

Answers to Questions Regarding Provision of Audit Services RFP

Answers posted: March 25, 2019

Proposals due: April 5, 2019 at 4:00pm. See full RFP for details at:

<http://www.ci.lewes.de.us/index.cfm?ref=11100&ref6=36>

The following questions have been asked by potential respondents to the City of Lewes' request for proposals regarding auditing services. Below are summaries of the questions and the City's answers.

How many audit adjustments were made in the prior year audit?

There were 22 adjusting journal entries among all funds in FY 2018's audit.

Was there a Single Audit issued last year and if so can we obtain a copy?

No.

Why is the City soliciting proposals?

As a matter of best practice, the City intends to regularly issue requests for proposals relating to audit services.

Can the current firm propose the audit?

Yes.

How many staff by level and hours were on the audit in the prior year?

The City is not aware of the prior-year firm's internal practices.

Who takes the lead in the implementation of new GASBs?

The auditor takes the lead in implementing any new GASB standards.

What accounting software does the City use?

Edmunds & Associates.

Are all City funds on the same accounting system?

Yes.

Does the City maintain detailed Capital Assets?

The City does not at this time, but would be interested in setting this up.

Was there any new debt issued?

The City has entered into capital leases for trash disposal vehicles.

What assistance is provided to the auditors by City staff?

City staff is available to the auditors as needed to answer any questions.

What were the prior year audit fees?

\$11,270.

Does the City maintain Capital Asset records?

The City does not at this time, but would be interested in creating such records.

Who is the financial advisor for the City?

With regard to borrowing matters, Lester Guthorn advises the City. With regard to investments, Tim Reath of UBS advises the City.

Does the City require the Other Supplemental Information to be presented in the same financial statements?

Yes, and the City would like the Other Supplemental Information to be presented in a format similar to monthly financial reports.

How many bank accounts does the City maintain?

The City maintains 30 checking, money market, and savings accounts, as well as 8 investment accounts.

Does the City record all accruals and payables at the fund level to have modified accrual trial balances for the auditors?

No, the City only accrues tax revenue. Otherwise, funds are reported on the cash basis of accounting.

Who converts the fund level financial statements to the full accrual basis?

The auditor is responsible for conversion to the full accrual basis.

Is it possible for potential respondents to visit City staff prior to submitting a proposal?

Yes.

If there were audit communications issued in the prior year, can respondents get a copy?

Yes. Audit communications can be provided upon request.

If there was a Single Audit issued in the prior year, can respondents get a copy?

No.

Typically when does field work begin and approximately how many days were the prior auditor on the premises?

Typically, field work begins in June and the auditors are on site for two to three weeks.

Does the City expect to be required to have a Single Audit for FY 2019?

No, the City does not expect to be required to complete a Single Audit.

For the all-inclusive fee, would the City just like the fee for the financial statement audit and all of the work around that, or would the City like to see a separate fee for the financial statement audit and a Single Audit, if applicable?

The City would prefer to see the typical audit and Single Audit fees separated.

Are there typically preliminary procedures performed prior to year-end?

Preliminary procedures have not been performed previously, but may be possible in the future.