



ADDENDUM NO. 1

Request for Proposal (RFP) No. 2016-010 Audit Services

May 24, 2016

TO ALL PROPOSERS:

Please incorporate the following information/clarifications into the specification packet for the above referenced project:

REQUESTS FOR INFORMATION (RFI):

1. **RFI 1:** What were the audit fees paid for FY 2015 and FY 2014?

RFI 1 Response: FY 14: \$90,400, FY 15: \$93,000

2. **RFI 2:** Who will serve on the audit selection committee?

RFI 2 Response:

Anticipated Selection Committee members are:

Finance Director

Assistant Finance Director

Controller

Assistant to the City Manager

City Attorney

Please keep in mind that the RFP document prohibits contact with these individuals during the entire RFP process.

3. **RFI 3:** We could not locate the FY 2015 CAFR on the website and we assume since you participate in FRS, that the FY 2015 CAFR is not yet available?

RFI 3 Response: FY 2015 CAFR is uploaded to the City's website, under Finance Department.

4. **RFI 4:** Does the City expect to be subject to the federal single audit for FY 2016?

RFI 4 Response: At this time the City does not expect to have grant activity levels sufficient to require compliance with the Single Audit Act for the year ended September 30, 2016.

5. **RFI 5:** We noticed that the City in FY 2013 and FY 2014 was only subject to the federal single audit and not a Florida single audit even though the SEFA was labeled as such in FY 2014. For FY 2015, was the City subject to just a federal single audit or both a federal and Florida single audit? We ask the question because on the price proposal pages 26 – 28 it just states "single audit" and we wanted to know if the City was subject to 2 different single audit acts.

RFI 5 Response: The City does not expect to have state or federal grant activity levels sufficient to require a single audit for FY 2016. However, the City may expend sufficient levels in subsequent years for both federal and state.

6. **RFI 6:** Is the FY 2015 CAFR expected to be completed and available prior to May 31, 2016, the submission date of the proposals?

RFI 6 Response: The CAFR is issued and is available on the City's website, under Finance Department.

7. **RFI 7:** A notation was made that a significant amount of information required in "G. Additional RFP Information" is already addressed in previous submission sections of the RFP.

RFI 7 Response: Please include the requested information in just one of the sections and in the second section you can include a note to refer the Selection Committee member back to the section that includes the information that was requested in duplicate.

8. **RFI 8:** What is the reason for considering a change in auditors? Will the current City auditors be able to submit a proposal?

RFI 8 Response: Contract and extensions ended. Current auditors are able to submit a proposal.

9. **RFI 9:** When going through the auditor selection process, what are the most important attributes you are looking for and what was the primary reason for the selection of the current auditors?

- a. What qualifications/characteristics did the City appreciate the most about their “current” auditors or look for in the future auditors?
- b. For what areas does the City see as an opportunity for improvement for future audit engagements?

RFI 9 Response: Responses to questions 2(a) and (b) would require the City to provide subjective information that is not pertinent to this solicitation. Therefore, no response to those inquiries will be provided.

10. **RFI 10:** How many hours by staffing level (e.g. Partner, Manager, Senior, Staff, etc.) did the current auditors provide to complete the fiscal year 2015 engagement?

RFI 10 Response: The City does not have access to this information.

11. **RFI 11:** When will the final trial balance and audit support schedules be available for auditors for planning purposes?

RFI 11 Response: Anticipated for the middle of December.

12. **RFI 12:** Did the City engage their previous or other independent accountants to perform additional services and, if so, what was the nature of such services and what were the fees paid for those services?

RFI 12 Response: See question 16.

13. **RFI 13:** Approximately how many auditor-generated journal entries are made each year?

RFI 13 Response: There were no auditor generated journal entries for FY 2015 audit.

14. **RFI 14:** Are there any other major transactions/activities planned that may affect the fiscal year ending 2016 or subsequent years’ engagements, e.g., planned major capital projects, IT/system implementations, Bond issuances, etc.?

RFI 14 Response: A bond refunding is taking place in May/June of 2016.

15. **RFI 15:** May we obtain a copy of the most recent Independent Auditor’s Management Letter in accordance with the Rules of the Auditor General?

RFI 15 Response: The City's FY 2015 CAFR is available on the City's website and includes the Management Letter.

16. **RFI 16:** How much did the City pay for audit fees for the CAFR and Single audits for the past five fiscal years? Were there increases to the originally agreed-upon fees for out of scope work or additional billings? If yes, how much were the increases and what was the reason for the increases?

RFI 16 Response: FY 11: \$82,000, FY 12: \$84,100, FY 13: \$87,200, FY 14: \$90,400, FY 15: \$93,000

In FY 2014, an additional financial statement was issued after the end of the audit for the CRA for an additional fee of \$2,500. This additional financial statement was issued under the scope of the audit fees for fiscal year 2015.

In FY 2013, an audit was conducted for a grant received by the City. The fee for this audit was \$3,500.

17. **RFI 17:** What is the amount budgeted for the fiscal year end 2016 engagement?

RFI 17 Response: The FY 2017 budget is in the process of being prepared.

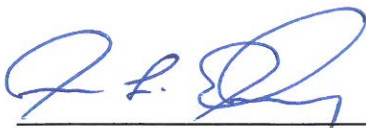
18. **RFI 18:** What will be the make-up of the selection committee? What members of the City staff are expected to be on the selection committee, if any?

RFI 18 Response: Refer to question 2.

19. **RFI 19:** Did the auditor draft the 2015 financial statements?

RFI 19 Response: The auditor assisted in drafting the FY 2015 financial statements, assistance from the auditors is anticipated for FY 2016.

There are no other changes at this time. The RFP submission date shall stay the same and is due on May 31, 2016 at 3:00 pm.



Spencer Shambray, CPPB
Purchasing Manager
5/24/16

Please sign and return the acknowledgment page of this addendum by email or by fax. The original acknowledgement page is to be included with your bid proposal.

ACKNOWLEDGEMENT FORM

ADDENDUM NO. 1

Request for Proposal (RFP) No. 2016-010 Audit Services

I acknowledge receipt of Addendum No. 1 for RFP No. 2016-010 Audit Services. This addendum contains five (5) pages. Please include the original of this form in your RFP submission.

Company Name: _____

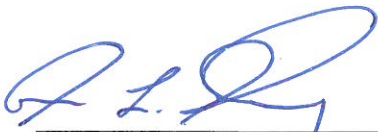
Address: _____

Name of Signer _____
(please print)

Signature: _____ Date: _____

Telephone: _____ Facsimile: _____

Please fax your completed form to (954) 935-5258 or e-mail to purchase@margatefl.com.



Spencer Shambray, CPPB
Purchasing Manager
5/24/16