

**RFP for Professional Audit Services
Responses to Vendor Questions
January 12, 2016**

NOTE – APPENDIX B Table Change

Attachment B

AUDIT WORK COST PROPOSAL FORM

Service	Proposed Hours	Fixed Fee Amounts					
					Option Year 1	Option Year 2	Option Year 3
		2018/19	2018/19	2018/19	2019/20	2020/21	2021/22
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
City Audit (including independent auditor's reports)							
GANN Limit Review Report							
Single Audit and Related Reports, if applicable							
SB 621 Audit and Related Reports, if applicable							
Out-of-pocket expenses:							
Lodging/meals							
Transportation							
Other							
TOTALS							

- Q1 How long has the current auditors been performing the audit for the City?
A1 Six Years
- Q2 What is the current reason for bidding (mandatory rotation, etc.)
A2 End of six year contract
- Q3 How many auditors and how many weeks were the auditors on site for both interim and year end field work?
How long and no of staff at the City performing the interim and final fieldwork?
Approximately how many auditors were in the field? For how long? What was the timing?
A3 One week interim audit and two weeks final audit with a team of three on-site staff.
Please see page 7 of the RFP, dated 12/15/16.
Note – The Single Audit is conducted during the second week of the final audit and is finalized/submitted to the Clearinghouse by December 31st.
- Q4 What were the prior audit fee(s)?
The audit fees paid for FY 2016 for the City audit, Single Audit and other work if applicable.
What were the fees for the audit year ended June 30, 2016?
A4 \$53,000 comprised of:
- \$39,500 City Audit
 - \$7,500 Successor Agency Audit
 - GANN Limit Review & Report \$500
 - Single Audit \$3,500
 - \$2,000 SB 621 (not applicable for the current year)
- Q5 Will there be a Single Audit? If applicable, please provide the most recent copy of the report.
Please provide the copies of Single Audit reports issued for the last 2 years (if applicable).
A5 Yes
- Q6 Are there any new services requested in this RFP that were not included in the prior year audit fee?
A6 No
- Q7 Were there any findings?
A7 No
- Q8 How many journal entries (JE) were proposed by the auditors?
How many journal entries did the audit firm propose and how many journal entries did the City propose after the audit firm started the fieldwork?
Once trial balances were submitted to the auditors, how many adjustments were made by the City?
Overall nature and volume of audit adjustments proposed by the external auditors?
- A8 Audit Firm proposed none, City made two (in the same JE)
- Q9 Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?
A9 No

- Q10 Has the City entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?
A10 The City is currently evaluating Responses to an RFP for Integrated Enterprise Resource Planning (ERP) Solutions and Services
- Q11 Any New Debt Issuances in the Current Fiscal Year?
A11 No
- Q12 Is the City involved in any litigation not included in the Prior Year Financial Statements?
A12 No
- Q13 Any other Major Changes in the Current Fiscal Year that would affect the operations of the City?
A13 No
- Q14 RFP notes that the City is ready for audit in late September. What date is the draft CAFR (inclusive of government wide statements, fund statements, and notes) provided/available to the auditor for review?
A14 Please see page 8 of the RFP, dated 12/15/16
- Q15 How did you measure the quality of the audit performed?
A15 Auditor staffing expertise and personnel rotation
- Q16 What audit areas, in your opinion, were cumbersome?
A16 Unnecessary research and/or providing previous years' data and documentation.
- Q17 What efficiencies would you like to see in the audit of the City's financials?
A17 Audit activities are completed when on-site field work is completed
- Q18 Is the current firm allowed to submit a proposal? Is the current auditor allowed to bid?
A18 Yes
- Q19 Does the City have any disagreements with the current audit firm?
A19 No
- Q20 Does the City have an audit or finance committee and did the audit firm meet with this committee, if applicable?
A20 Previously, but none currently
- Q21 How long has the current finance director been at the City?
A21 Fourteen years
- Q22 Are there any expected retirements of finance personnel?
A22 Fiscal Officer plans to retire 12/31/2017
- Q23 Has the City experienced any turnover in key accounting/finance positions that would impact the audit?
Q23 No

Q24 Please provide a copy of the latest SB 621 reports. Please provide a copy of a previous audit related to SB 621 funds.

A24 Please see the attached FY 13/14 report

Q25 Please provide the communication with those in charge of governance issued for FY 2016.

A25 Please see the attached Audit Communication letter from the auditor to the governing body.

Q26 Please provide a copy of any management letter issued, if applicable.

A26 N/A