

**City of San Rafael – RFP Audit Services (closes November 17, 2014 at 5 p.m.)
Answers to questions submitted through 1 p.m. on October 23, 2014.**

Questions are presented below in the order received. Duplicate questions are referred to the original answer. In cases in which the answer was provided in the RFP, the page containing the answer is provided.

1. What is the reason that the City is considering changing the auditor?

The current contract with Maze and Associates has expired upon the completion of the FY13-14 audited financial statements and related reports. The original contract from 2007 was for four years with a two-year extension. The contract was later extended two additional years, in order to ensure continuity of reporting upon dissolution of the redevelopment agency.

2. Will your prior auditors be invited to bid?

Yes.

3. How many staff did the audit team consist of in the past?

Five: Partner, Supervisor, Senior, and two Associates.

4. Is the scope of the service requested the same as last year?

Yes, it is essentially the same. However, we do believe that over time we will be less dependent on the audit firm for our government-wide statements, as we become more proficient with Prosystems fx Engagement software.

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

The most significant change was the implementation of Prosystems fx Engagement software, to enhance our internal report generation capacity and pre-audit analysis.

6. Do you expect to have any retirement or replacement of key employees?

No, at least not during the first year reporting cycle.

7. How many weeks did your prior auditors encounter for your last audit? How many weeks/hours were spent by the prior auditors in the field?

We did not ask for the auditors to account for all of their offsite time. Their onsite time included:

Interim: 8-10 days

Final: 9 days

Post-final follow up (1 ½ weeks after final): 1 day for follow-up with 1 additional day allocated, but not fully utilized for the FY13-14 year.

8. What were the prior year audit fees and can you please breakdown by components?

This information is available in the first document in this link. If you have problems opening the link and/or downloading the file, please contact us and we will email the document.

<https://www.dropbox.com/sh/f8kevov980urp2y/AABR5SKiEludE9sOrYX078Bha?dl=0>

9. Is there anything specific that you are looking for with the successor auditors?

There are three important areas of interest: (1) The City Council has recently established a Finance Committee. Although it is unlikely that this Committee will have frequent interactions with the financial auditors, it is very important that credibility with this Committee be established and maintained. (2) The City is emphasizing a timely and orderly implementation of GASB 68. The pension plan administrator MCERA has already provided us with a draft of their GASB 67/68 report as of June 30, 2014. We will want to resolve most, if not all, of the reporting presentation issues by the completion of interim field work. (3) This year, four weeks elapsed between the end of audit fieldwork, and the published CAFR and other annual reports. This was consistent with the City's planned production schedule and represents a dramatic improvement over prior years. We are interested in strategies to shorten this time in subsequent years, without compromising the quality of the reports.

10. What are the things you liked and didn't like about your current auditors?

We appreciate the responsiveness of the senior management in addressing any issues as they came up. The most significant challenges that we faced over the years occurred with communications and coordination after final fieldwork and leading up to statement production.

11. What are the things you liked and didn't like in the audit process followed by your current auditors?

We were happy with the audit process that we used for the FY13-14 financial statements; however, as mentioned in #9, we remain interested in ways to minimize the time between the end of audit field work and the production of the final statements.

12. How many adjusting entries did you have last year?

We had 11 adjusting entries after closing. Eight of these were initiated by the City, and three by the audit firm.

13. Can we obtain copies of prior year financial statements, single audit and other reports issued?

Reports prior to fiscal year 2013-2014 can be found on the City's website:

<http://www.cityofsanrafael.org/finance-home/>

Reports for fiscal year 2013-2014 can be downloaded via the following link. If you have problems opening the link, please contact us and we will email the documents.

<https://www.dropbox.com/sh/f8kevov980urp2y/AABR5SKiEludE9sOrYX078Bha?dl=0>

14. Do you expect to have a single audit this year?

Yes.

15. How many major programs did you have last year?

Two.

16. How much were the total federal expenditures last year?

\$1,231,745

17. Will there be a pre-bidders conference? If so, at what date and time?

No.

18. At what date and time is the proposal due and to whom should they be delivered?

Please see page 2 of RFP.

19. Who are your current auditors, and how long have you been serviced by them?

See #1 above.

20. Will the previous auditors be allowed to rebid?

See answer to #2 above

21. What was the previous auditor's fee?

See answer to #8 above.

22. What were the previous auditor's hours?

See answer to #7 above.

23. May we obtain a copy of the prior year's audit report?

See answer to #13 above.

24. How many federal programs do you have? (if applicable)

See answer to #15 above.

25. Will your entity require a Single Audit?

See answer to #14 above.

26. Has there been any significant changes or issues in the previous three to five fiscal years audit?

This question is very broad. We would appreciate a more specific question, should you have one after reviewing the previous audits. The City has not had any disagreements with its auditors or issues of material concern during this time.

27. What is the name of the entity's financial reporting accounting system? Is the system in-house developed or a vendor package (e.g., SAP, Oracle Financials, etc.)? (If applicable)

Please see page 3 of RFP.