

## Question & Answer

### Professional Auditing & Accounting Services RFP

**1. What do you like about the service provided by your current auditing firm? What don't you like?**

- We expect our auditor to be knowledgeable and up to date in accounting principles and practices and to share expertise with staff throughout the audit. We expect timely communication with no surprises. We require the auditor to meet the regulatory reporting deadline of April 30, 2019.

**2. Are your prior year auditors included or excluded from the current RFP process?**

- The current auditor is invited to submit a proposal.

**3. Were there any major changes in the scope of services requested in the RFP compared to the 2017 or 2018 engagements?**

- Yes, the audit that took place in 2018 for the 2017 fiscal year included services for the Department of Education and Meeting Services (“Sections”). That department was formally separated from the Bar at the end of 2017 and became a non-profit organization. Sections remained a part of the Bar until December 31, 2017, and Section funds were transferred to California Lawyers Association in January 2018. **Attachment F: State Bar Organization Structure** depicts all current departments.

**4. What is the expected timing of the audit? Typically, we break the engagement down into the following areas, when have these segments been completed in the past?**

- |  |                          |
|--|--------------------------|
| ○ Planning / Interim Fieldwork –             | October – December 2018. |
| ○ Final Fieldwork –                          | January – February 2019  |
| ○ Phone call with Audit Chair –              | February/March 2019      |
| ○ Drafts of Auditors Reports to Management – | March 2019               |
| ○ Regulatory filing deadline –               | April 30, 2019           |
| ○ Board/Audit Committee Presentation –       | May 2019                 |

**5. What were the approximate hours that the prior year auditors accrued for the entire audit? If unavailable, please let us know the number of weeks the prior year auditors were in.**

- In prior year, the audit team began in late October, 2017 with interim and worked on site through March, 2017.

**6. Is the auditor responsible for drafting the financials?**

- No.

**7. Could you please provide a copy of the most recent report(s) on the “Five-Year Internal Controls Review” for both policy and procedures review and the internal audit components, as described on pages 3-4 of the RFP?**

- The Internal Control Review of 2017 is now available as Attachment H with other attachments on the Business Opportunities webpage:  
<http://www.calbar.ca.gov/About-Us/Jobs-Opportunities/Business-Opportunities>

**8. Please specify what information is needed under Submission Requirement 3 – “most recent year’s annual reports” on page 6 of the RFP. We consider the firm’s financial statements to be confidential. Will information on the firm’s revenue history be sufficient? In lieu of the financial details in the vendor history questionnaire, will a copy of the D&B report or a letter from our bank regarding our credit history/worthiness be acceptable?**

- Headcount (staffing levels) and revenues are acceptable; a D&B report is an appreciated supplement.

**9. Please clarify whether proposals should be submitted to Keith Jenkins (page 1 of RFP) or Tamarra Brown (page 7 of RFP)?**

- Proposals should be submitted to the attention of:

The State Bar of California  
Tamarra Brown, Senior Financial Analyst  
180 Howard Street, San Francisco 94105

**10. Professional standards require auditors to retain ownership of Audit Documentation. Please confirm whether Audit Documentation is excluded from Work Product as defined under section V.E.2 (page 14) of the RFP and/or included in Third Party Materials under section V.E.4 (page 15).**

- The auditor retains ownership of the working papers. Work product does not specifically address audit documentation. If there is any discomfort with the wording, please propose a change.

**11. Attachment A “Itemized Cost Proposal” includes 3 separate columns in the hours section for the financial statements, expenditures of mandatory fees, and chargeable/non-chargeable. Please clarify if last two items are both intended to refer to the special examination under section II.D on page 3 of the RPF. If so, should the two columns be combined? If not, please specify the corresponding sections in the RPF to which each item relates.**

- The chargeable / non-chargeable column refers to the categorization of fees issued by the State Bar to attorney licensees, as defined in the Keller v. State Bar of California (1990) ruling. The assessment of these fees is part of the Expenditure of Mandatory Fees report, which is covered by the previous column. Hence, the chargeable / non-chargeable fees column is redundant and may be ignored.

**12. What were the total hours incurred/billed by your current auditors most recent audit?**

- Total hours between the years are estimated to be 521.

**13. Has your board communicated to management their desire to change auditor?**

- No, neither positive nor negative opinion of the current auditor has been voiced by the board. The Bar is required by statute to solicit bids for a new auditor every five years. The current auditor is allowed to bid, but the Bar has historically switched to a new auditor once the current contract expires.

**14. Is your previous auditor invited to participate in the RFP?**

- Yes, per the response above.

**15. Please provide copies of all reports issued in conjunction with your most recent audit.**

- Those reports are listed as Attachments in the RFP document and available on the Business Opportunities webpage: <http://www.calbar.ca.gov/About-Us/Job-Opportunities/Business-Opportunities>