

Request for Proposal for External Auditor Services

Frequently Asked Questions

Pursuant to the Request for Proposals for External Auditor Services (the “Request”) dated May 20, 2019, 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 Request is open to all qualified firms.

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

Answer: The current auditor is permitted to re-propose.

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 A133 reporting package for FY2018.

Answer: FY 2018 A133 report has not been finalized as of yet. A copy will be provided to the firm appointed as the next external auditor.

Question #6: The prior year financial statements were issued on April 12, 2019. Is that the preferred timing to receive the signed report on the financial statements?

Answer: The financials must be released on or before the April Board Meeting (the last Thursday of the month) of each year. However, our preference is that the financial statements are issued on or before April 15.

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

Answer: November 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 2018?

Answer: There were no material findings or internal control weaknesses identified during the 2018 engagement, and as a result there was no management letter issued. This is typical for the Authority. A copy 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 about 31 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.

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 verses 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 A133/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.

Question #20: Regarding the REO properties audit, are you requiring a separate audit of the REO subsidiary financial statements? If so, are you requesting a fixed fee for these audits?

Answer: Yes, as determined by the Authority. At the present time, the Authority is not requiring one. Assuming the Authority requires a separate audit, interested firms can submit estimated hours and hourly rates. Depending on the complexity, the Authority will require a cap or not-to-exceed fee for each request.