## Brief Statement

In 500 words or less (approximately 1 page), explain why your firm best meets SamCERA’s needs for the financial auditing services. Address your firm’s strengths, as well as any perceived weaknesses. This one page should be titled Brief Statement and should precede the first page of the following questions.

# PROPOSER’S FIRM INFORMATION

* 1. If your firm has multiple oﬃces, which oﬃce would be primarily responsible for work performed for SamCERA?
  2. Describe the proposing firm’s organization structure and attach an organizational chart (**Appendix D (1)**). In the description, include whether there have been any material changes in the firm’s organizational structure or ownership that have occurred in the past five years.
  3. Provide the last audited financial report for the firm (**Appendix D(8)**).
  4. Describe your firm’s plans for managing the future growth of your firm.
  5. Does your firm have a limitation on the number of defined benefit plan clients it intends to accept for auditing services?
  6. How long has the firm been performing financial auditing services?
  7. How long has the firm been performing these services to defined benefit pension plans?
  8. How many accountants does the firm employ?
  9. What ongoing educational programs are required for the firm’s auditors?
  10. Insert the total number of your current public pension financial auditing clients (can be outside California) on the line on the next page.

Then show the number of years your firm has provided services for each of those clients by completing the table on the next page.

Total number of Current Public Pension Clients:

|  |  |
| --- | --- |
| **Length of Service In Years** | **Number of Current Public Pension Clients** |
| 0-1 |  |
| 1-3 |  |
| 3-5 |  |
| 5-10 |  |
| 10+ Years |  |

(Note: The Total Number of Current Public Pension Clients should equal the sum of the numbers in the right-hand column of the table.)

* 1. For all the firm’s current public pension plan full-service financial auditing, provide the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Plan Name | First Year Providing Financial Auditing Services | Asset Size (06/30/23) | Membership Total (06/30/23) | Cost Sharing Multiple Employer  (Yes/No) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

* 1. Over the past five years, has the firm or any oﬃcer, principal or any of the auditing staﬀ that would provide services to SamCERA, been involved in any business litigation or other criminal or civil legal proceedings related to any auditing or financial services?

If so, provide a brief explanation and indicate the status.

* 1. Has the firm or any oﬃcer, principal, or any of the auditing staﬀ that would provide services to SamCERA within the last 10 years been censured or fined by any regulatory body?

If so, please indicate the dates and describe the situation.

* 1. Has any litigation been brought against the firm or any oﬃcer, principal or any of the auditing staﬀ that would provide services to SamCERA within the last 10 years by any entity for fraud, malpractice, misrepresentation, negligence, a criminal act or similar cause of action?

If so, provide a brief explanation and indicate the status.

* 1. Describe the levels of insurance coverage the Proposer carries, such as errors and omissions, fiduciary or professional liability, cyber security, automobile and workers’ compensation.
     1. Is the coverage on a per client basis or is the dollar figure applied to the firm as a whole?
     2. List the insurance carrier(s) and the amount of coverage maintained for each level of coverage.
     3. Attach Certificate(s) of Insurance evidencing coverage as described in your proposal (**Appendix D (7)**).
  2. If the insurance information described above is less than what is required in the standard agreement that is attached as Appendix C, would Proposer be able to meet the requirement?
  3. Is the Proposer aﬃliated with any other firm(s) oﬀering auditing services that could represent a conflict of interest?

If yes, briefly describe the Proposer’s policies and procedures for doing business with these aﬃliates while safeguarding against conflicts of interest.

* 1. List and describe any known professional relationship the Proposer or any of Proposer’s staﬀ has with any member of the SamCERA Board, or SamCERA staﬀ in the last 12 months?
  2. Has anyone in the Proposer’s staﬀ provided any gifts, travel expenses, entertainment or meals to any member of the SamCERA Board, or SamCERA staﬀ in the last 12 months?

If yes, describe the expense and the purpose.

* 1. List any public pension plan clients that have terminated their financial auditing services contracts with the Proposer in the last five years and the date of the termination. Include the reason(s) for contract termination.
  2. Have any of Proposer’s financial reports, findings or recommendations for a public pension plan been audited by another public accounting firm within the last five years?

If so, state the number of such audits and whether any resulted in revisions to the reports or findings or recommendations.

