

# RESPONSES TO QUESTIONS

## RFP for Professional Audit Services

Date: January 21, 2021

**Question 1:** What is the reason that you are considering changing the auditor?

**Response 1:** The current auditor has termed out.

**Question 2:** Will your prior auditors be invited to bid?

**Response 2:** No, the current auditors will not be invited to bid.

**Question 3:** How many staff did the audit team consist of in the past and when did the auditors come on site?

**Response 3:** The audit team consisted of two partners and two associates. The auditors are usually onsite in October.

**Question 4:** Is the scope of the services requested the same as last year?

**Response 4:** Yes, the scope is the same as previous years.

**Question 5:** Have there been any changes in your accounting system or software since last year?

**Response 5:** No, there have not been any changes to the City's accounting system or software. The City uses Tyler-EDEN.

**Question 6:** Do you expect to have any retirement or replacement of key employees?

**Response 6:** Due to the COVID-19 Pandemic, the City offered a "Golden Handshake" to several employees.

**Question 7:** How many weeks did your prior auditors require for your last audit?

**Response 7:** One week for Interim Fieldwork and one week for Audit Fieldwork.

**Question 8:** How many weeks/hours were spent by the prior auditors in the field?

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**Response 8:** Unknown. The contract was a flat rate for services, not time and material.

**Question 9:** When did the on-site fieldwork take place?

**Response 9:** Due to COVID-19 Pandemic, fieldwork took place in June 2020. In normal circumstance, fieldwork should take place early May.

**Question 10:** When will a closed trial balance be available for the audit with all closing entries recorded?

**Response 10:** In October.

**Question 11:** Is there anything specific that you are looking for with the successor auditors?

**Response 11:** We would like to have auditors that can assist with new GASB requirements/implementations, along with CAFR preparation, audit completion and other tasks.

**Question 12:** How many adjusting entries you had last year?

**Response 12:** During the last audit, the auditors proposed four adjusting journal entries.

**Question 13:** Do you expect to have a single audit this year?

**Response 13:** No the City will not have a Single Audit this year.

**Question 14:** How many major programs did you have last year?

**Response 14:** The City did not have any major programs in fiscal year ending June 30, 2020.

**Question 15:** How much were the total federal expenditures last year?

**Response 15:** Total federal expenditures for fiscal year ending June 30, 2020 were \$645K.

**Question 16:** Due to the shelter-in-place order circumstances and potential travel restrictions relating to COVID-19, I am wondering if you will

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accept submitting the proposal electronically (pdf file)? If yes, Please confirm the email address.

**Response 16:** Yes, the City will accept the proposal electronically. Please submit to [cityclerk@sfcity.org](mailto:cityclerk@sfcity.org) and [dibanez@sfcity.org](mailto:dibanez@sfcity.org).

**Question 17:** Has there been any turnover in management during the past year?

**Response 17:** No, there has been no turnover in management during the past year.

**Question 18:** Has there been any turnover in accounting staff during the past year?

**Response 18:** No, there has been no turnover in accounting staff during the past year.

**Question 19:** Any management letter comments outstanding from the prior year?

**Response 19:** Yes, one.

**Question 20:** May we receive a copy of last year's management letter?

**Response 21:** Yes, please see attached.

**Question 22:** Any known or suspected fraud?

**Response 22:** There are no known or suspected cases or fraud.

**Question 23:** When will books be ready for the audit?

**Response 23:** October 2021.

**Question 24:** Are financial records available electronically?

**Response 24:** Yes, financial records are available electronically.

**Question 25:** Is remote auditing acceptable to the City?

**Response 25:** Yes, the City will consider remote auditing.

**Question 26:** Who prepares the financials?

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**Response 26:** The auditor prepares the City's financials.

**Question 27:** Were there any significant transactions (e.g. bond issuance, leases) during the year?

**Response 27:** Yes, the City is considering issuing Pension Obligation Bonds in FY 20-21.

**Question 28** Significant changes to operations or funding sources?

**Response 28:** Due to COVID-19, unknown at this time

**Question 29:** Significant construction or capital projects?

**Response 29:** Due to COVID-19, unknown at this time

**Question 30:** Any audits or inspections by regulatory agencies?

**Response 30:** No. there are no audits by regulatory agencies.

**Question 31:** Any changes to the governance structure of the organization?

**Response 31:** No, are no changes to the governance structure of the organization.

**Question 32** How long has your prior auditor been performing the audit?

**Response 32:** The previous auditor had a 4 year contract.

**Question 33** Are there any significant changes in operations expected for FY 2020-21?

**Response 33** Due to COVID-19, unknown at this time

**Question 34** Will there be any significant events in FY 2020-21?

**Response 34** Due to COVID-19, unknown at this time

**Question 35** What are some things you would like to see improved in the financial audit process compared to previous years?

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**Response 35:** The City is seeking for the continuation of auditors with great communication skills and auditors that will update/inform staff of any relevant issues, concerns, inaccuracies etc.

**Question 36** Any litigation not included in the 2019 Financial Statements?

**Response 36:** All litigation is included in the 2019 Financial Statements.

**Question 37** Were there any material weaknesses, significant deficiencies or control deficiencies? If so, please provide relevant reports.

**Response 37:** There are no material weaknesses, significant deficiencies or control deficiencies

**Question 38** Will the staff or auditor be required to draft the financial statements?

**Response 38:** Yes, the auditor will be required to draft the financial statements.