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**RE: City of Helena, RFP for Audit Services
Answers to questions from RFP respondents**

MaherDuessel Responses:

1. Can you provide an update on the status of the 2022 audit engagement?

The City of Helena is expecting a response from our current audit firm by the end of April. The City submitted its Draft ACFR to the audit firm at the end of February and due to staffing shortages at the CPA firm, their final review of our ACFR has been delayed.

2. Can you disclose why the audit and ACFR are delayed in being issued?

The City of Helena experienced extensive staff turnover in 2019 and 2020 leaving the Finance Director position open for two years. Long-time staff left the organization including the Controller. New accounting staff were hired in 2019 but were unfamiliar with government accounting standards or reporting which delayed the FY20 and FY21 audits. We have also experienced staffing shortages impeding our ability to complete the ACFR on time but have made progress each year since my arrival.

I was hired in December 2020 and have made progress in stabilizing the Finance Department. We recently filled our accountant position and are now fully staffed in the accounting division positioning us well with fulfilling our responsibilities in a timely manner for our FY23 audit.

3. Is your current auditor being invited to bid?

Yes.

4. How many audit adjustments were made last year and to what did they relate?

Three adjustments were made for Fiscal Year 2021 audit:

- 1) Fixed Assets 2) Debt Service 3) Compensated Absences

5. Are there any known or anticipated findings to be included in the 2022 Single Audit?

No.

6. Have there been any significant operational/personnel changes to the finance staff recently?

See comments in #2.

7. Does the City prefer that the audit be performed on site, fully remote, or a combination?

The City of Helena has no preference as to the location the audit is performed and can accommodate remote work.

8. Have you issued or refunded any debt during the year?

The City of Helena has drawn down on DNRC water bonds.

9. Who prepares the statistical schedules?

The accountant and the organization controller. Finance Director reviews.

10. With the deadline of a draft report by December 1st for the ACFR, when will the finalized trial balance be prepared and available to the auditors?

No later than September 30, 2023.

EideBailly Responses:

1. Why is the City going out for audit?

The City of Helena Commissioners recommend an RFP for audit services be conducted every three years.

2. a) Were there any issues with the current auditor?

No. We have enjoyed working with our current auditors.

b) Do they intend to propose again?

Due to staffing shortages, the current auditor will not be submitting a proposal.

3. With regards to the City's Finance Department, can you provide length of service, background, and depth of government experience for each key member?

The Finance Director is a Certified Public Finance Officer and has been working in local government for nine years. Two and a half years as Director of Finance for the City of Helena; over one year as Accounting Manager for the City of Poulsbo, WA and over five years as Finance Manager for the City of Port Townsend, WA. Prior to that, 20+ years in non-profit and healthcare finance.

The Controller has an inactive CPA license and has been working in local government accounting for 3 ½ years at the City of Helena. Prior to the City of Helena, the Controller has an extensive background in accounting for over 20 years.

The Accountant has worked in local government for five years at the City of Boulder, MT as the Clerk/Treasurer prior to joining the City of Helena in April.

4. Who are the members of the City's audit committee?

Three of the five elected officials for the City of Helena. They are currently Commissioner Emily Dean, Commissioner Melinda Reed and Commissioner Sean Logan.

5. Were there any journal entries discovered by the auditors during the 2022 audit process?

In FY21, there were three audit entries required. Since the 2022 audit has not yet been completed, the City is not able to provide this information.

6. a) Have there been any significant changes in key staff in the past year that would affect the 2023 audit? No.

b) Is any anticipated turnover during the proposed three-year audit period known at this time? No.

7. a) Are there significant changes in federal funding anticipated for 2023? No.

b) How many federal programs are expected in 2023? Approximately 10 to 15.

c) Were there any findings that will require follow-up? No.

8. Outside of the audit process, what does the City find/define value from its auditors?

Based on GAAP and GASB rules/regulations, the City of Helena values communication as a key factor in working with the auditors. The City desires to be able to ask the auditor clarifying questions on implementing new GASB standards so that we are in compliance with reporting requirements.

9. a) Were there any major audit issues identified for 2022?

As of this writing, we have not heard from our auditors whether or not there were any issues with our ACFR report. All audit questions on our trial balance have been addressed. There may be possible adjustments to our lease accounting entries as FY22 was the first year we implemented GASB-87.

b) Are there any anticipated ones for 2023? No.

10. What part of the audit process would the City like to improve over the past audits?

Overall, the City of Helena has been pleased with how previous audits have been conducted.

11. What transition issues would the City be concerned about if the audit is awarded to new auditors?

The two main concerns for engaging a new auditor include: 1) the transference of historical data; and 2) educating new auditors on city services.

12. Assuming each bidder's proposed fees are equal, what is the next most important thing to the City? Timeliness of service(s) and frequent feedback throughout the audit process.

13. What were the fees for the prior year audits for the City?

Amounts quoted in the prior RFP were as follows:

FY2020: \$39,150

FY2021: \$40,000

FY2022: \$40,800

14. a) Through implementation of GASB-98 Leases, how many contracts were identified as applicable?

I. Three as Lessee (Copier Leases)

II. Two as Lessor (Land lease and Parking Garage Lease)

b) How many contracts were excluded? Fifteen (15)

15. How many Subscription Based Technology Arrangements does the City anticipate are applicable to GASB-96 for the 2023 implementation?

The City has identified the following subscription based technology agreements at potential agreements that will be reported under GASB 96: Tyler Technologies (City wide ERP); Records Management System at the Police Department, Records Management system for the Fire Department, Karpel Software for our City Attorney's office, Transit system Ride software, HR recruitment software; website services, and our public works Waste Works software.

16. a) Does the City have any Private-Private or Public-Private partnerships applicable to GASB-94? No.

b) If so, how many do you anticipate having for the 2023 implementation? N/A.

17. Did the City early implement any GASB standards during FY23? No.

18. a) What single audit programs were identified as major programs during the 2020, 2021, and 2022 audits? American Rescue Plan Act, (ARPA), and Coronavirus Aid, Relief, and Economic Security, (CARES).

b) Are federal dollars expended in FY23 expected to be consistent with prior years?

No, federal dollars are anticipated to decrease.

19. For remote work, can the City provide access to the accounting system remotely?

Yes, the Finance Department will work with our IT department to provide access. It may be where the IT department has to send a laptop with a VPN access.

20. If the team is a remote team, can the City be flexible in having Council meetings via Zoom, Teams, or other similar platforms? Yes, all of our Commission Meetings have an option for a ZOOM link.