

**RFP 23-005**

**Professional Auditing Services of The Retirement Systems of Alabama, Public Employees' Individual Retirement Account Fund, Public Employees' Individual Retirement Account Fund/Deferred Compensation Plan, Public Education Employees' Health Insurance Plan & Alabama Retired Education Employees' Health Care Trust for Fiscal Years 2023 through 2027**

**Questions from Vendors**

**Question #1**

Why is RSA releasing this RFP?

**Answer #1**

RSA is required to bid professional service contracts every 5 years.

**Question #2**

Does RSA have any mandatory firm rotation policies?

**Answer #2**

No, RSA doesn't not have any mandatory firm rotation policies.

**Question #3**

How long has the incumbent been serving RSA? And has the same firm conducted all of the audits included in this RFP?

**Answer #3**

The incumbent has been serving RSA for 15 years and the incumbent conducts all of the audits included in the RFP.

**Question #4**

Have you had any service issues with the incumbent firm?

**Answer #4**

No.

**Question #5**

The RFP mentions reports are due by 1/15 of each year, but it looks like the 2022 reports were issued after that date. Were there difficulties encountered associated with the audits in 2022? If so, are those expected to repeat in 2023?

**Answer #5**

There were no difficulties encountered in the audits in 2022.

**Question #6**

What information is available for testing at interim (before FYE)? What has typically been tested at interim?

**Answer #6**

RSA is open to any testing requirements for interim fieldwork.

**Question #7**

What is RSA's timeline for providing final trial balances and final ACFR/FS for each plan? What is the expected auditor involvement in the preparation of the ACFR or plan FS?

**Answer #7**

Final trial balances are staggered with the defined contribution plans ready by November 1<sup>st</sup> along with all supporting workpapers and FS. ERS, TRS, JRF, PEEHIP and PRT final trial balances should be ready by November 27<sup>th</sup> along with all supporting workpapers and FS. The entire ACFR with all sections should be ready for review by December 11<sup>th</sup>. There is no auditor involvement in the preparation of the ACFR or plan FS.

**Question #8**

Has internal audit historically provided assistance to the audit firm? If so, what was their involvement?

**Answer #8**

RSA does not have an internal audit staff.

**Question #9**

Why is RSA going out for proposal?

**Answer #9**

See answer to question #1.

**Question #10**

Is the current audit firm allowed to propose?

**Answer #10**

Yes, the current audit firm is allowed to propose.

**Question #11**

Does RSA have an internal audit department? Does internal audit provide any support to the annual audit?

**Answer #11**

See answer to question #8.

**Question #12**

What were fees paid, and the reported hours for the following 2022 and 2021? (RSA audit, PEEHIP & Retiree Trust Audit)

**Answer #12**

RSA is not releasing this information.

**Question #13**

What were the fees paid, and the reported hours, for the following 2022 and 2021? (TRS, ERS, JRF and PEEHIP Retiree Trust Specified Element Reports)

**Answer #13**

RSA is not releasing this information.

**Question #14**

Were there any adjustments proposed by the auditors in FY 2022?

**Answer #14**

No adjustments were proposed by the auditors in FY2022.

**Question #15**

When did the interim fieldwork occur? How many auditors were out in the field during final fieldwork? For how many days?

**Answer #15**

RSA will schedule interim fieldwork with the auditor and based upon the work to be done at interim the auditor would provide appropriate staff.

**Question #16**

When did final fieldwork occur? How many auditors were out in the field during final fieldworks? For how many days?

**Answer #16**

Final fieldwork can begin based upon the answer to question #7.

**Question #17**

How soon after year end can the auditors be in the field?

**Answer #17**

Final fieldwork can begin based upon the answer to question #7.

**Question #18**

When will the financial statements be available to the auditors to review?

**Answer #18**

Please see answer to questions #7.

**Question #19**

Does RSA contemplate updating / changing information technology systems that are integral to the financial statements of DRS during the period of performance? What systems are currently in place for accounting and recordkeeping?

**Answer #19**

RSA will not update or change IT systems that are integral to the financial statements. RSA utilizes the State of Alabama STAARS system for its general ledger.

**Question #20**

If RSA could change one thing about the audit process, what would that be?

**Answer #20**

We have a very efficient audit process.

**Question #21**

What are the key qualities the RSA is expecting from their auditors outside the regular audit?

**Answer #21**

To be available for any questions that might arise.

