

EMERALD COAST UTILITIES AUTHORITY
RFP: 2013 05 AUDITING SERVICES
April 22, 2013

ADDENDUM NUMBER 1

Prospective Bidders:

The following questions were received regarding the RFP and answers are provided herewith:

1. Has there been any turnover in the past year in any key accounting/finance positions? Is there any turnover expected in the near future?

Ans. There has been no turnover in key accounting positions and none is expected for the next three years.

2. Can you describe the financial statement preparation process? Is it automated through system reports or is it heavily reliant on manual schedules and manipulation?

Ans. We have interfaces between the general ledger and revenue, payroll, accounts payable, purchasing and inventory, fleet and fixed asset software. Other accounts are reconciled through manual schedules.

3. Is the IT system capable of providing a mapped trial balance that agrees to the financial statements?

Ans. Yes.

4. When the Authority provides the trial balance to the auditors are there routinely additional journal entries that will need to be posted?

Ans. The auditors currently make routine journal entries to restate long-term leave accrual liability, reclassify amortization of intangible assets and adjust capitalized interest.

5. Are there any anticipated changes in general ledger software?

Ans. No changes are planned for general ledger software?

6. Is there any particular reason for soliciting the RFP? Does the Authority have a mandatory audit firm rotation policy?

Ans. ECUA is required to solicit RFP's at least every five years.

7. What were the total fees paid to the audit firm for the previous 2 years?

Ans. \$57,350 for 2012 and \$59,750 for 2011.

8. How many hours did the previous firm typically spend each year on the audit?

Ans. 1 week interim work during the summer and 2-3 weeks after FYE closing plus time in the office.

9. What was the typical staffing of the engagement team?

Ans. One senior manager, one manager and one senior auditor

10. When is the Authority actually ready for final audit fieldwork to begin? Additionally, when does the Authority typically like to have preliminary procedures performed?

Ans. We close the fiscal year just before Thanksgiving and are ready for field work the Monday following the Thanksgiving holiday. We prefer preliminary procedures to be performed between April 30 and August 31.

11. Is the annual audit typically clean? That is little to no auditor proposed adjustments.

Ans. The auditors currently make routine journal entries to restate long-term leave accrual liability, reclassify amortization of intangible assets and adjust capitalized interest.

12. Does the Authority have any issues with a manager who is licensed to practice in Florida serving on the engagement team out of our Georgia office as this office is closer to the Authority than our Florida office?

Ans. No.

13. Could we see a copy of the Authority's 2012 CAFR?

Ans. The FY2012 CAFR is on our website, www.ecua.fl.gov. Highlight the News & Reports tab and click Reports+. You will see the 2012 Comprehensive Annual Financial Report under the 2012 heading.

14. Could we see a copy of the annual sanitation franchise fee report?

Ans. A copy of the report is attached to this addendum.

15. Do you have a specific format for the proposed fees? Typically we prepare this with hours by personnel classification.

Ans. The preferred format is to complete the proposal form included in the RFP.

If you have any questions, please call my office at 850-969-6531, or email me at amy.williamson@ecua.fl.gov.

Regards,

Amy Williamson, CPPB, FCCM
Senior Purchasing Agent