Madison County, Iowa

Consolidated Questions Regarding the Request for Proposals

Part A – Financial Statement Audit

Part B – Forensic Audit, Financial Reconstruction, and Internal Control Review

The following questions consolidate requests received from multiple perspective firms. Duplicate and substantially similar questions have been combined to facilitate a single, comprehensive response from Madison County.

I. Administrative / Proposal Clarifications

1. Please confirm the proposal submission deadline and time. The RFP references both 3:00 p.m. and 5:00 p.m. **It is 3:00 p.m.**
2. Please confirm the required number of hard-copy proposal submissions. The RFP references both three and four sealed copies. **The correct amount is Four.**
3. May firms propose on only Part A or only Part B, or is the County seeking a single firm to perform both engagements? **Firms may bid on one or both. PLEASE NOTE: Firms will want to indicate if there is a cost difference between being awarded only one of the two parts; further firms should understand that the Forensic Audit may precede the FY25.**
4. For firms proposing only Part B, will the County accept engagements performed under the AICPA Statement on Standards for Forensic Services (SSFS), or is compliance with Government Auditing Standards (Yellow Book) required? **We would refer you to consult with the State Auditor to answer that question.**
5. Will the County consider alternative or value-added services not specifically identified in the RFP? **As long as there are no costs; and it must be subsequent to the main focus.**
6. Has the County established a budget or anticipated cost range for either Part A or Part B? **The county has not established a budget or a cost range for either.**

II. Engagement Objectives and Scope

7. What are the County's primary objectives for Part A and Part B, and how will proposals be evaluated? **Thoroughness, cost, deliverables, onsite presence; we expect two weeks onsite for the Treasurer; one week with the Auditor and we would like pricing for additional time onsite.**
8. What is the County hoping this engagement will ultimately accomplish? **To have a complete, up-to-date set of books. To have every penny accounted for.**
9. Which findings from the FY2023 and FY2024 Auditor of State reports are expected to be addressed under Part B, which remains unresolved, and which are considered the County's

highest priorities? **We feel that the Forensic Audit should be conducted first if they cannot be done simultaneously. The highest priorities are bank reconciliations and compliance with budget appropriations.**

10. Beyond the published Auditor of State reports, are there additional concerns, departments, funds, transactions, reporting periods, or operational areas the County expects the selected firm to evaluate? **Additional concerns include the following:**

   a. **With the Treasurers' arrest in January 2025 that all monies are accounted for within and across the bank accounts.**

   b. **Workers' compensation and short-term disability claims paid to employees who also received leave time payments.**

   c. **Bank accounts reconciled and oversight process implemented by the Treasurer and Auditor.**

   d. **That annual appropriations were followed regarding actual payment of salaries.**

   e. **Valid contracts for service are signed by the Board of Supervisors and they are budgeted for.**

   f. **Billing is aligned with bids and that services are delivered before payment of final contract amounts.**

11. Does the County expect all funds and balances to be independently reconstructed and validated, or should firms apply a risk-based approach focused on material or unsupported balances? **Independently reconstructed and validated.**

12. Does the County anticipate the engagement extending beyond FY2023–FY2025 if necessary to substantiate beginning balances or resolve prior issues? **While not anticipated, we have not ruled it out.**

13. Are any departments, funds, operations, or activities specifically excluded from the engagement? **This audit is to include Auditor and Treasurer unless there is a discovery of a need to expand scope.**

III. Fraud, Investigations, and Legal Matters

14. Please describe any known or suspected fraud, misappropriation, financial irregularities, whistleblower complaints, investigations, litigation, insurance claims, bond claims, or law-enforcement activity related to this engagement.

   a. **This can be found in the findings of FY23 & FY24**

   b. **Subsequent investigations were conducted in FY25.**

15. Have any investigative procedures already been performed by the Iowa Auditor of State, DCI, legal counsel, insurers, or other parties, and will those reports be available? **Yes, there have and probably not because they are ongoing.**
16. Does the County anticipate requiring litigation support, expert testimony, insurance recovery assistance, or restitution support? **Unsure currently.**
17. Are there any legal or regulatory restrictions that may limit access to records or personnel? **Anything related to active investigations or litigation.**

IV. Prior Findings and Corrective Actions

18. What corrective actions have been implemented in response to the FY2023 and FY2024 audit findings? **Please see responses to the Findings.**
19. Have additional reviews, investigations, or remediation efforts been completed beyond the State Auditor's reports? **Yes**
20. Does the County expect the selected firm to evaluate only the design of implemented corrective actions, or both design and operating effectiveness? **Evaluate operating effectiveness.**

V. Accounting Systems and Financial Records

21. What accounting, treasury, payroll, property tax, banking, and document management systems were used during FY2023–FY2025? **Solutions.**
22. Were there any accounting system conversions or significant personnel changes during this period? **There were not accounting system conversions however:**
    a. **Auditor Kaczinski took office January 2nd, 2025.**
    b. **Treasurer DeVoss was arrested in January 2025.**
    c. **Dedicated Board Clerk's position to be removed effective June 30, 2025; Resigned March 2025.**
    d. **First Deputy Auditor and Elections Deputy resigned; new staff were brought on.**
    e. **IT Director/Department outsourced effective June 30, 2025.**
    f. **Auditor Kaczinski resigned in July 2025.**
    g. **Interim Auditor Schwartz appointed July 3rd, lost special election August 26, 2025.**
    h. **Auditor Brant sworn into office September 3rd, 2026.**
    i. **First Deputy Auditor released March 2026.**

j. **Treasurer's Office experienced staff turnover 25-26; First Deputy has resigned.**

