

Questions and Answers RFP No. 2025-GA-04 for Audit Services

1. What is the reason Mass Tech is requesting a proposal for audit services (rotation cycle, desire to change independent audit firms, etc.)

**In accordance with Mass Tech's procurement policies and procedures, Mass Tech periodically rebids the services.**

2. Was a management letter issued with the audit for either of the past 2 fiscal years? If so, could we be provided with the management letter?

**Yes, in FY23; see audit posted on our website under annual reports.**

3. Could you please provide the audit fees for fiscal year 2024 audit?

**\$91,500, including the single audit fee.**

4. Has the fiscal year 2024 audit been completed? If yes, could you provide a copy of the fiscal year 2024 audit? If it is not completed, is there a reason for any delay or what is the anticipated completion date?

**Yes; see audit posted on our website under annual reports.**

5. What is your desired timeline for future audits?

**October 31<sup>st</sup> completion/audit report issued.**

6. What is Mass Tech's expectation/preference of audit work being performed remotely versus on-site?

**No preference.**

7. Did you have any disagreements with the prior year auditor about accounting principles, proposed adjustments, audit scope, auditing procedures, or other significant matters?

**No.**

8. Do you expect any significant changes in fiscal year 2025, 2026, or 2027 from the fiscal year 2023 audit report? For example, any new significant changes in operations or major new programs?

**No.**

9. What financial systems and software do you currently use?

**MIP Fund Accounting.**

10. Are there any specific improvements Mass Tech Collaborative would like to see in the audit process?

**MassTech is generally satisfied with the current audit process but recognizes areas for improvement. For instance, streamlining the flow of work after fieldwork is completed could help ensure timely issuance of the final audited financial statements.**

11. The RFP states that Mass Tech Collaborative is expected to have two (2) federal grants that will need to be audited as part of the “Single Audit” for fiscal year 2025. Approximately how many federal grants are expected to be audited for fiscal years 2026, 2027, 2028 and 2029? If unknown, what approach should bidders take when estimating “Single Audit” fees for fiscal years 2026, 2027, 2028 and 2029?

**We expect that 2-3 federal programs will require auditing each year. Bidders are requested to provide a fee estimate per program.**

12. What portions of the audited financial statements does Mass Tech Collaborative prepare?

**Mass Tech directly prepares the MD&A, the financial statements, and the footnotes.**

13. Has your current audit firm issued any “Management Letter” reports during the past 3 years? If so, please provide electronic versions of such reports (or provide access through your website).

**See audits posted on our website under annual reports.**

14. What Accounting Information System software program is utilized by Mass Tech Collaborative?

**MIP Fund Accounting.**

15. Did your June 30, 2024 audit include Information Technology (IT) specialists on the audit team that performed inquiries and tests specific to your IT networks, servers and accounting information software programs?

**No.**

16. Please provide a summary of audit fees for the following fiscal years:

**Including the single audit fee,**

- a. Audit of Year Ended June 30, 2024 \$91,500**
- b. Audit of Year Ended June 30, 2023 \$79,500**
- c. Audit of Year Ended June 30, 2022 \$83,500**

17. Is there anything with your current process you would like to see changed?

**See answer to 10.**

18. Have deadlines historically been met by the auditors?

**There have been delays over the last several fiscal years.**

19. Has the Organization evaluated the impact of GASB 101, *Compensated Absences*, on the organization and its financial statements?

**We are currently assessing the impact but believe it will be manageable.**

20. What is the accounting team structure at Mass Tech Collaborative? Has there been any recent turnover?

**As of January 2024, Mass Tech has a new CFO. The accounting team includes a Director of Financial Operations & Controller, an Accounting Supervisor, a Senior Accountant, a Finance & Grants Manager, an Associate Controller, and a Grant Accounting Coordinator.**

21. Does Mass Tech Collaborative have a preference for the audit to be performed onsite, remote or hybrid?

**No preference.**

22. What general ledger system is used by Mass Tech Collaborative? Are records kept on accrual basis?

**MIP Funding Accounting; accrual basis.**

23. Do you typically have adjusting journal entries? If so, how many do you typically have? Are there any significant reclassifying entries or collaborative entries each year?

**Yes, a few entries are necessary to convert the financial statements to the government-wide format.**

24. Have there been any disagreements between management and your independent auditor during the prior three engagements?

**No.**

25. Did the incumbent auditors meet the pre-determined deadlines?

**Not always; however, meeting timelines is a major emphasis going forward.**

26. Can you list the federal funding expected to be received in FY2025 that will be subject to a Uniform Guidance compliance audit?

**We anticipate that the Broadband Equity, Access, and Deployment Program (CFDA #11.035) and the COVID-19 Coronavirus Capital Projects Fund (CFDA #21.029) will be subject to a Uniform Guidance compliance audit.**

27. Does Mass Tech Collaborative have any new (or planned) debt, leasing arrangements, or subscription-based information technology arrangements during FY2025?

**It is anticipated that there will be several new subscription-based information technology arrangements.**

28. Are there any significant (or pending) changes in Mass Tech Collaborative that will have an impact on the audit process moving forward?

**No.**

29. What are the three biggest challenges affecting Mass Tech Collaborative?

**The three biggest challenges facing MassTech Collaborative are the transition/turnover of personnel within state administration, the constantly evolving landscape of state and federal funding, and the complexities of navigating federal guidelines and compliance requirements.**

30. Can you provide a copy of your prior year Management Letter?

**See audit posted on our website under annual reports.**

31. Do you have a planned issuance date for the FY2024 financial statements?

**FY2024 financial statements have been issued.**

32. For leases (GASB 87) and SBITAs (GASB 96), does Mass Tech Collaborative track the leases and record the annual journal entries or is this documentation the auditors typically assist with?)

**Yes, Mass Tech tracks the leases and records journal entries.**

33. Historically, have the auditors prepared the financial statements? Does management prepare the MD&A?

**Mass Tech directly prepares the MD&A, the financial statements, and the footnotes.**

34. Are you able to provide the prior year audit fees or a current year budget?

**Prior year audit fees were \$91,500, including the single audit fee.**