

Pueblo City-County Library District  
Audit Services RFP #4-2018  
Questions & Answers

**1. Can you please provide information on the annual price for the previous audit contract?**

Cost of PCCLD 2017 audit and preparation of the 2017 990 tax return: \$25,000  
Cost of Pueblo Library Foundation 2017 audit: \$4,500  
Cost of Pueblo Library Foundation 2017 990 tax return: \$1,000

**2. Can you please provide copies of the management letter and governance letter prepared by the auditors for the 2017 audit?**

Available upon direct request via email to [sherri.baca@pueblolibrary.org](mailto:sherri.baca@pueblolibrary.org)

**3. Have there been any known instances of fraud or illegal acts during the previous three years?**

No

**4. Were there any major IT system failures or other significant IT issues noted during the previous three years?**

No

**5. Have there been any regulatory audits performed during the previous three years?**

An attestation engagement to examine PCCLD's assertions about the significant elements of payroll census data reported to Colorado Public Employees' Retirement Association (PERA) [name, payroll period, social security number, PERA-includable salary, and employee and employer contributions] was conducted for the year ended December 31, 2016.

**If so, were there any major findings or issues brought to management's attention?**

There were no major findings or issues brought to management's attention.

**6. Has the Library District engaged its auditors to perform any additional services in the past three years?**

Only the PERA attestation engagement previously mentioned

**Other than the items noted in the Scope of Work, is the Library District considering engaging its auditors to perform any additional services, such as the PERA net pension liability calculations relating to GASB 68 or 75?**

PCCLD is compliant with GASB 68. Further discussion is needed to address the provisions of GASB 75.

**7. The RFP refers to the Single Audit guidance – does the Library District anticipate exceeding \$750,000 in federal expenditures in the upcoming five year contract period?**

No, not at the current time

**8. Did the Foundation have issue separate audited financial statements for 2017 or was it just part PCCLD's financial statements? If they did, is it possible to get a copy?**

Yes, the Pueblo Library Foundation has separately issued financial statements. A copy of the 2017 audit report is available upon direct request via email to [sherri.baca@pueblolibrary.org](mailto:sherri.baca@pueblolibrary.org).

**9. May I get a copy of the 990 for the Foundation (the latest that has been prepared)?**

Yes, a copy of the 2016 Form 990 for the Pueblo Library Foundation is available upon direct request via email to [sherri.baca@pueblolibrary.org](mailto:sherri.baca@pueblolibrary.org). The 2017 Form 990 has not yet been filed.

**10. Who serves on the Audit Committee?**

Three members from the library district's board of trustees serve on the audit committee

**11. Is there a mandatory auditor rotation policy in place for the library district?**

No, there is not a mandatory auditor rotation policy in place. The library district typically follows a 5-year RFP schedule for audit services (as it does with other operating activities, i.e., janitorial, insurance broker services, etc.) However, the schedule and activities for procurement are subject to business needs.

**12. What is your process for choosing an auditor?**

As stated in Section VII of the RFP:

*An audit committee consisting of members of the Board of Trustees, along with executive leadership and designee(s) will evaluate the proposals. During the evaluation process, the audit committee and PCCLD reserve the right, where it may serve PCCLD's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. During the evaluation process, the audit committee and PCCLD may, at its discretion, request any one or all firms to make oral presentations. Not all firms may be asked to make such oral presentations.*

The audit committee recently reviewed the GFOA best practices in selecting an independent auditor which include obtaining a high quality audit at a reasonable price and to avoid focusing on price at the expense of quality.

**13. To whom has the RFP been sent?**

The RFP has been posted on the websites of the library district, CGFOA and Colorado Society of CPAs. Firms that the district staff encountered at the 2017 CGFOA annual conference were sent the RFP as were firms that district is aware has audited libraries in Colorado. The RFP was also posted on the Rocky Mountain e-Purchasing Bids System.

**14. Are any changes in operations or revenue anticipated for the library district in 2018?**

No, we anticipate our 2018 results will closely follow the district's 2018 Annual Budget which can be found at <http://www.pueblolibrary.org/about/reportsandplans>

**15. Does the library district produce the full CAFR document or is the auditor assisting with it?**

For the past few years, the audit firm has been assisting with the production of the financial statements, notes to the financial statement and RSI by using the district's financial data (general ledger). District staff have completed the CAFR by adding the additional components (Introductory Section, MD&A, and Statistical Section). It is the desire of the district to explore producing the full CAFR in coming years upon reorganizing staff workloads to accommodate the CAFR activities. The district finance team is currently working on continuous improvements in procurement, cash management, internal controls, etc.—we are adding technology to our processes and data systems.

The library district currently submits its Annual Plan & Budget and the CAFR for the GFOA's budget and financial reporting awards, for which both awards have been achieved for a number of years.

**16. How long has your current auditor been in place?**

We have had the same firm—Swanhorst & Company—as our auditor since 2013 when our previous RFP for audit services was released. Swanhorst & Company merged with Hinkle & Company late 2017, and our 2017 audit report was issued by Hinkle & Company. We worked with the (previously) Swanhorst audit team which completed the 2017 field work.