* 1. Will subcontractors be used in providing the required SamCERA services?

If so, describe the specific services that would be subcontracted, the name of the subcontractor, the cost to the Proposer of these services, and how the Proposer would control the quality of services provided.

* 1. Does the Proposer have plans/arrangements for disaster recovery?

Briefly describe the disaster recovery plan. Include details related to protecting client data files in the description.

* 1. Describe how your firm monitors and manages cyber security risks as they relate to your organization. Has your firm experienced any problems with cyber security in the past 18 months? What types of cyber security challenges do you anticipate in the next 18 months and how do you plan to address them?
  2. What is your cyber security breach policy? What procedures do you have in place for a cyber security breach?
  3. Describe the resources the Proposer has that specifically address the needs of public fund clients, including any protection of client data files and technical resources.

# PROPOSED SAMCERA PRIMARY AND SUPPORTING AUDITOR INFORMATION

1. For each of the Auditors to be assigned to SamCERA including the Primary Auditor (lead) and all supporting Auditors, please attach in **Appendix D (2)** the resumes (or biographies) that include the following information:
   * Name
   * Title
   * Responsibilities within the firm
   * Years of relevant experience
   * Years with the firm
   * Degrees and professional designations
   * Institution awarding each degree and designation
2. For the Primary (lead) and Supporting Auditors (senior supporting) to be assigned to SamCERA, provide the information in the tables on the following page.

## Primary Auditor Public Retirement Fund Experience Since 2018

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Plan Name | Indicate if served as Primary or Supporting  Auditor | Total number of Plan members 06/30/23 | Asset size  06/30/23 | Cost sharing multi-employer (Yes/No) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Supporting Auditor Public Retirement Fund Experience Since 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Plan Name | Indicate if served as Primary or Supporting  Auditor | Total number of Plan members 06/30/23 | Asset size 06/30/23 | Cost sharing multi-employer (Yes/No) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. Please provide the name, title, email, and telephone number for at least three public pension fund client references for whom the proposed Primary Auditor has provided full financial auditing services similar to the services described in this RFP. SamCERA reserves the right to contact any of the individuals/agencies provided.

For each reference listed, provide the contact information as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Plan Name | Contact Person | Title | Phone Number | Email Address |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. How many clients are currently assigned to the Primary Auditor in the role of Primary Auditor? In the role of Supporting Auditor?
2. How many clients are currently assigned to the Supporting Auditor (senior supporting) in the role of a Supporting Auditor? In the role as Primary Auditor?
3. What process is undertaken to ensure that the assigned auditors are not given clients beyond their workload capacity.
4. Attach recent auditor’s reports for a public pension client audited by the proposed Primary Auditor. If possible, select a report audited by the same team of Primary and Supporting Auditors (**Appendix D (3)**).
5. How long has the proposed team of Primary and Senior Supporting Auditors worked together as a team?
6. Does the Proposer have a transition plan to deal with the possible sudden departure of the proposed team of Primary Auditor and/or supporting auditor?

If so, describe the plan and the assurance that the replacement can meet the same standards as outlined in this proposal and potential contract?

# FINANCIAL AUDITING SERVICES

1. Describe the Proposer’s theory and methodology for auditing financials, including the decision making process and titles and responsibilities of the various individuals involved at each stage of the process.
2. Describe the Proposer’s quality control processes, including but not limited to peer review for financial reports and management recommendations. How are these processes monitored and documented?
3. Describe the Proposer’s use of auditing software systems and the associated computer system support to determine appropriate auditing methods and calculations. How

are these systems monitored and reviewed?

1. Sections IV and V of the RFP set forth the timelines for completion of the financial reports. Please comment on those timelines and address any issues that your firm would have in meeting the deadlines or any requests for a schedule accommodation.
   * Include proposed dates for each key stage of the project.
   * Include dates by which your firm must have specific data from SamCERA (Generally describe the information required from SamCERA and/or our current actuary for the year under audit.)
2. Describe how the Proposer controls costs, quality, and timeliness of its services,

specifically the services required by this RFP.

1. Describe your steps for completing all reports to be issued by the auditor.
2. If you have a sample Education Presentation that you have recently provided to a client which you would like to show us, please attach it (**Appendix D (6)**).