

**Questions regarding the Professional Auditing Services RFP
submitted by potential RFP applicants**

1. How long has your current auditor been performing the audit? **The current auditors have been auditing the City of Los Banos for fiscal years 5 years (2008-09 to 2012-13).**
2. Are they included or excluded from the current RFP? **Included.**
3. How many auditors and how many weeks were the prior auditors on site, for interim and year-end field work? **There were approximately 3-5 auditors on site for 1 week at interim and 2 weeks at year end.**
4. What were the prior year fees for all the services provided? **The prior year audit fees were \$56,849.**
5. How many major programs are usually tested each year for the Single audit? **There are usually 2 major programs tested each year for the Single Audit.**
6. Are there any new audit services requested in this RFP that were not included in the prior year fees? **No.**
7. How many journal entries were proposed by the prior auditor and how many findings did they issue? **There were 3 adjusting journal entries proposed by the auditors and no audit findings were issued.**
8. What is the reason for bid? **The current contract is expiring and City policy states that we must go through the RFP process.**
9. Have there been any major changes in the past year (staff turnaround, new accounting software/ programs)? **A new City Manager was hired in April 2013 after the previous City Manager retired. The City will be migrating to a new version of their current financial software before the 2013-14 fiscal year end.**
10. Please list the staff members in finance and their years of experience with the organization at that position.

The Finance staff consists of the following:

Jennifer Canchola, Account Clerk I - 1 year

Desiree Tolbert, Account Clerk I – 1 year

Jenell Kirschman, Account Clerk II – 4 years

Jelene De Melo, Accounts Payable Technician – 4 years

Sarah Orozco, Account Clerk II - 5 years

Rosemarie Souto, Accountant I – 4 years

Kim Tomas, Deputy City Treasurer/Accountant I – 6 years

Martha Brazil, City Treasurer/Accountant II – 11 years

Sonya Williams, Finance Director - 4 years

11. About how much time did the prior year auditors spend onsite to conduct their audit? **The auditors spent 1 week on site at interim and 2 weeks on site at year end.**
12. Are the prior year auditors being asked to bid as well? **Yes.**

13. Did you have any problems/ disagreements with your prior auditor? **No.**
14. How many journal entries were proposed by the prior auditor? **There were 3 adjusting journal entries proposed by the auditors.**
15. What were the prior year fees? Did these fees include travel? **The prior year's fees were \$56,849 including travel.**
16. Are there any new services in this RFP that were not included in the prior year? **No.**
17. How did you hear about us? **California Society of Municipal Finance Officers (CSMFO)**
18. What is the reason that the City is considering changing the auditor? **The current contract is expiring and City policy states that we must go through the RFP process.**
19. Will your prior auditors be invited to bid? **Yes.**
20. How many staff did the audit team consist of in the past? **The audit staff consisted of approximately 3-5 auditors.**
21. Is the scope of the service requested the same as last year? **Yes.**
22. Have there been any changes in your accounting system or software since last year? **We will be migrating to a new version of the current financial software this fiscal year.**
23. Do you expect to have any retirement or replacement of key employees? **No.**
24. 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? **The auditors spent 1 week on site at interim and 2 weeks on site at year end.**
25. What were the prior year audit fees and can you please breakdown by components?
Breakdown is as follows:

City Basic Financial Statements & MOIC	\$40,747
GASB Implementation	600
Successor Agency Disclosures	1,800
Single Audit Act Report (2 programs)	10,830
GANN Limit	690
Transportation Development Act Report	2,182
Abandoned Vehicle Abatement Report	
Total	\$56,849
26. Is there anything specific that you are looking for with the successor auditors? **Please refer to the RFP.**
27. What are the things you liked and didn't like about your current auditors? **The current auditors were professional and easy to work with.**
28. What are the things you liked and didn't like in the audit process followed by your current auditors? **The audit process was smooth and we have no complaints.**

