

Massachusetts School Building Authority
Request for Responses to Provide Audit Services
Addendum No. 1: Questions and Answers
MSBA-RFR-AuditServices-2023
January 30, 2023

1. **Question:** What are the expectations for the performance of the fieldwork? Any preferences to perform the work remotely, on-site or a hybrid model?

Answer: The current expectation is for fieldwork to be performed remotely.

2. **Question:** What are the most important factors that you will be considering when making your decision related to the RFP?

Answer: These factors are specified in the RFR. Additional information can be found in Section IV. and Section V. of the RFR.

3. **Question:** What are the most serious concerns affecting MSBA? What do you see as your biggest concerns within the next 3 years?

Answer: Overall, the MSBA's mission is to provide grant funding to Massachusetts communities for the construction and/or renovation of K-12 public schools and has been successful in eliminating a significant backlog of legacy projects it inherited at its inception in 2004. Current strategic planning is focused on improving its processes and maximizing the impact of its grant funding for projects and school districts across the Commonwealth.

4. **Question:** How long is each stage of the fieldwork?

Answer: Typically, preparation for the upcoming audit process commences in May/June, testing and other work continues through August/early September. The MSBA typically closes its books for the previous fiscal year in mid-August with a final audit issued by mid-October.

5. **Question:** How many people are typically in the field during each phase of the fieldwork?
- a. Interim
 - b. Year-end

Answer: Typically determined by the Audit firm.

6. **Question:** Do you typically have adjusting journal entries? If so, how many do you typically have?

Answer: The MSBA implemented an ERP system in February 2022 which has resulted in a decline in the number of adjusting journal entries. Over the past calendar year, roughly 1-3 adjusting journal entries might be needed in any month; these would be primarily related to either new activities and/or activities where processing may have changed and/or need to be adapted to processes specific to the new ERP system. The MSBA makes adjusting journal entries on a monthly basis as needed.

7. **Question:** Are there any significant changes from the June 30, 2022 financial statements that would impact the scope of the engagement?

Answer: No.

8. **Question:** Who performs the arbitrage rebate calculation?

Answer: Omnicap, the MSBA's arbitrage rebate consultant performs the arbitrage rebate calculations.

9. **Question:** Please provide a copy of the required communications letter for the audit of MSBA as of and for the year ended June 30, 2022.

Answer: The MSBA will not be providing this information in connection with this RFR.

10. **Question:** Is there anything about your current audit process that you would like to be changed in the future?

Answer: Not at this time.

11. **Question:** What are your preferences in terms of how much of the audit is performed onsite versus how much is performed remotely?

Answer: The MSBA's preference is for the audit to be performed remotely.

12. **Question:** In your most recent audit, what was the extent of audit adjustments proposed by your independent auditor and accepted by management for recognition in the financial statements?

Answer: There were no audit adjustments proposed by the MSBA's independent auditor in the most recent audit.

13. **Question:** Have there been any disagreements between management and your independent auditor during the prior three engagements?

Answer: No.

14. **Question:** What accounting software do you utilize?

Answer: Sparkrock 365/Business Central (Microsoft).

15. **Question:** Are there any significant changes in your organization (or pending changes) that will have an impact on the audit process moving forward?

Answer: Not at this time.

16. **Question:** Please provide the fees paid for audit services for each of the past three years. If applicable, please indicate if there were any billings above contracted amounts for "out-of-scope" or additional services not contemplated at contract award.

Answer: The MSBA will not be providing fee information in connection with this RFR.

END OF ADDENDUM NO. 1