

## **RFQ 50-15-16 – Independent Auditing Services**

### **Attachment A – Previously Received Questions & Answers**

- Q.1** “Is there a mandatory rotation of auditors after the 5 year contract?”
- A.1** A rotation of auditors is not mandatory. The City will issue a new Solicitation once this contract either expires or is terminated.
- Q.2** “How long has the current auditor been performing this audit?”
- A.2** The current auditor has been performing this audit since being awarded in January of 2011.
- Q.3** “Is the incumbent auditor precluded from submitting a bid?”
- A.3** No, the incumbent auditor is not precluded from submitting a bid.
- Q.4** “Page 12 of 34, item b) Respondent must submit proof that it is independent and duly licensed under Florida Statute..... et al). Would providing a copy of our license as a registered CPA firm from the State of Florida, Department of Business and Professional Regulations suffice?”
- A.4** The minimum qualifications required to be eligible for consideration under this Solicitation are spelled out in Section 2.4 of the Special Conditions.
- Q.5** “Page 12 of 34, item c) Respondent must submit proof that it has performed governmental financial audits for a minimum of 5 years. Would submitting a listing of governmental clients which we provide these services to suffice?”
- A.5** All references must be submitted using Contract Form A-14 and providing current contact information for each client.
- Q.6** “Page 12 of 34, item d) Respondent must submit proof that it has conducted federal and state single audits for at least 3 governmental entities within the past 5 years. Would submitting a listing of governmental clients which we provide these services to suffice.”
- A.6** See A.5
- Q.7** “Can you provide a copy of the last auditor’s contract?”
- A.7** See “Attachment B” of the Solicitation.

**Q.8** “When should proposing firms expect to hear the results of the proposals (shortlisting, etc.)?”

**A.8** Each Respondent will be notified of the evaluation results following conclusion of the Evaluation Committee’s final review.

**Q.9** “What are the names/titles of the individuals who compose the “evaluation/selection committee”?”

**A.9** An Evaluation Committee has not yet been established.

**Q.10** “What were the audit fees for fiscal year ending September 30, 2015 and 2014?”

**A.10** The fees for fiscal years ending September 30, 2015 and September 30, 2014 were \$109,600 and \$107,580 respectively.

**Q.11** Any changes in your operations, funding, personnel, etc. in 2015-2016 period compared to 2014-2015?

**A.11** There have been several administrative changes since 2014-2015, including a new City Manager and new Finance Director. Moreover, there will also be additional staff available in the Finance Department this year compared to prior years.

**Q.12** “In fiscal year 2015, were there any additional services provided by the current auditors? If so, what were they and what were the fees?”

**A.12** The audit of the Landfill Closure Escrow account and the City of North Miami Community Redevelopment Agency (CRA) audit. Moving forward, the CRA audit will be a separately bid audit. The overall fees listed under the above Paragraph A.10 were inclusive of these audits.

**Q.13** “Fees for 2015 audit.”

**A.13** See above Paragraph A.10.

**Q.14** “Can you provide the special audit reports for FYE 9/30/2015?”

**A.14** See “Attachment C” of the Solicitation.

**Q.15** “How has the City addressed the deficiencies noted in the 9/30/2015 CAFR?”

**A.15** See the City’s responses to the findings noted in the CAFR. The City’s CAFR can be found on the City’s website linked below:

<http://www.northmiamifl.gov/departments/finance/cafr.aspx>

**Q.16** “Can you provide a copy of the auditor’s most recent engagement letter?”

- A.16** See “Attachment B” of the Solicitation.
- Q.17** “Can you provide the audit reports for the last three fiscal years along with corresponding management letter?”
- A.17** The City’s CAFR can be found on the City’s website linked below:  
<http://www.northmiamifl.gov/departments/finance/cafr.aspx>
- Q.18** “How much were the fees for each year of the last contract period and extension years (for the last auditors, or, at a minimum, for the last 5 years?”
- A.18** The fees for the last contract period and extension years were as follows: \$109,600 for Fiscal Year 2015, \$107,580 for Fiscal Year 2014, and \$107,995 for Fiscal Year 2013.
- Q.19** “Were any additional services provided by the previous audit firm? If so, what were the services and related fees?”
- A.19** Yes, the audit of the Landfill Closure Escrow account. In FY 2015, the auditor also performed the audit of the City’s CRA. The overall fees listed under the above Paragraph A.10 were inclusive of these audits. The CRA audit is now a separately bid audit.
- Q.20** “Do you expect additional services to be performed by the auditors for the 2016 fiscal year end? If so, what services?”
- A.20** Yes, the audit of the Landfill Closure Escrow account. In addition, the City may also request the awarded firm to provide additional services on an as-needed basis.
- Q.21** “How long were the auditors in the field?”
- A.21** Approximately three (3) months.
- Q.22** “What was the time frame (month(s)) the auditors were in the field?”
- A.22** See above Paragraph A.21.
- Q.23** “What were the auditor’s total hours?”
- A.23** This information is not currently available to the City.
- Q.24** “Does the organization expect a significant increase or decrease in federal funding that will impact reporting requirements?”
- A.24** No, the City does not expect a significant increase or decrease in federal funding that would impact reporting requirements.
- Q.25** “Does the organization expect a significant increase or decrease in state funding

that will impact reporting requirements?”

**A.25** No, the City does not expect a significant increase or decrease in state funding that would impact reporting requirements.

