



**CITY OF CARMEL-BY-THE-SEA
REQUEST FOR PROPOSALS
AUDITING SERVICES
RFP#15-16-02: AUDITING SERVICES**

QUESTIONS AND ANSWERS

Q: What is the reason for bid?

A: We have a City policy of rotating auditors every three years. Our current auditors have completed their 3 year contract.

Q: Have there been any major changes in the past year (staff turnaround, new accounting software/ programs)?

A: No major changes in the past year.

Q: Please list the staff members in finance and their years of experience with the organization at that position.

A: Paul Wood, CPA – Finance Manager, 1.5 years as Finance Manager and 13 years as a consulting CPA for the City of Carmel-by-the-Sea.

Deanna Allen – Finance Specialist, 5 years

Anna Aubuchon – Administrative Coordinator, 5 years

Q: Will the staff or auditor be required to draft the financial statements?

A: Following the guidelines summarized in paragraph 3.26 of the Yellow Book related to auditor independence, we would ask that the auditor draft the financial statements.

Q: About how much time did the prior year auditors spend onsite to conduct their audit?

A: About 8 days on-site.

Q: Are the prior year auditors being asked to bid as well?

A: No, due to City policy on auditor rotation mentioned in #1.

Q: Did you have any problems/ disagreements with your prior auditor?

A: No, we have no problems/disagreements with prior auditor.

Q: What were the prior year fees? A: Last year's fees were contracted not to exceed \$17,300.

Q: Did these fees include travel? A: Yes.

Q: Are there any new services in this RFP that were not included in the prior year?

A: No.



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Q: I did not see the 2014 financial statements on the City's website. Can you please send us a copy of the 2014 audited financial statements?

A: Prior to July 31, 2015, we will e-mail an electronic copy of the 2014 financial statement. After that date, it will be posted on the website.

Q: What efficiencies would you like to see in the audit of the City's financials?

A: Quicker completion and issuance of audit report

Q: What is the minimum limit for insurance?

A: **Commercial general liability insurance** including but not limited to premises, personal injuries, bodily injuries, products, and completed operations, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Professional liability insurance CONSULTANT shall maintain in effect throughout the term of this contract professional liability insurance with limits of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate. CONSULTANT will either maintain or cause to be maintained professional liability coverage in full force or obtain extended reporting (tail coverage with the same liability limits) for at least three (3) years following CITY's acceptance of work.

Commercial automobile liability insurance covering all automobiles, including owned, leased, non-owned and hired automobiles, used in providing services under this contract, with a combined single limit of not less than \$1,000,000 per occurrence.

Workers' Compensation Insurance If CONSULTANT employs others in the performance of this Contract, CONSULTANT shall maintain workers' compensation insurance in accordance with California Labor Code section 3700 and with a minimum of \$1,000,000 per occurrence for employers' liability.

Q: How many auditors did they have on-site for interim and year-end fieldwork, and for how many days/weeks?

A: There were 2-4 auditors on site for fieldwork for a total of about 2 weeks.

Q: How many off-site cash collection locations are there?

A: There are a total of three, but two have very minimal cash collections.

Q: Did the prior auditor propose any adjusting entries? If so, what was the nature?

A: Yes, entries for adjusting accruals and liabilities to actual, depreciation adjustments, normal year-end adjustments and accruals.

Q: Were single audits required in the past? If so, how many major programs were identified?

A: No single audits have ever been required.



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Q: How many observations/findings were noted by the audit firm in the most recent audit?

A: One finding was noted.

Q: How did you measure the quality of the audit performed?

A: We have not measured the quality of the audit performed.

Q: What audit areas, in your opinion, were cumbersome?

A: Dealing with our current finance system