



## RFP 2025-03 Financial Statement Audit Questions and Answers

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No.	Bidder Questions:	Covered CA - Response:
1.	Is there anything with your current process you would like to see changed?	Yes. It would be helpful if audit requests were grouped by testing phases and accompanied by clear due dates. When everything is requested at once without prioritization or a timeline, it is difficult to manage the workload and understand which items are most critical. A more structured approach with phased-in requests and defined deadlines would improve efficiency and communication.
2.	Have deadlines been historically met by the auditors?	Yes
3.	Has Covered California evaluated the impact of GASB 101, <i>Compensated Absences</i> , on the organization and its financial statements?	Yes
4.	What is the accounting team structure at Covered California? Has there been any recent turnover?	The accounting team is structured by 3 primary functions: Operations (Accounts Payable (A/P), General Ledger (G/L), Travel), Financial Reporting & Accounts Receivable and Revenue (AR&R), and Covered California for Small Business (CCSB) and Treasury. No turnover at the management level.
5.	Does Covered California have a preference for the audit to be performed onsite, remotely, or in a hybrid manner?	The audit will be conducted remotely.
6.	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?	There are approximately 35 entries; however, we are working to minimize this number. There are no significant reclassifying entries or collaborative entries that we are aware of.
7.	Have there been any disagreements between management and your independent auditor during the prior year engagement?	No
8.	Does Covered California have any new (or planned) debt, leasing arrangements, or subscription-based information technology arrangements during FY2025?	Yes
9.	Are there any significant changes in Covered California (or pending changes) that will have an impact on the audit process moving forward?	No

10.	<p>What are the three biggest challenges affecting Covered California?</p> <p>The team was interested in learning with Covered California perceives as your largest current or upcoming operational and/or financial challenges that would need to be considered as the audit is performed so we could appropriately tailor the work plan in our proposal.</p>	<p>"Response is forthcoming, and notification will be sent once this Q&amp;A Document has been updated with a Response"</p>
11.	<p>Can you please provide a copy of your prior year Management Letter?</p>	<p>The past year's audit report will be publicly posted in August.</p>
12.	<p>Please provide the FY2024 financial statements, if they have been finalized.</p>	<p>This report will be publicly posted in August.</p>
13.	<p>Historically, who prepares the MD&amp;A and financial statements?</p>	<p>The Financial Management Division prepares the Management Discussion and Analysis (MD &amp; A) and financial statements.</p>
14.	<p>Who performs the calculations for the leases and subscription-based information technology arrangements?</p>	<p>Financial Reporting Unit, verified by the Chief of Financial Reporting and Controller</p>
15.	<p>What was the fee for the FY2024 audit?</p>	<p>\$103,490.00</p>
16.	<p>Is there anything specific you are looking for in the successor auditors?</p>	<p>The auditor must have experience auditing state government organizations, understand the state's budget process, and be familiar with health care organizations and Affordable Care Act (ACA) exchanges.</p>
17.	<p>How many staff did the audit team consist of for both interim and year-end, and how many weeks did the auditor spend in the field?</p>	<p>We cannot provide past auditor information.</p>
18.	<p>How many audit hours did your current auditors propose under your existing contract?</p>	<p>We cannot provide past auditor information.</p>
19.	<p>What were the prior year's total audit fees, and can you provide the breakdown by components?</p>	<p>We cannot provide past auditor information.</p>
20.	<p>Are there any significant changes in operations expected for FY 2025-26?</p>	<p>Not from the perspective of this audit</p>
21.	<p>Were there any significant events in 2024-25? Will there be any significant events in FY 2025-26?</p>	<p>Not from the perspective of this audit</p>
22.	<p>Have there been any changes in your accounting system since last year or any planned changes in the future?</p>	<p>There have been no changes in the accounting system. Covered California utilizes the state's accounting system, FISCAL, to record, summarize, and report accounting information.</p>

23.	Were there any new bond issues in the current year or any planned bond issuances in the coming years?	No bonds issued.
24.	How many leases and subscription arrangements does Covered California have?	approximately 30 Subscription Based Information Technology Arrangement (SBITA)'s, and approximately 3 Leases
25.	How many post-closing journal entries did you have for FY 2025? How many were proposed by the auditor?	approximately 33, none were proposed by the auditor
26.	Is there any litigation not included in the 2025 Financial Statements?	No, there are no contingent liabilities to report for FY 2024/2025.
27.	Did Covered California have any layoffs, retirements, or replacements of key employees in the finance department?	No
28.	Do you currently have vacant or frozen positions within finance?	We have approximately 5 vacancies and no frozen positions.
29.	Is the FY 2025 audit being performed remotely? If so, is Covered California open to continuing remote audits in the future?	Yes, the FY 2025 audit will be conducted remotely. Covered California is open to continuing remote audits in the future. However, there may be instances where in-office work is required to address specific needs or ensure compliance with certain processes. We will evaluate the requirements of each audit on a case-by-case basis to determine the most appropriate approach.
30.	What is the desired timeline for: a. Interim b. Field Work c. Draft Reports d. Final Reports	a. September 2025 b. September 2025-October 2025 c. November 2025 d. December 2025