**Q.26** “Will staff or auditors be responsible for preparing the CAFR, financial statements and notes, thereto?”

**A.26** The City will prepare the CAFR, Financial Statements and Notes. Auditors are expected to review and provide value through best practice recommendations.

**Q.27** “Will staff or auditors be responsible for duplicating and binding the CAFR?”

**A.27** The City is responsible for binding and reproduction of the CAFR.

**Q.28** “When will the books be closed and when will the auditors be able to get the final trial balance?”

**A.28** The City expects a final trial balance (with accruals, etc.) by the start of January 2017.

**Q.29** “Do you expect any major changes in revenues, expenditures, assets or liabilities that may affect the audit and/or risk?”

**A.29** No, the City does not expect any major changes in revenues, expenditures, assets or liabilities that may affect the audit and/or risk.

**Q.30** “Can the professional liability insurance be reduced to \$1 million or less to be more in line with anticipated contract fees?”

**A.30** Yes, Professional liability limits of \$1 million will be accepted.

**Q.31** “Can the worker’s compensation insurance requirement be in accordance with Florida Statutes?”

**A.31** The Worker’s Compensation “Statutory” is as required by Florida Statutes. Regarding Employer’s Liability, the minimum limit will remain at \$1.0 million per City standards.

**Q.32** “Would you please provide a copy of the latest special audit that was performed for the Landfill Trust (page #4 on page 27 of the RFQ)?”

**A.32** See “Attachment C” of the Solicitation.

**Q.33** “Are the Pension Trust funds included or excluded as a component of the scope of the annual audit examination?”

**A.33** Pension Trust funds are excluded from the scope.

**Q.34** “Is the Community Re-development Agency (CRA) included or excluded within

the scope of the annual audit examination?”

**A.34** The CRA is excluded from the scope.

**Q.35** “Please provide the following information: Prior year audit fees and estimated hours to complete the audit.

**A.35** Audit fees for the prior year were \$109,600. The estimated hours to complete the audit are currently unavailable to the City.

**Q.36** “Please provide the following information: Prior year audit reports or indicate where to find them for the Landfill Trust.

**A.36** A copy of the Landfill audit is included as “Attachment C” of this Solicitation.

**Q.37** “Please provide the following information: Annual budgets for federal and single audits.

**A.37** Federal and single audits are not budgeted separately, they are included as part of the entire annual audit budget.

**Q.38** What is the budget for this audit?

**A.38** The budget is \$102,000.

**Q.39** Do you have an anticipated deadline for the audit to be completed?

**A.39** March 31, 2017

**Q.40** Who were your previous auditors? How long had they been performing the audit?

**A.40** Our previous auditor was Harvey, Covington & Thomas, LLC. They have been performing this audit since being awarded on January 2011.

**Q.41** Can you please provide a copy of the audit report?

**A.41** The document can be found on the City’s website linked below:

<http://www.northmiamifl.gov/departments/finance/cafr.aspx>

**Q.42** Can you please provide a copy of your last two financial statements?

**A.42** The document can be found on the City’s website linked below:

<http://www.northmiamifl.gov/departments/finance/cafr.aspx>

**Q.43** What were your prior contract fees for each of the past three (3) years?

**A.43** See above Paragraph A.18

**Q.44** Are your prior year auditors included or excluded from the current RFP process?

**A.44** See above Paragraph A.3

**Q.45** What do you like about the service provided by your current auditing firm? What don't you like?

**A.45** Pursuant to Section 2.15 of this Solicitation, anyone may submit questions or requests for clarification regarding the Solicitation and the scope of work contained therein. This question does not address any areas encompassed by this Solicitation.

**Q.46** Are there any special qualities you are looking for in the firm you select?

**A.46** The City is looking for a firm that is competent, experienced and meets the qualification requirements spelled out under Section 2.4 of this Solicitation.

**Q.47** How many auditors and how many weeks were the prior auditors on site, for interim and year-end field work?

**A.47** Approximately two (2) weeks for interim and up to seven (7) weeks for year-end. Approximately nine (9) weeks of fieldwork.

**Q.48** Have any obstacles been encountered that prevented fieldwork from occurring as agreed to by the City and prior auditor?

**A.48** None.

**Q.49** Were there any major changes in the engagement requested in the RFQ compared to last year's engagement?

**A.49** None.

**Q.50** What were the approximate hours that the prior year auditors accrued for the entire audit? If unavailable, please let us know the number of weeks the prior year auditors were in the field?

**A.50** Approximate hours are currently unavailable to the City. The auditors were in the field for approximately nine (9) weeks in total.

**Q.51** How many audit adjustments were proposed by the auditors?

**A.51** Approximately ten AJE's.

**Q.52** How many journal entries were proposed by the prior auditor and how many findings did they issue?

**A.52** Approximately ten JE's and five "findings" were noted.

**Q.53** How many major programs are usually tested each year for the Single audit?

**A.53** One major program.

**Q.54** Did the auditor's perform any other service?

**A.54** See above Paragraph A.12

**Q.55** What assistance will be provided to the auditors by City staff (i.e. preparation of the various reconciliations, schedules, confirmations, drafting financial statements and the related footnotes, etc.)?

**A.55** Yes, the City will provide trial balances, supporting schedules, reconciliations and CAFR including footnotes. We will prepare requested confirmations and auditors will independently send them out.