29. How many adjusting entries you had last year? **There were 3 adjusting journal entries last fiscal year.**
30. Can we obtain copies of prior year financial statements, single audit and other reports issued? **Yes. The financial statements are located on the City's website at www.losbanos.org.**
31. How many major programs you had last year? **There were 11 major programs last fiscal year.**
32. How much were the total federal expenditures last year? **Total expenditures were \$674,854.**
33. Is your current auditor included or excluded from the current RFP? **Included**
34. How many auditors and how many weeks were the prior auditors on site, for interim and year-end field work? **The auditors spent 1 week on site at interim and 2 weeks on site at year end.**
35. What were the prior year fees for each of the services provided?
Breakdown is as follows:
- | | |
|--|-----------------|
| City Basic Financial Statements & MOIC | \$ 40,747 |
| GASB Implementation | 600 |
| Successor Agency Disclosures | 1,800 |
| Single Audit Act Report (2 programs) | 10,830 |
| GANN Limit | 690 |
| Transportation Development Act Report | 2,182 |
| Abandoned Vehicle Abatement Report | |
| Total | \$56,849 |
36. Were there any extra accounting charges paid for the prior year audit? If so, what were they?
No
37. How many journal entries were proposed by the prior auditor and how many findings did they issue? **There were 3 adjusting journal entries proposed by the auditors and no audit findings were issued.**
38. Are there any plans for new indebtedness or refunding, if applicable? **No.**
39. According to the Single Audit Act, how many major programs do you expect to have? **There were 11 major programs last fiscal year.**
40. Can we get a copy of the City's most recent Single Audit report? Does the City expect a significant increase/decrease in federal award funding in fiscal year 2014? **Yes. The financial statements are located on the City's website at www.losbanos.org.**
41. If possible, can you provide the audit fee for the entire audit contract for fiscal year 2012 or 2013? **The prior year audit fees were \$56,849.**
42. Who were your previous auditors? **Maze and Associates**
43. What were the previous auditor's fees? **The prior year audit fees were \$56,849.**
44. What were the previous auditor's hours? **The auditors spent 1 week on site at interim and 2 weeks on site at year end.**

45. How many major federal programs do you have? **There were 11 major programs last fiscal year.**
46. May we obtain a copy of the prior year's financial report? **Yes. The financial statements are located on the City's website at www.losbanos.org.**
47. Are there any significant operational changes from prior year? **No**
48. Did the City create any new funds? **No**
49. Did the City issue any new debt? **No**
50. Did the City receive any new federal grants? **Yes, CMAQ Grants.**
51. Will the City expend more than \$500k in federal money? **Yes**
52. Were there any internal control or compliance findings in the prior year audit? **No**
53. Have there been any changes in finance department personnel in the current fiscal year? **Yes, the Accounting and Budget Supervisor was promoted to Finance Director.**
54. Have there been any changes in other senior management positions at the City in the current fiscal year? **Yes, the Assistant Public Works Director retired, we currently have an acting Assistant Public Works Director, we have a new Commander and a new Police Services Manager in the Police Department and our Community Development Director resigned that position is currently vacant, also we hired a New City Manager.**
55. How many audit adjustments were proposed by the auditors for the 2012-13 year? **There were 3 adjusting journal entries proposed by the auditors**
56. In general, what were the audit adjustments related to? **1-to reclass for financial reporting purposes, 1- to adjust OPEB balance, and 1- auditors adjust their adjustment from prior year.**
57. How many auditors were assigned to the City's audit last year and how many days did they spend onsite at the City? **The audit staff consisted of approximately 3-5 auditors. The auditors spent 1 week on site at interim and 2 weeks on site at year end.**
58. What is the reason that the City is going out to bid? **The current contract is expiring and City policy states that we must go through the RFP process.**
59. Why is the City going through the RFP process? **The current contract is expiring and City policy states that we must go through the RFP process.**
60. Have the current auditors been asked to submit a bid? **Yes.**
61. Do you have a mandatory auditor rotation policy? **Not at this time.**
62. Only the 2012 CAFR is on the website. Can you provide a copy of the 2013 CAFR, and also the financial statements the Successor Agency, Single Audit report, TDA report and AVA report. **The 2013 CAFR has not been taken to council for approval, therefore are not available at this time.**

63. Did the prior auditor issue a management letter containing recommendations for improvements? Can you provide a copy of that letter. **No.**
64. Are any significant changes expected in fiscal year 2013/14 that will affect the financial statements, such as a new debt issuance? **No.**
65. How many audit adjustments did your prior auditors have? What is the nature of these adjustments? **There were 3 adjusting journal entries proposed by the auditors. 1-to reclass for financial reporting purposes, 1- to adjust OPEB balance, and 1- auditors adjust their adjustment from prior year.**
66. How many staff and how many days were your prior auditors on-site for fieldwork? **The audit staff consisted of approximately 3-5 auditors. The auditors spent 1 week on site at interim and 2 weeks on site at year end.**
67. What is your preferred timeframe for having interim fieldwork performed? **June for interim.**
68. What did your prior auditor charge for audit services? **The prior year audit fees were \$56,849.**
69. Is the City able to provide trial balances for all of the City's funds in Excel format? **No. The financial statements are located on the City's website at www.losbanos.org.**