Pursuant to the Request for Proposals (“RFP”) for External Auditor Services (the “Request”) dated May 9, 2022, the Connecticut Housing Finance Authority (the “Authority”) is providing answers to typical questions respondents may ask.

Question #1: How many firms have been invited to propose?

*Answer: The RFP is open to all qualified firms.*

Question #2: Is the current auditor invited to re-apply?

*Answer: In accordance with Connecticut General Statutes Section 1-127, the current auditor is not permitted to reapply.*

Question #3: Please provide the prior year professional fees and a copy of the current professional services contract for the services requested in the RFP.

*Answer: Interested firms are advised to submit fees based on its own judgment and experience.*

Question #4: Based on past audits, please provide an estimate of the audit hours.

*Answer: Interested firms should rely on its own prior experience with similar size/type clients.*

Question #5: Please provide the Federal and State Single Audit reports for FY2021.

*Answer: Copies have been provided.*

Question #6: What is the timing for issuing the prior year financial statements?

*Answer: The financial statements must be issued on or about April 7*

Question #7: What is your optimal timing for interim and year-end fieldwork?

*Answer: December is the preference for completion of interim fieldwork. Late February/early March would be the preference for year-end fieldwork.*

Question #9: Does management prepare all the financial statements, notes and supplementary information?

*Answer: Yes*

Question #10: Approximately how many and what types of audit adjusting entries were made in the prior year? Is this typical?

*Answer: There were no audit adjusting entries in the prior year. This is typical.*

Question #11: Please provide a copy of the SAS 114 letter to those charged with governance and SAS 115 management letter in relation to the fiscal year 2021?

*Answer: There were no material findings or internal control weaknesses identified during the 2021 engagement, and as a result there was no management letter issued. This is typical for the Authority. A copy of the SAS 114 will be provided to the firm appointed as the next external auditor.*

Question #12: Does management have documented internal controls for key transaction areas?

*Answer: Yes*

Question #13: How many employees are in the accounting/finance department? Please provide an organization chart of the finance area.

*Answer: There are approximately 28 finance department employees.*

Question #14: What accounting and loan IT systems do you utilize? Other financially significant systems?

*Answer: The Authority currently uses a home-grown legacy system for its general ledger and the majority of its multifamily and single-family loans servicing/reporting systems. The majority of the current finance systems were rewritten. It is our expectation to complete our parallel processing and go-live with the replacement software before December 31, 2022.*

Question #15: Do you have an internal audit function? If yes, please describe how they participate in external audit and what other key focus areas for the organization?

*Answer: Yes, the Authority has an internal audit department. They do not participate in the year-end external audit other than to provide requested documentation. They perform typical internal audit functions.*

Question #16: Were there any significant changes in operations in the current year versus the prior year including changes in policies and procedures, or personnel?

*Answer: No significant changes in policies, procedures or personnel.*

Question #17: Do you expect any significant near-term shifts in the mortgage portfolio or debt portfolio/swaps?

*Answer: To the best of the Authority's knowledge, no.*

Question #18: Do you expect any significant changes in federal funding and Uniform Guidance requirements?

*Answer: To the best of the Authority's knowledge, no.*

Question #19: Is CHFA looking for a fixed fee related to compliance auditing – if so how should we interpret the statement in the RFP “other items that may be requested by the Authority”?

*Answer: Assuming the Authority requires additional compliance auditing, interested firms can submit estimated hours and hourly rates. Depending to the complexity, the Authority will require a cap or not-to-exceed fee for each request.*