

**CITY OF ARCADIA
ADDENDUM ONE
FOR
REQUEST FOR PROPOSALS**

RFP2017-02 FINANCIAL AUDITING SERVICES

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**City of Arcadia
23 North Polk Avenue
Arcadia, Florida 34266**

ADDENDUM DATE: November 10, 2016

INTRODUCTION

The City of Arcadia requests that qualified firms and/or individuals submit Proposals for consideration in the selection for Financial Auditing Services for the City of Arcadia as indicated within the context of **RFP 2017-02 Financial Auditing Services**. The responses are due by **2:00 pm, November 30, 2016**.

Any submittal received after the above stated time and date will not be considered. It shall be the sole responsibility of the proposer to have its proposal delivered to the City of Arcadia, by U.S. Mail or hand delivery; however, facsimile or electronic submittals will not be accepted. Delay in delivery shall be the sole responsibility of the responder. Submittals received after the deadline will not be considered.

THIS ADDENDUM:

The following 14 (fourteen) questions have been submitted by several prospective proposers for RFP 2017-02 Financial Audit Services. This Addendum now becomes part of the original RFP and shall be acknowledged by attaching a copy of this Addendum, signed by an authorized representative of the person or company submitting a proposal. Failure to do so may disqualify the Proposal.

NAME: _____ TITLE _____

ADDRESS: _____

CITY: _____ STATE: _____

AUTHORIZED SIGNATURE: _____ DATE: _____

QUESTIONS SUBMITTED BY PROSPECTIVE PROPOSERS:

- (1) Under Section 2, it states that timeliness is critical to performance of the audit and that end-of-year records are available to the Auditor on or before November 30. So why is the Auditor's report on the September 30, 2015 financial statements dated June 27, 2016? Would the City of Arcadia like for the Audited Financials to be issued by March 31 each year?

CITY OF ARCADIA ANSWER:

Prior to the current Finance Director being hired, bank statements and balance sheet items were not being reconciled timely, which delayed audits for several years. The City would like the Audit to be issued well before the June 30 deadline and eventually by the March 31 deadline.

- (2) Nine (9) of the cities that we audit receive the GFOA Certificate of Achievement in Financial Reporting. Does the City of Arcadia have a goal to receive the GFOA Certificate of Achievement?

CITY OF ARCADIA ANSWER:

Yes, this is the City's goal.

- (3) How many audit adjustments were made by the Auditor during the 2015 audit?

CITY OF ARCADIA ANSWER:

40

- (4) There were two material weaknesses in internal controls over financial reporting identified in the 2015 audit. Are bank reconciliations being performed on a timely basis during 2016? Also, is the City reconciling all balance sheet accounts to the subsidiary ledgers or other supporting documentation during 2016?

CITY OF ARCADIA ANSWER:

As mentioned above in answer to Question 1, the City was considerably behind in reconciling statements and subsidiary ledgers. Each year since 2014, we have made improvements. The goal is to be completely caught up by the end of December 2016. In an effort to achieve this, we have hired a part-time Accounting Clerk to assist in reconciliations.

- (5) Please provide detail of audit fees paid for the past three (3) years broken down between cost for regular audit and cost for Single Audit.

CITY OF ARCADIA ANSWER:

*\$85,500 for regular Audit
\$3,500 for each Single Audit*

- (6) We usually perform interim testing of internal controls prior to year end, usually in August. This will not be possible for the 2016 audit, but we would like to plan the later audits with the interim testing. Is that acceptable?

CITY OF ARCADIA ANSWER:

Yes

- (7) Are the City's pension plans administered by City staff or a separate plan administrator?

CITY OF ARCADIA ANSWER:
Separate Plan Administrators

- (8) What is your ideal timeline for completion of the audit?

CITY OF ARCADIA ANSWER:
May 15th or earlier.

- (9) How many major single audit programs do you anticipate for fiscal year 2016?

CITY OF ARCADIA ANSWER:
One

- (10) Was the auditor engaged to perform any additional services during 2015?

CITY OF ARCADIA ANSWER:
Two Single Audits

- (11) How long has the existing auditor been engaged and will they be eligible to respond to the RFP?

CITY OF ARCADIA ANSWER:
5 Years. Yes they are eligible to respond to this RFP.

- (12) Do you anticipate any significant upgrades or changes to computer hardware or software?

CITY OF ARCADIA ANSWER:
No

- (13) What is the size of the accounting staff and has there been or is it anticipated that there will be any significant staff turnover during the September 30, 2015 fiscal year?

CITY OF ARCADIA ANSWER:
Staff of 3 full-time and 1 part-time audit clerk. We do not anticipate any significant staff turnover.

- (14) Is documentation for transactions manual or electronic (scanned and stored)?

CITY OF ARCADIA ANSWER:
Manual