

Harambee Institute of Science and Technology Charter School

18-19 Audit RFP Q&A

1. **What is the reason for issuing the RFP?**
Best practices for the organization to demonstrate due diligence.
2. **Are your prior year auditors included or excluded from the current RFP process?**
Prior year auditors are not excluded.
3. **What do you like about the service provided by your current auditing firm?**
Experience.
4. **What is your relationship with the current auditor? Have there been any disagreements in the past? How long has the School worked with the current auditor?**
Current firm does not have any personal or business relationships with any board member or management team member. No disagreements in the past. The school has worked with the current firm for over five years.
5. **Will the selected proposer be granted access to the predecessor auditor working papers or will the School obtain copies of key working papers on our behalf?** *Access to work papers will be provided by auditors.*
6. **What improvements would you like to see with your next audit firm?** *The school would like to have the audit complete by Dec. 31st.*
7. **What is the School's budget for the FY19 audit?** *Assume zero-based budgeting approach.*
8. **What were the fees for the previous audit? Please identify the audit fees for each audit/task. Make your assessment on comparable engagements that your firm has performed.**
9. **How many auditors were onsite by week for both interim testing and final fieldwork?**
Two for one week.
10. **How many hours were proposed by the previous contractor for completion of the audit? How did this compare to the actual number of hours incurred?** *Make your assessment on comparable engagements that your firm has performed.*
11. **Were there any major changes in the engagement requested in the RFP compared to last year's engagement?**
No.
12. **Does the School have any concerns or reservations about changing auditors?**
No.
13. **Did the School contract with its current auditors for other services outside of financial and compliance audit services?**
No.
14. **Who prepares the financial statements?**
The school.
Updated response:
** The auditor has prepared the financial statements in the form that they are eventually issued in the audit report including the note disclosures.*
15. **Did the School have any specific concerns over the financial statement disclosures or controls from the previous year's audit?**
No.
16. **How many audit adjusting entries were made during the prior year audit?**
None.
17. **Has the School issued any new debt or does it intend to issue new debt in FY 2019? If so, did this result or would result in the defeasance of old debt? Have there been any violations of debt covenants during the year?**

No new debt in 2019. No violations of debt covenants.

18. Have there been any changes in key management during the 2019 fiscal year?

No.

19. Are there any major operational or other significant changes (e.g. internal control) anticipated for Harambee that would impact the 2019 audit? *No.*

20. Has Harambee been involved in (or currently involved in) any litigation that is deemed to be unfavorable?

No.

21. How many adjusting journal entries were proposed and recorded during the most recent audit (2018)? What was the nature of these entries? *No adjusting JE's.*

Updated response:

* There was one audit adjusting entry and 6 entries to record the pension and OPEB adjustments

22. We noted that for the last 3 audit cycles the submission of the audit report was subsequent to the statutory due date (FY 18 submitted 2/20/19, FY 17 submitted 2/23/18 and FY 16 submitted 1/9/17). Can you explain why this has been the case? *Scheduling issues.*

Updated response:

* FY 2016 - time needed to resolve open items

* FY 2017 - time needed to resolve open items including adjustments required for bond issue

* FY 2018 - audit had to be rescheduled due to internal system issue for time needed to re-enter lost data from school network

23. What is the specific role that the CFO plays in the audit process and what is the nature of the support that has been historically provided? *CFO with support of the site accountant prepares audit schedules, reconciliations, and financial statements in the audit process, and is the lead contact with audit firm.*