

**City of Solana Beach**  
**Audit Services RFP March 2023**  
Q&A 1

1. How long have the current auditors been performing the audit for the City?  
13 Years
2. What is the reason that you are considering changing the auditor?  
Our current contract has expired
3. Will your prior auditors be invited to bid?  
Yes
4. Is there anything specific that you are looking for with the successor auditors?  
Experienced in full-service city audits with positive feedback from prior clients.  
We expect thorough, cost effective auditing services.
5. What are the things you liked and did not like about your current auditors?  
We enjoyed working with our prior auditor's. They conducted thorough and effective audits. They made sound recommendations for improvement along the way. We were happy with the way they conducted the audits and met deadlines unless they were impacted by outside conditions like Covid and key-staff turnover.
6. Do you expect to have any retirement or replacement of key employees?  
We are currently conducting a hiring process for a new Finance Manager. We have an experienced retired annuitant filling in.
7. Would the City be open to having the majority of the audit being performed remotely?  
We prefer the audit fieldwork be conducted on site as remote auditing creates an increased workload on city staff. We are not opposed to limiting on-site fieldwork to necessary document review and internal control assessment with the majority of audit work conducted remotely.
8. Are the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files.  
It's a mix.
9. Do you permit third parties to access the City financial software remotely?  
No. Unless our IT Director can be convinced of the need and the security of the connection.
10. If a member of the team has past experience with another firm on financial statement audits, such as the scope of work, does this satisfy the firm experience requirement?  
Yes. Refer to pages 10 and 11 of RFP
11. What is the desired timeline for:
  - a. Interim

Estimate 1 week in May on-site with additional time for follow-up as may be required

b. Field Work

Estimate first week in October on-site with additional time for follow-up as may be required

c. Draft Reports

By end of first week in November

d. Final Reports

By end of November

4. How many auditors and how many weeks were the auditors on-site for both interim and year-end fieldwork?

1 week each – 2 auditors

5. What were the prior year's annual audit fee(s)? Please provide a breakdown by the report.

Annual Audit Services - \$37,300

Annual Audit Services SA Housing - \$2,100

Single Audit - \$2,450

6. What is the current year budget for auditing services?

We budgeted the exact amount of the contract itemized above.

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

Yes

8. Are there any new services requested in this RFP that was not included in the prior year's audit fee?

No

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

No

10. If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much were the last year's fees?

NA

11. How many major programs were tested each year for the Single Audit? If applicable, please provide the most recent copy of the report.

Single Audit filed pursuant to the "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB Compliance Supplement. See our website for a copy of the Independent Auditor's Report: [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org)

12. How many journal entries were proposed by the auditors? Were there any findings?

Two related proposed JE's. One internal control material weakness finding.

13. Were there any material adjustments made by the auditors in connection with the examination of the prior year's Financial Statements?  
No
14. Has the City entered into any Major Contracts, Studies, and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?  
No
15. Any New Debt Issuances in the Current Fiscal Year?  
No
16. Is the City involved in any litigation not included in the Prior Year Financial Statements?  
No
17. Are any other Major Changes in the Current Fiscal Year that would affect the operations of the City?  
No
18. How did you measure the quality of the audit performed?  
Excellent
19. What audit areas, in your opinion, were cumbersome?  
None
20. What efficiencies would you like to see in the audit of the City's financials?  
Continue to meet deadlines.
21. Will digital proposals be accepted in lieu of hard copies?  
No, Refer to Introduction section on page 3 of RFP