



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

QUESTIONS & ANSWERS RELATED TO *Request for Proposals: Auditing Services*

1. What was the audit team composition with the current auditor (team size, members)?

RESPONSE: Interim - 2 auditors; Final fieldwork - 1 partner and 9 audit staff.

2. Is the incumbent allowed to bid?

RESPONSE: Yes.

3. What do you like about your current auditing experience? What do you wish you could change about your current auditing experience?

RESPONSE: SCPPA has no comment on this question.

4. Is there anything specifically that you are looking for in a potential new professional services firm?

RESPONSE: Please refer to the requirements set forth in the RFP.

5. Outside of the audit process, what does the SCPPA find/define value from its auditors?

RESPONSE: Please refer to Section III of the RFP for SCPPA's areas of interest.

6. What were the total hours and fees proposed the last time the SCPPA issued an RFP for the same services?

RESPONSE: Approximately \$380,000. SCPPA does not track the number of hours spent by the auditor on the audit.

7. Have there been recent changes in key personnel in any of the SCPPA's accounting/finance functions or are there changes known for the future (retirements)?

RESPONSE: No.

8. Are the audits conducted remotely, using a hybrid model, or in-person full-time? Is the SCPPA open to audits being performed remotely?

RESPONSE: Substantive fieldwork is to be conducted on site.

9. Over the past three fiscal years, have there been any additional billings or change orders related to the audits that exceeded the fixed base fees? If so, could you specify the extent and reasons for these changes?

RESPONSE: No.

10. When does SCPPA historically perform interim and final fieldwork? Is this SCPPA's preferred timing?

RESPONSE: Please refer to section III.6 of the RFP for the Annual Audit Schedule.

11. Are there any policies or considerations related to the use of offshore resources as part of the audit process?

RESPONSE: As provided in Section V.4.C and D of the RFP, the proposal should provide a list of people who will directly work on this engagement, a brief summary of their background, and the location of the office from which the work on this engagement is to be performed. To the extent that certain individuals that will be assigned to this engagement are located offshore, then the office location of those individuals should be identified.

12. How many auditors were present and how many days were the auditors in the field during fieldwork of the audit?

RESPONSE: The audit team was onsite to conduct final fieldwork for 2 weeks.

13. Is it permissible to submit clause references for matters where we seek further discussion or clarification on the agreement terms?

RESPONSE: Yes; however, the Respondent should specifically identify the issue for discussion or clarification and where relevant, include proposed alternative language for SCPPA's consideration.

14. Has a management letter been provided by your auditors within the past three years? If so, could you make this document available for review?

RESPONSE: Please refer to the audit firm's Communications with Those Charged with Governance and Communication of Internal Control Related Matters as provided in SCPPA's 11/20/2025 Board Agenda meeting

materials under the Meetings/Events - Board Meeting Materials section of SCPPA's website for last year. Similarly in the 11/21/2024 and 11/16/2023 Board Agenda meeting materials for the two prior years.

15. Assuming each bidder's proposed fees are equal, what is the next most important thing to the SCPPA?

RESPONSE: In addition to the proposed fees, SCPPA will evaluate the proposals based on the criteria as provided in Section XI of the RFP.

16. Will SCPPA recognize interstate reciprocity of CPA licenses from jurisdictions and states that are considered to be substantially equivalent to that of California?

RESPONSE: As provided in Section V.4.B. of the RFP, an affirmative statement should be included in the proposal that the firm and all assigned key professional staff are properly licensed to practice in California.

17. Please clarify the requirements of Section X.6 of the RFP. Does this RFP require subcontractor participation meeting the 25% and 3% participation goals for SBEs and DVBEs, respectively, as a condition of contract award?

RESPONSE: The participation goals are not a mandatory requirement for a proposal to be considered.

18. When are trial balances typically available? What is the desired timeline for the audits?

RESPONSE: Please refer to section III.6 of the RFP for the Annual Audit Schedule.

19. Does the SCPPA expect any significant changes in the accounting system or other systems relevant to financial reporting during the contract term?

RESPONSE: No.

20. Is the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files?

RESPONSE: Yes.

21. Does SCPPA use service organizations? Examples include payroll processors, workers' compensation or medical claims processors, hosted data centers, cloud service providers, and managed security providers. If so, approximately how many and for which transaction cycles?

RESPONSE: SCPPA does use service organizations as a normal course of business similar to any other agencies to support SCPPA's operations. Please refer to SCPPA's website and Notes to the Financial Statements for further details on SCPPA's organization and management of projects.

22. Are there any significant changes in operations expected for the contract term?

RESPONSE: No.

23. Were there any findings, uncorrected misstatements, and/or corrected material misstatements during prior years' audits?

RESPONSE: Please refer to the audit firm's Communications with Those Charged with Governance and Communication of Internal Control Related Matters as provided in SCPPA's 11/20/2025 Board Agenda meeting materials under the Meetings/Events - Board Meeting Materials section of SCPPA's website.

24. Does SCPPA anticipate any significant new Projects or PPAs during the contract term?

RESPONSE: New projects and PPAs may be added from time to time, including during the contract term. Exact timing is currently unknown.

25. What transition issues would SCPPA be concerned about if the audit is awarded to new auditors?

RESPONSE: SCPPA seeks firms with relevant audit experience with municipal electric utilities and/or joint powers agencies. SCPPA expects new auditors to provide sufficient time to address any transition issues to ensure that the audit is completed and final reports issued as provided in Section III of the RFP.

26. Were there any journal entries discovered by the auditors during the 2025 audit process? If so, what was the volume and nature of the adjustments?

RESPONSE: Please refer to the audit firm's Communications with Those Charged with Governance and Communication of Internal Control Related Matters as provided in SCPPA's 11/20/2025 Board Agenda meeting materials under the Meetings/Events - Board Meeting Materials section of SCPPA's website

27. Were there any major audit issues identified for 2025? Any anticipated ones for 2026?

RESPONSE: No to both questions.