**Question #22**

What is RSA's process to value the real estate holdings? How often is the real estate portfolio valuation performed?

**Answer #22**

Annual appraisals are performed by a seasoned national real estate appraisal company.

**Question #23**

How many employers were selected by the current auditor for census data testing during FY 2022 and FY 2021 for the following? (TRS, ERS, JRF and PEEHIP Specified Element Report)

**Answer #23**

The following web address will point you to the GASB 68 and GASB 75 reports: <https://www.rsa-al.gov/employers/financial-reports/gasb-68-reports/> . Included you will find an "Overall Memo" what will indicate how employers were selected for testing. Please read the "Overall Memo" for each TRS, ERS, JRF and PEEHIP.

**Question #24**

Is it expected that the census testing would be performed onsite or is remote testing acceptable, assuming all data is transferred via a secure site?

**Answer #24**

It is your preference.

**Question #25**

How much is expected of the auditor to assist and/or prepare the information communicated to the employers pertaining to the census audit?

**Answer #25**

RSA employs an actuarial analyst who will handle the census gathering.

**Question #26**

Where there any findings during the census data testing that were considered significant for 2022 and 2021? If so, how were the findings resolved?

**Answer #26**

There were no findings during the census data testing.

**Question #27**

When was the census data testing performed for the FY 2022 GASB 68 and 75 allocation reports?

**Answer #27**

Most was done during audit fieldwork.

**Question #28**

Can you please provide the fees for the past three years?

**Answer #28**

Please see answer to question #12.

**Question #29**

Do you have any out-of-scope fees charged outside of the contract and what were they for?

**Answer #29**

There were no out-of-scope fees.

**Question #30**

How many adjustments were made by the auditors each of the past three years?

**Answer #30**

There were no audit adjustments in any of the past three years.

**Question #31**

In RFP section titled, *F. Proposal Timetable* it states, "In addition to the six physical copies of your proposal, you must provide your proposal in electronic format. We also request a redacted physical copy and in electronic format." Can you please clarify if you would like firms to submit the electronic submission via email or USB?

**Answer #31**

Please submit the electronic submission via USB.

**Question #32**

How many years has RSA been using the current audit firm (Carr, Riggs & Ingram, LLC)?

**Answer #32**

Please see answer to question #3.

**Question #33**

Were there any issues with the prior auditors?

**Answer #33**

There are no issues with prior auditors.

**Question #34**

Have there been any major changes from the prior year or are there any circumstances or issues of which we should be aware?

**Answer #34**

There have been no changes from prior year and there aren't any circumstances or issues about which you should be aware.

**Question #35**

Has RSA evaluated the impacts of GASB 87 Leases and GASB 96 for the plans and the separately issued statements?

**Answer #35**

RSA evaluated GASB 87 and determined that since we do not lease anything, it does not apply. We are in the process of evaluating GASB 96 as it would be applicable for FY2023.

**Question #36**

Could you provide the separately issued statements for the PEIRAF, RSA-1, PEEHIP and Retiree Trust?

**Answer #36**

All separately issued statements can be found at this location: <https://www.rsa-al.gov/employers/financial-reports/> .

**Question #37**

Does RSA have any legal concerns that could impact these plans?

**Answer #37**

RSA does not have any legal concerns that impact these plans.

**Question #38**

Has RSA had any issues with investments (impairment, assets being hard to value, etc.)?

**Answer #38**

RSA has not had any issues with investment valuations.

**Question #39**

What potential first year challenges might arise when performing this audit?

**Answer #39**

We are not aware of any first year challenges.

**Question #40**

When is RSA typically ready for the auditors to begin fieldwork? Does RSA have a preference with their auditors being on-site or working remotely?

**Answer #40**

Please see answer to question #7. RSA prefers onsite for the auditors.

**Question #41**

How many journal entries does RSA have after providing the trial balances to the auditors?

**Answer #41**

RSA does not have any journal entries after providing the trial balances to the auditors. However, if something came to our attention, we would have to make an entry and we would update all appropriate schedules.

**Question #42**

How many auditor proposed journal entries did RSA have last year?

**Answer #42**

RSA did not have any auditor proposed journal entries last year.

**Question #43**

What were the audit fees for each of the last 2 years? Were there any other additional fees charged by the auditors, and, if so, what for and how much?

**Answer #43**

Please see answers to questions #12 and #29.