



NEW MEXICO
FINANCE AUTHORITY

**QUESTIONS & ANSWERS TO
REQUEST FOR PROPOSALS**

EXTERNAL AUDIT SERVICES

DATE ISSUED: April 23, 2021

Question: Is the current/former auditor allowed to propose?

Answer: Yes

Question: Were there any journal entries discovered by the auditors during the 2020 audit process?

Answer: No

Question: How many auditors and how many days were the auditors in the field for interim and final fieldwork?

Answer: 3 auditors, all online; I don't know how many days they booked solely for field work

Question: What is the Finance Authority's preferred timing for the audit?

Answer: Complete and exit conference in late-September

Question: Were there any major audit issues identified for 2020? Any anticipated ones for 2021?

Answer: Major issues (not problems) were the migration to a new loan servicing software that also serves as a sub-ledger

Question: What part of the audit process would the Finance Authority like to improve over the past audits?

Answer: Complete the full exercise one week earlier

Question: What transition issues would the Finance Authority be concerned about if the audit is awarded to new auditors?

Answer: That the new auditor would understand our multi-fund financial structure and how we operate

Question: Are there any significant changes in federal funding anticipated for 2021?

Answer: No, but we will be adding a new federal program (CARES) requiring a single audit also known as the Small Business Recovery Grant Program

Question: Assuming each bidder's proposed fees are equal, what is the next most important thing to the Finance Authority?

Answer: Demonstrated ability to understand how a municipal finance agency operates

Question: What were the fees and hours for the 2020 and 2019 audits?

Answer: Contracted amounts for audit services: FY19 \$130,385, FY20 \$139,175 inclusive of tax.

Question: What is the fee breakdown of the PY audit contract?

Answer: For audit services: Financial audit statement - \$114K, Federal Single Audit - \$11K excluding tax

Question: What is most important to NMFA?

Answer: Timely completion of the audit and review of our CAFR (i.e. exit conference in late-September)

Question: Was there a change in Federal Programs from the PY?

Answer: Yes, new federal program (CARES), also known as the Small Business Recovery Grant Program

Question: What was the composition of the audit team in PYs, how many auditors onsite and for how long?

Answer: Managing auditor, 2 auditors, and partner No work was performed onsite in 2020.

Question: How much time has the audit team spent on-site or dedicated specifically to the NMFA audit during prior year audits?

Answer: All online last year

Question: What is NMFA's expectation of the auditor with respect to working in-person vs. remotely/electronically?

Answer: Onsite not required, but we can accommodate if necessary. And as allowed per State requirements due to Covid-19.

Question: What parts of the audit generally cause the most challenge or difficulty?

Answer: No aspect is more challenging than any other, but know that there are many funds, and an operating fund, and an extensive relationship with a trust bank

Question: Has the NMFA taken action to prepare for the implementation of GASB 84?

Answer: Yes

Question: What is the reason for the audits going out to bid?

Answer: Required pursuant to NMFA Procurement Policy.