

**State of Nevada – Uniform Guidance Single Audit RFP  
Questions and Answers**

2/7/2022

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1. As the fiscal year 2021 audit is still on-going, how much will this affect the timeline for the fiscal year 2022 audit? Can you provide likely interim and final fieldwork timing for the fiscal year 2022 audit of the State's Annual Comprehensive Financial Report (ACFR)? Can you provide the likely timing for the major federal programs work for the Single Audit?

*Historically, internal control work is done in May and June. In some instances, certain compliance testing may be performed shortly before or after fiscal year-end, depending on agency availability. The majority of auditing is performed from November through February. However, these timelines have been extended for fiscal year 2021 due to various factors, including the effects of the pandemic and staffing concerns impacting various agencies' abilities to provide audit testing support in the anticipated timeframes.*

*For fiscal year 2021, the ACFR deadline has been extended to February 28, 2022, and the Single Audit report to March 15, 2022. It is our understanding that these types of delays are anticipated to continue for at least a couple years. These delays are the result of various factors that have impacted agencies' and the State Controller's Office's abilities to complete the work necessary to meet the targeted deadlines detailed in the RFP. The ACFR is dependent upon agencies correctly entering data into the state accounting system. Correcting errors in this data prolongs the completion of the state's financials. Other factors include the high turnover in state agencies and the State Controller's Office, inexperienced and new accounting staff, and the additional responsibilities associated with pandemic related federal funding transactions.*

2. Are there improvements that you would like to see made in the overall audit process, timing, communication, other areas?

*Communication is of the utmost importance with our single audit contractor. We would like to continue this philosophy by continuing to receive ongoing communication regarding any issues or circumstances that may affect the timing and results of the audit. Additionally, a physical presence at state agencies is important. For instance, 75% of the documentation provided to the current auditors by the State Controller's Office has been in hard copy form on-site. While the remaining electronic documentation can be obtained remotely, some challenges have occurred using a VPN to access data remotely. Hence, having a physical presence at state agencies has been an important factor in the timely completion of the required work.*

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3. Can you provide a listing of major programs that are being audited for the fiscal year 2021 single audit?

*It is our understanding that the following major programs are being audited during the fiscal year 2021 audit:*

<i>CFDA #</i>	<i>Program Title</i>
<i>10.542</i>	<i>Pandemic EBT Food Benefit Program</i>
<i>10.551/10.561</i>	<i>SNAP Cluster</i>
<i>10.553/10.555/10.556/10.559</i>	<i>Child Nutrition Cluster</i>
<i>10.557</i>	<i>Special Supplemental Nutrition Program for WIC</i>
<i>17.225</i>	<i>Unemployment Insurance</i>
<i>21.019</i>	<i>Coronavirus Relief Fund</i>
<i>21.023</i>	<i>Emergency Rental Assistance</i>
<i>84.010</i>	<i>Title I Grants to Local Education Agencies</i>
<i>84.027/84.173</i>	<i>Special Education Cluster</i>
<i>84.425</i>	<i>Education Stabilization Fund</i>
<i>93.323</i>	<i>Epidemiology and Laboratory Capacity for Infectious Diseases</i>
<i>93.568</i>	<i>Low Income Energy Assistance</i>
<i>93.575/93.596/93.489</i>	<i>CCDF Cluster</i>
<i>93.658</i>	<i>Foster Care _ Title IV-E</i>
<i>93.767</i>	<i>Children’s Health Insurance Program (CHIP)</i>
<i>93.775/93.777/93.778</i>	<i>Medicaid Cluster</i>
<i>97.036</i>	<i>Disaster Grants-Public Assistance</i>
<i>97.050</i>	<i>Presidential Disaster Assistance</i>

4. Do you expect significant changes to the number major programs during the audit periods included in the RFP?

*While we cannot predict the number of major programs in fiscal years 2022-2025, historically there were 13 major programs in fiscal year 2018, 17 in fiscal year 2019, 15 in fiscal year 2020, and 18 anticipated in fiscal year 2021.*

5. Are audit request items available electronically? Including access to general ledger detail, supporting schedules, supporting invoices/contracts/etc.? Have processes and controls changed with the COVID-19 impact or how might the auditing process be different for the 2022 audit?

