

Massachusetts School Building Authority
Request for Responses to Provide Financial Audit Support Services
Addendum No. 1: Questions and Answers
MSBA-FinancialAuditSupport-24
April 26, 2024

1. **Question:** What is the composition of the current MSBA accounting team? Who will oversee the contractor's work?

Answer: The MSBA accounting team is comprised of the Director of Audit (lead) with assistance from the CFO as needed. Otherwise work during the course of the Audit is delegated to staff within Finance as relevant.

2. **Question:** When does MSBA anticipate issuing the final FY24 financial audited financial statements?

Answer: Near final draft is due to the Commonwealth's Comptroller by October 15th. Issuance of the final audited financial statements anticipated October/November 2024.

3. **Question:** What is the status of the current year-end preparations for FY 24 year end and the target date for providing materials to the auditors? When will audit fieldwork be performed?

Answer: The MSBA is underway with current year-end preparations and is currently working with its auditor to determine the schedule for the FY24 audit. The MSBA anticipates the work with the auditor will commence in July with work finalizing all items extending through approximately calendar year-end 2024.

4. **Question:** Who at MSBA will be responsible for reviewing contractor's recommended changes or corrections to journal entries reviewed, as well as be responsible for posting entries?

Answer: The MSBA's Director of Audit, with assistance from the CFO, will be responsible for reviewing contractor's recommended changes or corrections to journal entries reviewed, as well as posting the entries.

5. **Question:** Page 8 of the RFR states "The Respondent's Cost Proposal must provide not-to-exceed Lump Sum Prices for each of the specified tasks and hourly rates which the MSBA may choose to pay the Respondent for the completion of any tasks that are requested by the MSBA." Does the term "specified task" in the context of the not-to-exceed lump sum price apply to each of the lettered tasks listed under Accounting Services, Audit Assistance, and Finance Unit Resource Assessment and Operational Processes? Or, does the not-to-exceed lump sum amount apply to the high-level task (i.e.,

Accounting Services, Audit Assistance, and Finance Unit Resource Assessment and Operational Processes)?

Answer: Not-to-exceed amount applies to the overall contract for Accounting Services, Audit Assistance and Finance Unit Resource Assessment and Operational Processes, inclusive of all specified tasks.

6. **Question:** What ERP system is used?

Answer: The ERP system used is called Sparkrock, which is a third-party application built upon a Microsoft Office 365 platform.

7. **Question:** How many bank accounts are maintained?

Answer: There are approximately 30 bank accounts, the majority of which are related to outstanding bond issues.

8. **Question:** Do you anticipate the services to be performed remotely, onsite, or a hybrid?

Answer: The MSBA anticipates the services will be substantially provided remotely. The selected Respondent may need to attend regular monthly in person meetings. Some tasks may also require onsite work.

9. **Question:** What is your expectation of the hour commitment related to the three (3) components (Accounting Services; Audit Assistance; and Finance Unit Resource Assessment and Operational Processes)?

Answer: The MSBA expects Respondents to develop a budget that includes a lump sum amount based on the Respondent's experience with similar engagements.

10. **Question:** Who will we directly report to?

Answer: MSBA's Director of Audit

11. **Question:** Who has final decision making regarding accounting and financial reporting processes?

Answer: The Director of Audit in conjunction with the Chief Financial Officer. Depending upon the nature of the accounting and/or financial reporting processes, the CFO may also consult with the Executive Director for final decision-making.

12. **Question:** Are you able to share the proposed budget for this engagement?

Answer: The MSBA will not be providing budget information in connection with this RFR.

13. **Question:** Where did the need for this service arise? Is there an incumbent currently providing these services? If so, are they allowed to propose?

Answer: The MSBA does not currently have a contract for these services so there is no incumbent. Based on staffing transitions and additional activity, the MSBA is seeking these services.

14. **Question:** Can you please provide a copy of your fiscal year 2023 audited Financial Statements and Required Communications Letter?

Answer: This information is publicly available and accessible via the MSBA's website (link to Investor Relations).

15. **Question:** What are the three biggest challenges affecting the MSBA?

Answer: Challenges affecting the MSBA include meeting the need for improvements to public school facilities throughout the Commonwealth and staffing to support growth in MSBA's capital grant program to help meet this demand.

16. **Question:** Has there been any turnover in the accounting functions in the last two years?

Answer: Yes.

17. **Question:** Have there been any disagreements between management and your independent auditor during the prior engagement?

Answer: No.

18. **Question:** That general ledger system is used by the MSBA?

Answer: The MSBA's general ledger system exists and is maintained in its ERP system.

19. **Question:** For the adoption of GASB 87, Leases and GASB 96, SBITAs, did the MSBA perform the determinations and calculations in-house? Was a software used for the calculations?

Answer: Calculations related to GASB 87 and GASB 96 were performed in-house.

20. **Question:** Is it possible to extend the proposal deadline of May 1st?

Answer: Please see Addendum No.2. The MSBA has extended the deadline to May 6, 2024 at 2:00 P.M.

END OF ADDENDUM NO. 1