

# Questions and Answers for Request for Proposal

## Financial Audit of University of Utah Broadcast Entities

### OSA Solicitation No. 2024-UBCST

List of all questions with associated responses submitted by the deadline of April 23, 2024 at 5:00 pm MDT.

**Q1 Is the current auditor permitted to bid?**

**A1** Yes, the current auditor is permitted to submit a bid for this RFP.

**Q2 What are your top priorities and/or concerns regarding the current audit service provider?**

**A2** Timely completion of the audit.

**Q3 What is the timeline in previous audits for interim fieldwork? How long was interim fieldwork scheduled? How many auditors were out in the field during interim? For how many days?**

**A3** Interim fieldwork was scheduled for the last two weeks in October. Three to four auditors were on location during that time.

**Q4 Would you please provide the audit fees for the prior three years for the financial statement audit and provide any additional special fees or extra billings that have been charged?**

**A4** The cost for all three broadcast entities in total were:

- Fiscal year 2021 audits: \$61,900 (audit fee), no additional fees
- Fiscal year 2022 audits: \$78,545 (audit fee), no additional fees
- Fiscal year 2023 audits: \$92,455 (audit fee), \$1,755 (other fees)

**Q5 Is any portion of the audit currently performed remotely?**

**A5** Yes.

**Q6 Are KUED-TV, KUEN, and KUER-FM radio on the same general ledger system? Are there any overlapping internal controls?**

**A6** Yes, the broadcast entities use the same general ledger system and have many overlapping controls.

**Q7 Is there a single point of contact for each broadcasting entity (KUED-TV, KUEN, and KUER-FM radio) or does each entity have its own point of contact?**

**A7** There are two primary contacts. One for KUEN and one for KUED/KUER.

**Q8** Would you provide the audit adjustments from the prior year or provide the type and number of adjustments, if there were any?

**A8** No audit adjustments were proposed in fiscal year 2023 for KUED-TV or KUER-FM radio. KUEN had three adjustments as follows:

- Correction to the prepaid expense balance (reduce) totaling \$353,639
- Correction to a receivable balance (reduce) totaling \$224,957
- Recognition of in-kind revenue (increase) totaling \$89,624

**Q9** Can you please provide a copy of the prior year management letter and required communication to those charged with governance?

**A9** The required communications to those charged with governance for fiscal year 2023 financial statement audits for all three Broadcast Entities were provided to OSA. The required communications indicated:

- There were no material weaknesses or significant deficiencies in internal controls, fraud, noncompliance, or other matters that were identified and considered necessary to report to management or to those charged with governance (no management letter issued);
- There were no disagreements with management or significant difficulties encountered in dealing with management;
- Management has not selected or changed any significant policies or changed the application of policies for fiscal year 2023;
- There were no significant accounting policies in controversial or emerging areas for which there was a lack of authoritative guidance or consensus
  - KUEN adopted Governmental Accounting Standards Board Statement No. 96 Subscription-Based Information Technology Arrangements during fiscal year 2023;
- The most sensitive accounting estimates affecting the financial statements of each Broadcast Entity were:

**KUED-TV:**

- Management's estimates of direct support from the University of Utah and support from KUEN are based on estimated fair value or actual amounts where known at the time such costs were incurred. The estimate for indirect support from the University of Utah is also based on estimated fair value or actual amounts where known at the time such costs are incurred. However, for this estimate, the Station multiplies an indirect cost rate calculated from the University's indirect and direct costs and assesses the rate against eligible Station expenses to derive the amount recognized.
- Management's estimate of the total pension liability is calculated by Utah Retirement System (URS) and is based on an actuarial report from URS' actuary.

**KUEN:**

- Management's estimate of the total pension liability is calculated by Utah Retirement System (URS) and is based on an actuarial report from URS' actuary.

**KUER-FM radio:**

- Management's estimates of direct support from the University of Utah is based on estimated fair value or actual amounts where known at the time such costs were incurred. The estimate for indirect support from the University of Utah is also based on estimated fair value or actual amounts where known at the time such costs are incurred. However, for this estimate, the Station multiplies an indirect cost rate calculated from the University's indirect and direct costs and assesses the rate against eligible Station expenses to derive the amount recognized.
- Management's estimate of the total pension liability is calculated by Utah Retirement System (URS) and is based on an actuarial report from URS' actuary.
- Management has not consulted with other accountants about auditing or accounting matters; and
- Management provided all requested representations in a signed management representation letter.

**Q10 Has there been any turnover in members of management who served as the point of contact for the audit engagement?**

**A10** No.

**Q11 What is your normal timing for filing the annual reports with CPB?**

**A11** January 14<sup>th</sup>

**Q12 The examination reports for KUED-TV, KUEN, and KUER-FM radio conducted in accordance with AICPA attestation standards are not on the OSA website. Would you provide an example of those reports?**

**A12** The examination reports for fiscal year 2023 have been posted now to the OSA Contracting page ([auditor.utah.gov/about-us/contracting/](http://auditor.utah.gov/about-us/contracting/)) with links to each report and specifically:

**KUED-TV** - [auditor.utah.gov/wp-content/uploads/sites/6/2024/04/KUED-FY2023-AFR-Redacted-Names.pdf](http://auditor.utah.gov/wp-content/uploads/sites/6/2024/04/KUED-FY2023-AFR-Redacted-Names.pdf)

**KUEN** - [auditor.utah.gov/wp-content/uploads/sites/6/2024/04/KUEN-FY2023-AFR-Redacted-Names.pdf](http://auditor.utah.gov/wp-content/uploads/sites/6/2024/04/KUEN-FY2023-AFR-Redacted-Names.pdf)

**KUER-FM radio** - [auditor.utah.gov/wp-content/uploads/sites/6/2024/04/KUER-FY2023-AFR\\_Redacted.pdf](http://auditor.utah.gov/wp-content/uploads/sites/6/2024/04/KUER-FY2023-AFR_Redacted.pdf)