

Questions submitted for Auditor Services RFP – September 2020

- What is the reason for going out for proposals for this new fiscal year?
Only because the current firm did not send a letter of engagement and we were notified that the CPA working on our account had moved on.
- Is there a mandatory rotation to switch audit firms every few years?
Nothing mandatory to my knowledge.
- Were there any adjusting journal entries for FY 2019? If so, how many?
I have cc'd Marlene so she can send you the adjustment entries.
- Was a Management Letter issued for FY 2019? If so, may we have a copy?
Management Letter is attached – this was drafted by the auditor.
- Does the City expect to meet the threshold for a Single Audit for FY20?
We will not exceed it for the current FY, but expect to in the next Audit year – best to include an additional price for single line audit.
- So that we can ensure our costs are as competitive as our services, can you please provided us a copy of the most recent engagement letter, as well as the prior auditor fees for the last 3 fiscal years for the City?
I attached 2017 & 2019 – There may have been just a verbal confirmation for 2018.
- Were there any findings that were communicated to management? If so, please provide a copy of the communication.
None, I will attach their management recommendation letter with our response.
- How many audit adjustments were posted in 2019? If so, please provide a copy of the audit adjustments.
12 adjusting entries, I will attach the FY19 adjusting entries with our response.
- Why has the City elected to change auditors?
Only because the current firm did not send a letter of engagement and we were notified that the CPA working on our account had moved on.
- Were there any disagreements between management and the previous audit firm? If so, what were they?
None
- What were the 2018 & 2019 audit fees for both audits, to date?
FY17 \$7,800 FY18 \$10,600 and FY19 \$8,900

- Were there any excess billings from the 2018 and/or 2019 auditor for problem areas? If so, what were they? **None**
- As compared to the prior year, what changes has the City encountered this fiscal year (if any)? Any major changes in management, accounting personnel, and/or staffing? **None**
- Will the City encounter any disciplinary actions from external agencies/entities? If so, please describe. **None**
- What accounting software does the City use? **Incode Version 9**
- Have you changed accounting software since your last audit? **No**
- How many people did your previous audit firm bring to fieldwork? **One**
- How many days was your previous audit firm at your site for fieldwork? **One auditor was on site one day – as he needed paperwork, we posted to outbox**
- Does the City anticipate having federal expenditures in excess of \$750,000 for fiscal years ending 2020, 2021, and/or 2022? If so, how many major programs and approximately what dollar value?
We will not exceed it for the current FY but expect to in the next Audit year – best to include an additional price for single line audit.
- Have there been any addendums to the proposal since its issuance? If so – will you, please forward me a copy? No addendums currently. **By COB Monday, 21 September, I will share with you any other questions and answers that other firms may have asked.**
- Is there an RFP packet that can be sent us? Or is the RFP the public notice on your website? **Yes, the RFP is on our website under public notice. The zip code included on the RFP is incorrect. Please use 76559 instead of 78945.**
- What is the reason for the change in auditors? **Only because the current firm did not send a letter of engagement and we were notified that the CPA working on our account had moved on.**
- Are the current auditors allowed to propose? **Yes**
- Do you have any issues with your current auditor? **None**

- Approximately how many days and how many auditors were on-site for the prior year audit?
One auditor was on site one day – as he needed paperwork we posted to outbox
- Do you have the list of 2019 audit adjustments you could send me (viewing these adjustments are a great help in estimating the needed amount of audit hours)? **Attached**
- Did the auditor issue any management recommendation letter for 2019? (please send)
Attached
- Do you know if a Single Audit will be needed for 2020? (Single audit only required when federal grant funds over \$750,000 are expended in a year) **We will not exceed it for the current FY, but expect to in the next Audit year – best to include an additional price for single line audit.**
- Is there a certain month/week that the City is ready for audit and prefers? **Prefer Jan for audit, can start with letters and confirmations in October. Complete by mid-March**
- Is there any current or threatened litigation issues? **None**
- Has there been any fraud at the City in the past two years? **None**
- Has there been significant turnover in upper management in the past two years? **None**
- You want the auditor to be in charge of preparing the entire annual financial report correct?
Yes
- Are there any other unusual issues for FY2020 that were not present in FY2019 that I should be aware of? **None**
- Section 5.4 shows the city to have many more funds than what's in your 2019 audit, so I just want to confirm the City only has a general, debt service funds...and an EDC? **Correct, in addition to special funds such as court security, court tech, pedestrian, street maintenance.**