

January 6, 2021

1. **Q. Are there any significant changes anticipated at the Consortium in the coming year that would have an impact on the audit?**  
**A:** No significant changes are expected within the consortium.
2. **Q. How long has your current firm performed the audit? Are they invited to bid again?**  
**A.** Plante Moran was the auditor for many years. They are still under contract to provide internal accounting assistance and will not be bidding this time.
3. **Q. What is the reason for issuing the RFP? Were there any disagreements with the prior auditor?**  
**A.** No disagreements. We needed Plante Moran to provide more accounting assistance than would be allowed under independence rules.
4. **Q. Why is the audit being bid out at this time, significantly past the end of the fiscal year and the deadline for submission to the Michigan Department of Treasury?**  
**A.** Due to ending our relationship with our fiscal agent, SEMCA, we were not able to complete our accounting and get ready for audit on our own.
5. **Q. How many journal entries have the auditor recommended in the past? Do you expect a similar result in the current year?**  
**A.** Prior years have varied. We expect current year adjustments will be minimal
6. **Q. For audit fieldwork, how many auditors are typically on-site and for how many days?**  
**A.** Fieldwork has historically been 2 weeks with 4 auditors in the field.
7. **Q. What is the anticipated or desired timing of audit fieldwork? With the tight deadline, how long to you expect for the Consortium to make a decision on the auditing firm and when would the records be available for audit?**  
**A.** Our single audit is due by 3/31/21. We expect to be ready for audit in early February. We understand completing the audit in such a short window will take a significant effort and will not leave much room for error. We do not expect a guarantee, but want a firm to make a good faith effort to accomplish this.
8. **Q. What were the Consortium's audit fees for the past 3 years? Did this include additional non-attest services (i.e., services in addition to financial statement audit and preparation of financial statements)?**  
**A.** Yes, previous audits have included a component of accounting assistance. This year, we have contracted with Plante Moran to provide that assistance separately from the audit. We expect this audit will be clean with minimal, if any, adjustments. As such, we are asking prospective auditors to bid based on the contents of the financial statements.
9. **Q. What is the most vital quality that you are looking for in an audit firm?**  
**A.** Responsiveness and an efficient audit.
10. **Q. What additional COVID funding did the Consortium receive from the federal government in the fiscal year that will impact the Schedule of Expenditures of Federal Awards.**  
**A.** No additional federal funding was allocated to Michigan Works Southeast for COVID based services.

11. **Q. What is the size of the accounting staff at your entity? Please describe there years of experience working with Michigan Works! Grants (i.e., WIOA, TANF, etc.)**  
**A.** MWSE's primary accounting staff have been with the organization for 4 (Fiscal Manager) and 1.2 years (Fiscal Analysis, respectively. We have contracted with Plante Moran to provide additional assistance in order to complete the FY 2020 audit.
12. **Q. Please provide a copy of the 2019 review for the Southeast Michigan Consortium's non-profit account.**  
**A.** This is a part of the normal MWSE audit, there was no additional review of the non-profit separately.

### January 7, 2021

1. **Q: Is the 3/24 date for delivery of completed audit documents firm? We are asking since the bids are due by 1/20- assuming a 30 day notification of the bid being awarded, that brings us to 2/20. A new firm would have to complete initial audit procedures, including a review of workpapers with the predecessor firm, in addition to many additional hours of work associated with a first year audit, normal audit fieldwork, meetings with management, etc. There would also be time needed for you to review and approve drafts. Theoretically that leaves the firm about 2-3 weeks of time to do all of this, which seems decently compacted and we want to ensure there is sufficient time for the audit to be completed by your deadline.**  
**A.** Our single audit is due by 3/31/21. We understand completing the audit in such a short window will take a significant effort and will not leave much room for error. We do not expect a guarantee, but want a firm to make a good faith effort to accomplish this.
2. **Q. Do you have a specific time period in mind for fieldwork or are you flexible? We (and likely most firms) have significant work already scheduled for Feb and March and we want to be sure we could accommodate you.**  
**A.** See above. Our goal is to file the single audit by 3/31/21.
3. **Q. Is there anything we should know about in regards to the reason you are going out for bid for the audit 7 months after year end? We assume if this was an RFP in the normal course of business, it would have been done much earlier, especially considering the audit reports were issued by this time last year. Any disagreements with the predecessor auditor or something similar?**  
**A.** No disagreements with Plante Moran. Due to ending our relationship with our fiscal agent, SEMCA, we were not able to complete our accounting and get ready for audit on our own. We have engaged with Plante Moran to provide accounting assistance to such a degree they would no longer be independent in order to complete our audit.
4. **Q. In your prior year's corrective action plan, SEMCA was mentioned as your fiscal agent. Is this a third party company? Are they responsible for all your accounting or is that done in-house? Please describe the relationship.**  
**A.** Southeast Michigan Community Alliance provided accounting assistance through September 30, 2019 at which point MWSE brought the accounting in-house. MWSE's primary accounting staff have been with the organization for 4 and 1 years, respectively. We have contracted with Plante Moran to provide additional assistance in order to complete the FY2020 audit.

i. **Q. If accounting staff is in house, can you describe their qualifications including how long they have been employed in this capacity with you.**

**A.** The Fiscal Manager has a background in workforce development and grants. She has been with MWSE for 4 years. The Fiscal Analyst has a MBA in accounting and experience with municipal/government accounting. She has been with MWSE since November 2020. There is also a payroll clerk and an a/p clerk.

5. **Q. Are you requesting a remote audit or will the awarded firm be allowed on site for fieldwork? If on site, what office/city will fieldwork be conducted at?**

**A.** Our accounting staff work out of our Ypsilanti location; however, this audit will need to be conducted remotely.

Regarding services to be provided:

1. **Q. The RFQ lists “Comprehensive Annual Financial Report, if required.” Are you requesting a CAFR to be completed or just the standard financial statement like in the prior year?**

**A.** Standard financial statement.

2. **Q. The RFQ lists ‘a review of... the nonprofit account.’ Can you be more specific? Is this a formal review engagement or are you using the term review in a generic way? If a generic term, what needs to be reviewed and what would we be looking for? What do you mean by ‘nonprofit account’?**

**A.** There is a separate bank account we call the “Nonprofit account”. It is part of our standard audit.

3. **Q. Just want to confirm that the SEFA will be provided to the audit firm to audit, and you would not be expecting us to complete this.**

**A.** Yes, SEFA will be prepared by MWSE and provided to auditor.

4. **Q. Regarding the single audit, based on prior years’ SEFAs, it appears there would be 3 federal grants with expenditures greater than \$750,000 that would be required major programs for the current year – TANF, Employment Services Cluster, and WIOA Cluster. Can you please confirm?**

**A.** We are still in the process of completing the accounting for the year and not able to confirm which programs will require testing.

5. **Q. How many years do you expect the contract would be awarded for? Since there is normally a lot of extra work in the first year of transition, a one year only engagement would cost significantly more on a per year basis than if you were to want a multi-year relationship.**

**A.** This current contract is a short term less than six (6) months, however, we will be putting out an RFP for auditing services for this current program year and an additional year with the option for a third year.



## Questions and Answers RFQ Audit Services – January 2021

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January 12, 2021

1. **Q. What were your audit fees annually under your current auditor?**  
**A. Approximately 25K**
2. **Q. Can you please clarify the Project Scope item #7 a “review of the Southeast Michigan Consortium’s non-profit account.” Will this require a separate report?**  
**A. There is a separate bank account we call the “Nonprofit account”. It is part of our standard audit.**