*State agencies have been able to provide the current auditors with some electronic documentation; however, obtaining supporting documentation strictly electronically has not proven to be the most efficient method. The State Controller’s Office has established controls relating to certain electronic*

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*processes developed in response to the current work environment. While COVID-19 has impacted state agency operations, we cannot provide specific details as to how each agency has modified operations due to work from home or other situations. Currently, we cannot provide definitive answers as to when or how agencies might operate in the future (work from home or some combination of office and work from home). All of these factors could impact audit operations in any given year. Each firm will need to decide how this uncertainty should be incorporated into their proposals.*

6. How many hours are typically spent on your audit and how much time was spent on site?

*As stated in the RFP Supplemental Information, the total audit hours for fiscal year 2020 was 6,363. This was considerably higher than fiscal year 2019 hours of 4,312. Fiscal year 2019 hours were relatively consistent with prior years, but fiscal years 2020 and 2021 were impacted by COVID-19 with a majority of the work being done remotely. For fiscal year 2021, the auditors are trying to work onsite or a hybrid of on-site/remote. Work on-site has been more efficient than trying to perform work remotely and our preference is that firms be on-site to perform work when necessary.*

7. Are there any State required procedures or reports that must company [sic] the financial statements?

*All work required is detailed in the RFP and by the incorporated standards and guidance. Any work not specifically stated or disclosed in the RFP is not required to be completed under this contract.*

8. How long after year-end does it take to close your books and be ready for the audit?

*The State's fiscal year ends June 30. Accounting close out procedures are usually done in late September and October. See question #1 for the typical audit work timeline and explanation of anticipated delays.*

9. Is a draft of the ACFR available at the beginning of final fieldwork? If not, when is it typically available?

*The ACFR is generally completed in sections, funds then government-wide financials. For fiscal year 2021, completed funds are being provided to the auditors individually, upon completion, up until as late as February.*

10. When is a preliminary draft of the SEFA available?

*For fiscal year 2021, the preliminary draft of the SEFA was completed at the end of October, early November, with the final version anticipated to be completed in mid-February. Significant changes have occurred between the initial draft and the final version of the SEFA, potentially impacting major program determinations.*

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11. We noted qualified audit opinions related to inventory audit evidence. Do you expect to continue to have qualified opinions in 2021 and going forward?

*We cannot predict the extent to which state agencies will perform corrective action or whether additional non-compliance will be discovered at a level requiring qualified opinions on any given matter. The best predictor of matters that continue to be problematic and whether they are adequately corrected is a review of the Single Audits completed in the past several years.*

12. Does the State require any assistance in the preparation or formatting of the ACFR? If so, please provide some examples of how the auditors have assisted.

*The State Controller's Office prepares the ACFR and associated notes, with recommendations or suggested changes provided by the auditors. The Single Audit is compiled by the auditors using the ACFR and making presentation adjustments. Current auditors assist in formatting the SEFA, Notes to the SEFA, and the Status of Prior Year Findings. Additionally, the current auditors assist the State Controller's Office in reviewing bond issuance statements and provide consent letters.*

13. Have your current auditors utilized any work performed by internal audit? If so, can you provide examples?

*Current auditors review the work performed by internal audit for their risk assessment; however, they do not rely on internal audit's work. Also, internal audit work is not typically related to financial statement or federal compliance matters.*

14. Are there any known significant transactions or activities planned for the future periods that should be considered in our proposed fee structure?

*State information systems tend to be upgraded and replaced as funds become available. Any system significant to the state's accounting structure or compliance programs could affect auditing in any given year. For instance, as stated in Section II.E.15. of the RFP, the existing state's financial, human resource, and payroll information systems will be replaced with a new system by July 2023. The system update process could continue for a period of time. Additionally, the Department of Employment Training and Rehabilitation is planning to update its system in the near future.*

15. What were the fees charged for the 2020 and 2019 services listed in the RFP? Were there any additional audit fees billed last year pertaining to services provided outside the scope of the services listed in the RFP? If so, can you provide a list of services and additional fees pertaining to those services?

*The total fees related to all audit services were \$576,000 and \$611,000 for fiscal years 2019 and 2020. No other services were provided outside the scope of the Single Audit contract.*

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16. Can you provide a fee breakdown between the cost of the audit of the ACFR and the cost of single audit for FYE 2020 and 2021?

*The current fee structure does not have different rates for financial and compliance work; although, the following is a breakdown of hours over the last three years:*

- *Fiscal Year 2018 – Total hours 4,496: Financial 1,347 hours & Compliance 3,149 hours*
- *Fiscal Year 2019 – Total hours 4,312: Financial 1,607 hours & Compliance 2,705 hours*
- *Fiscal Year 2020 – Total hours 6,363: Financial 2,581 hours & Compliance 3,782 hours*

17. The RFP requests an all-inclusive price. If the number of major programs changes significantly from year to year how has this impacted price in prior years? For example, would it be acceptable to include a price for up to 12 major programs and if there are more than 12 change [sic] for each additional major program?

*As stated in the RFP Section III.K., the cost for performing the audit is all-inclusive and must be detailed as shown in Appendix A of the RFP. If a fee is proposed based on a specific number of programs, or some other quantitative factor with additional fees suggested outside of that number, the proposal will not be considered and may be disqualified in its entirety.*