

Frankfort School District #157-C
FY 2018-2019-2020 Audit Proposal Questions –

1. Auditing standards require the auditor's to gain an understanding of the District's internal controls in order to assess the operating effectiveness and efficiency of the controls over significant process cycles. Does the District have documentation of its processes and controls over significant process cycles? Payroll, cash disbursements, cash receipts?
 - We have a new district office team and have modified several of the process that have previously been in place. As a result, we do not have documentation of our internal controls, but it is something that could be discussed during the audit process.
2. If not precluded by a rotation policy, is it anticipated that your former auditor will be proposing again?
 - It is not precluded and anticipated that our former auditor will make a proposal.
3. Is there any specific reason you are requesting proposals?
 - As the new Director of Business and Operational Services, I am requesting proposals to do my due diligence and ensure the District's contracts are meeting our needs.
4. What was the fee for performing audit services for fiscal year 2017?
 - The District paid \$18,850 for the FY17 audit.
5. From the scope of services outlined in the RFP for audit services it appears that the District requires the external auditor to prepare the financial statements. Does the District provide the external auditor with a year-end trial balance that includes all year end accrual adjustments and supporting work papers for the year end accruals? Does the District maintain work papers and schedules to assist in the preparation of the full accrual financial statements?
 - The District will provide a year-end trial balance and we will work with our auditing team to prepare the accrual adjustments based on historical trend.
6. Does the District have any large bond issuances during FY18 or anticipate any in the next two years?
 - At this time, we do not anticipate and bond issuances in the next two years.
6. How many audit adjustments were identified by the auditors in the prior year?
 - There were two audit adjustments completed last year.
8. Does the District provide capital asset records that are used in the financial statements that identify beginning balances, disposals, additions and ending balances in addition to current year depreciation expense and accumulated depreciation expense?
 - There is no software currently used for this process. As a result, we would work with our auditing team to gather the required information.
9. Does the District have any significant capital projects identified to commence in the next 2 years?
 - There are always capital projects planned within the District. We have several projects planned of approximately \$500,000 but nothing more significant, at this time.

10. Please provide us with the 2017 management letter.

- Letters are attached.

11. What is the typical fieldwork duration and normally how many auditors are in the field?

- Historically we have had two auditors out for a few days for fieldwork.

12. How does the District maintain the accounting records associated with the Agency Funds (Student Activity Funds)? Are these records maintained within the primary accounting system or are the records decentralized at the building level?

- All of the student activity fund financials are centralized in our financial software and held at the District office.

13. Does the District anticipate any significant change related to federal programs and expenditures from fiscal year 2017 levels?

- We do not anticipate any changes to federal programs at this time.

14. From the scope of services outlined in the RFP for audit services it appears that the District requires the external auditor to prepare the student activity report, is this report related to the supplemental bid for activity fund internal control procedures. Can we request a copy of this report for FY17?

- We are requesting our student activity funds be reviewed as part of the regular annual audit. Page 72 of the audit depicts the minimum required reporting, as compared to FY17. Additionally, we are requesting a separate internal control audit as an alternate. There is no historical comparison since this is the first year it is being requested.

15. Please clarify the contract terms, is the contract for FY18-FY20 (3 year contract)?

- We are requesting a three year contract for auditing services of FY18, FY19 and FY20.