23. Are all County departments maintained within the same accounting system? **Yes**

24. Does the County maintain all financial activity within its general ledger, or are there off-ledger accounts? **There are some off-ledger accounts.**

25. Does the County record audit adjustments within the accounting records? **Yes.**

26. Are complete electronic accounting records available, including general ledger detail, trial balances, audit logs, user permissions, bank statements, check images, reconciliations, receipts, deposits, supporting documentation, and system exports? **They would be made available.**

27. What known limitations or gaps exist in the accounting records or supporting documentation?

   a. **Bank reconciliations done through May 2023 / June 30 2024 (there is discrepancy here).**
   b. **Balancing between Auditor and Treasurer – month of October 31, 2025.**
   c. **The Auditor's Office records are complete to the best of my knowledge – I took office in September 2025. There was a 9-month gap where significant monthly, quarterly filing was not done to State and Federal entities.**
   d. **Found that employees received workman's compensation or short-term disability while claiming leave benefits. Basically, there was a duplication in payment – this has been resolved. But we welcome a second set of eyes.**

VI. Bank Accounts, Reconciliations, and Financial Reconstruction

28. Please provide the approximate number of bank accounts, investment accounts, fiduciary accounts, funds, and departments included within the engagement. **16 Accounts - 4 of them are closed CDs and 4 others are small accounts that will be closed.**

29. Which accounts currently have incomplete or unsupported reconciliations? **All of them.**

30. To what extent have reconciliations already been completed for FY2023–FY2025? **See answer to #27.**

31. Should the selected firm independently recreate reconciliations, or may previously completed reconciliation work be relied upon? **Independently.**

32. Does the County expect transaction-level testing of receipts, deposits, transfers, disbursements, and cash handling, or primarily reconciliation and validation procedures? **Primarily reconciliation and validation of procedures.**

33. Should property tax activity be fully reconstructed, or only validated against existing balances? **Not necessary to fully reconstruct property tax activity.**

VII. Internal Controls

34. Are there specific internal control deficiencies or operational processes the County would like prioritized? **Not at this time.**
35. Should the engagement include benchmarking against governmental best practices? **I believe that is what the State Auditor would expect.**
36. Does the County have documented policies and procedures for cash receipts, disbursements, payroll, reconciliations, and financial reporting? **Some.**

VIII. Audit-Specific Questions (Part A)

37. What accounting software currently supports the financial statement audit? **Solutions.**
38. What audit fees were paid for FY2022, FY2023, and FY2024, including any additional billings? **These will be disclosed at the award of the bid.**
39. Approximately how many audit hours were incurred for each engagement? **These will be disclosed at the end of bid process.**
40. What federal programs are expected to require Single Audit testing for FY2025–FY2027? **Federal programs are complete. Reporting is all but finalized.**
41. Were any significant capital projects or debt issuances completed or planned during FY2025–FY2027? **We took on a bridge loan pending the sale of a building. It matures in October.**
42. Does the County maintain its own capital asset records? **The Auditor does on an excel spreadsheet.**
43. What level of assistance is expected for preparation of the Annual Financial Report, including cash basis and/or GAAP reporting? **None.**
44. When does the County expect its accounting records to be sufficiently reconciled for commencement of the FY2025 financial statement audit? **We are hoping not later than December 31st, 2026.**
45. Who will serve as the primary audit liaison? **Auditor.**

IX. Staffing, Access, and Logistics

46. Who will be the County's primary engagement contact? **Auditor for AP and Treasurer for AR and bank reconciliation.**
47. What level of assistance can County personnel provide for document retrieval, interviews, reconciliations, and historical research? **Medium.**

48. Will the selected firm have direct access to prior auditors, former employees, financial institutions, software providers, and other third parties? **Unsure, we will identify who they are and ask for input; we cannot compel prior personnel to respond. Our software support company is the same and we have good working relationships with our Bankers.**

49. Will accounting data be available in native electronic formats? **Yes.**

50. What level of onsite presence does the County expect throughout the engagement? **see answer #7**

X. Reporting and Deliverables

51. What level of detail is expected in interim reports, final reports, reconstructed balances, discrepancy analyses, and corrective action recommendations? **We expect the best practices to be followed, and examples of different levels can be explained/outlined in your responses/bids.**

52. Will County management have an opportunity to review draft findings before issuance of the final report? **Reporting should be ongoing throughout the process; nothing in the final issuance should be a surprise. Having said that should the auditing firm find anomalies or issues that require immediate attention, we expect to be informed.**

53. Should findings be prioritized or risk-ranked? **Prioritized.**

54. Should the corrective action roadmap include implementation timelines and responsible parties? **Yes.**

55. In what forum are final presentations expected to occur? **Exit Conference then public publishing of findings – written form unless need for law enforcement or exempt public information laws.**

XI. Timeline

56. If missing records, delayed information requests, or expanded procedures significantly affect the engagement, will milestone dates or the December 31, 2026, completion deadline be adjusted? **Yes, within reason.**

XII. County Background

57. Please provide the experience level of key financial personnel, including the County Auditor and County Treasurer. **The County Auditor has a MBA from Drake University; she worked in Asset and Property Management for over 30 years. The Auditor was Board clerk from June 2023 to March 2025; was downsized and ran for Auditor in Special Election 2025.**

58. Is Madison County Memorial Hospital excluded from this engagement? **Yes**
59. What qualities are most important to the County in selecting and working with its auditor? **Experience, impartiality, thoroughness and cost.**