

- Q1. a. Have there been any significant changes in the NVRC's operations in the current year vs. the prior year (examples include: changes in audit policies, procedures or personnel, etc.)?
- b. Has there been any turnover in staff in the areas of overall management or financial management in the past year?
- A1. Although there have been no significant changes in the day-to-day operations of NVRC, there has been a change in leadership. New officers were elected; the Executive Director retired; a new Executive Director was appointed. In light of the cumulative deficit, the new leadership developed a multi-year recovery plan that involves staff reductions due to attrition and RIF actions.
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- Q2. a. Were there any audit adjustments in the past two years? If so, how significant were the adjustments and what accounts did the adjustments relate to?
- b. Approximately how many audit adjustments were proposed by the auditors in FY 16, if any?
- A.2. Each year, it is most common to have a small number of audit adjustments in relation to the pass-through AIDS grants, especially to reconcile amounts payable and receivable at year-end. Occasionally, other adjustments are made either to correct coding within the chart of accounts or to write off amounts deemed to be not collectable.
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- Q3. Does management prepare the financial statements and notes or do the auditors assist with the preparation?
- A3. Auditors assist with preparation of the financial statements.
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- Q4. Describe any relationships with third party service providers used by NVRC that may have an impact on the accounting or financial reporting of the entity (i.e. ADP, Paychex, etc).
- A4. NVRC does not use third party service providers, except in administration of some benefits programs.
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- Q5. Is there any specific expertise and advice NVRC is looking for that it may not be receiving from its current provider? For example, is the SBA satisfied with the incumbent auditors:
- a. timeliness
- b. pro-activeness on communications
- c. involvement outside of the audit process
- d. value they provide to NVRC
- A5. NVRC has received satisfactory expertise and advice from its auditors.

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Q6. Are there any improvements you would like to see in the audit process?

A.6. There are no specific requests; only that a clear understanding of, and agreement about, the proposed audit process be established between NVRC and the auditors prior to engagement.

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Q7. How long has NVRC been with your current audit provider?

A7. NVRC's engagements may continue for up to 5 years. The current auditor was engaged for FY 2012 through FY 2016.

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Q8. Was there any turnover with the incumbent auditor's staff?

A8. No.

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Q9. Has there been any disagreement with the incumbent? If yes, please provide some background on the issue.

A9. There has been no disagreement.

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Q10. a. In an effort to understand the level of effort currently exerted by the incumbent auditing firm, please provide:

- hours billed
- schedule of auditors in the field (For example, 2 people for 2 weeks in November)

b. Approximately how long does onsite fieldwork typically last (number and days and number of audit staff onsite)?

A10. In the most recent audit, approximately 170 hours were billed. Audit staff performing field work on site included 2 people for 2 days, and 1 person for 3-5 additional days.