

ADDENDUM #1

RFP 25-10

ANSWERS TO QUESTIONS – FINANCIAL AUDITING SERVICES

- What is the reason for the City seeking bids for audit services? **End of 5 year contract**
- Please describe any quality or timeliness issues that the City has had with the current auditor, if any. **None**
- Was the City's current auditor invited to provide a proposal? **Yes**
- What does the City value in an external audit firm? **Timeliness in completing the audit; balancing adherence to audit quality with avoidance of over-auditing immaterial items, which places excess burden on City staff; leveraging the City's ERP technology to obtain all balances, transaction detail, and underlying supporting audit evidence**
- What would you change about the current audit process? **Auditor prep MD&A with needed input from the City instead of City prepping the MD&A**
- Does the City prepare any portions of the annual ACFR (letter of transmittal, MD&A, statistical schedules, SEFA, SESA, etc.)? **Transmittal letter, MD&A, Statistical Section, SEFA**
- Does the City expect to need a federal awards audit under the Uniform Guidance or a state awards audit under Florida Single Audit Act? **No to federal but likely yes to state**
- What were the fees for the most recently completed audit of the City? **\$59,000**
 - o Does that include any out-of-scope billings? **None**
 - o Does that include the fees for the examination engagement in compliance with Section 218.415, Florida Statutes, *Local Governmental Investment Policies*? **Included**
- If you are able, please provide the number of auditors, number of days auditors have typically been on-site/remote (preliminary and final fieldwork) for the audit and total hours if available. **1 partner; 1 manager; 1-2 senior associate and/or associate; minimal onsite presence, typically limited to 1-2 days onsite at interim**

- Is a fully on-site, remote, or hybrid audit approach preferred? **Mostly remote preferred with maybe 1 or 2 days onsite at interim and final fieldwork for meetings and audit presentation to Commission**
- Has the City experienced any turnover in key accounting positions thus far in FY25? **No**
- Does the City anticipate any major changes in its operations or organization that will have a significant impact on upcoming audits (new funds, unusually large projects or financing, etc.)? **No**
- Does the City anticipate any new federal or state funding in the next few years? **Possible state grant funding for certain capital projects**
- Were any audit adjusting journal entries proposed by the auditors during the City's FY24 audit? **No uncorrected misstatements. Per governance communication letter: "The following list summarizes the material, corrected misstatements that have been recorded by management: To record approximately \$1,333,000 from capital improvement current year expenditures to prepaid expenses for the Beach Groin project."**
- What is the preferred timing for preliminary fieldwork, final fieldwork, and final report issuance? **Interim field work in November/December timeframe. Final fieldwork in February/March timeframe. Final reports issued by end of March. See Section 2.6 of RFP for more information.**
- Does the City use a portal to share workpapers with its audit firm? If not, are you open to using such a tool? **City requests that the selected audit firm utilize the City's ERP system (Aclarian), namely the Task Management module – Audit Fieldwork Request Form, for managing audit requests**
- Does the City have internal control documentation of key accounting cycles (disbursements, payroll, taxes, etc.)? If so, in what format (narratives, flowcharts, other)? **IC narratives in Word. Finance team is currently working on a Policies & Procedures online portal**
- How does the City maintain their capital asset data? **Capital Assets module in Aclarian ERP system**
- Who prepares and maintains the financial information for GASB 87 and GASB 96 (if applicable)? Is software used? If so, what product? If not, what method is used? **Maintained in Lease Accounting module within Aclarian ERP system**

1. Is the prior auditor being considered for re-appointment and how long were they your auditor? **Yes prior auditor is eligible to respond. They have been the City's audit firm for last 5 years.**
2. Please provide us a brief summary of the accounting department personnel and their relevant experience. **Finance team consists of part-time contracted Finance Director**
3. Are there any auditing problems / difficulties we need to be made aware of? **None**
4. Do you have an audit committee or equivalent oversight by the Board? **Auditor Selection Committee consists of the Board of Commissioners. There is no separate Audit Committee.**
5. Is all of the accounting performed in one office, on one system? If not, how many accounting systems and locations are involved? **One location and one accounting system (Aclarian ERP system)**
6. Is the fixed asset detail maintained in a fixed asset software system or on excel spreadsheets? **Fixed asset software system – Aclarian ERP**
7. Will you calculate and record the lease liabilities and right to use asset and related amortization? **Calculated via Lease Accounting module in Aclarian ERP system**
8. Do you typically prepare the financial statements and footnotes or does the audit firm prepare them? **Audit firm prepares**
9. Can you provide the prior year trial balance and audit adjustments, if any? Or give an indication of the number of adjustments and a description of the entries, if any? **No**

uncorrected misstatements in the FY 2024 audit and one corrected misstatement. Per governance communication letter: “The following list summarizes the material, corrected misstatements that have been recorded by management: To record approximately \$1,333,000 from capital improvement current year expenditures to prepaid expenses for the Beach Groin project.”

10. What is the expected timeline for audit fieldwork? Expected start and completion date?
Interim field work in November/December timeframe. Final fieldwork in February/March timeframe. Final reports issued by end of March. See Section 2.6 of RFP for more information.
11. What is your preference of how field work is performed (remote, in person, hybrid, etc.)?
Mostly remote preferred with maybe 1 or 2 days onsite at interim and final fieldwork for meetings and audit presentation to Commission
12. If possible, can you indicate the professional fees for 2024 or the number of hours incurred on the engagement? **Fees for FY 2024 audit totaled \$59,000. No hours were provided by the audit firm in their engagement letter or invoices.**