



City of Richmond

Aug 2nd, 2012

File: 02-0775-50-4703/Vol 01

Finance and Corporate Services Department

Finance Division

Telephone: 604-276-4218

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Attention: All Respondents

Dear Madame/Sir:

**Re: Addendum One
Request for Expressions of Interest 4703 EOI – Provision of Audit Services**

This Addendum includes items of clarification, may form part of the Contract Documents and shall be read, interpreted and coordinated with all other parts. Please review and consider the following information in the preparation of your Submissions:

I. Questions and Answers

- Q.1 How many staff (persons) are involved in the City's Financial Close and Reporting function(s)?
- A.1 Staff involved in Fiscal Year End 2011 – Approximately 15, but not full time. There are five (5) core staff that the auditors are in contact with, the rest indirectly.
- Q.2 What are their qualifications and experience in that area?
- A.2 The core staff all designated accountants with multiple years of experience – average 3-5 years. The rest are designated accountants and non-designated staff with various years of experience (many with multiple years experience in their areas).
- Q.3 How many days are the auditors on site during both interim audit and yearend audit fieldwork?
- A.3 Interim –approx. 2 weeks
Year End – approx. 3 weeks
- Q.4 What is your preferred timing for the interim audit and IT systems review work (which is usually in conjunction with interim audit but could be separated if desired)?
- A.4 Interim – November 2012.
Year End – to be completed by March 8th 2013.

IT work can be either time, preferred is interim.

- Q.5 How far in advance is the working paper package normally provided to the auditors before the start of the yearend fieldwork?
A.5 This varies - historically some information is provided one to two weeks prior to the start of the audit, rest is requested to be ready on the first day of the audit.
- Q.6 Are the financial statements and notes prepared fully before the start of the audit fieldwork?
A.6 Internal drafts are prepared prior to start of audit. Auditors typically request drafts to be completed on their specific templates by the end of the first week of field work.
- Q.7 What is your satisfaction level with your previous auditors? Did you have any issues with your auditors that you can share with us?
A.7 N/A - this procurement is conducted in accordance with our policies.
- Q.8 Have you had any accounting disagreements with your previous auditors?
A.8 Please refer to audited financial statements, unqualified audit report issued.
- Q.9 Did your previous auditors issue a management letter? If so, could we please receive a copy?
A.9 This is available on our City Website under Finance meeting minutes – May 7th, 2012 as “Audit Findings Letter”.
- Q.10 Please provide details of any significant adjustments necessary as a result of prior year audits.
A.10 Please review previous years Financial Statements, available on our website.
- Q.11 Could we have a copy of the schedule of audit differences from the prior year audit?
A.11 Please see May 7th Finance Meeting minutes.
- Q.12 Did the previous auditors provide any services other than audit services?
A.12 Tax and Consulting work was provided.
- Q.13 Were there any significant accounting or audit issues in the prior years?
A.13 Please review previous years Financial Statements.
- Q.14 Are there any business or financial statement areas that management considers to be a high risk of material misstatement?
A.14 Please see financial statements.
- Q.15 Are there any significant transactions that are processed outside of the normal accounting systems?
A.15 There are transactions processed through many subsystems:

- Tempest - All the City's payment transactions are processed thru this system (property tax, utilities payments, etc;
- Hansen – Works Yard Work order system;
- Amanda – recreation registration transactions;

All subsystem transactions are eventually uploaded into PeopleSoft.

Q.16 Is PeopleSoft still being used at this time?

A.14 Yes.

Q.17 Are there plans to convert the Information Technology systems over the next few years?

A.17 None at this time. Reviews are done regularly to evaluate the systems.

Q.18 Are there any new or planned significant contracts entered into by the City that will affect the upcoming financial statements?

A.18 None at this time.

Q.19 Section C/Part 1/vi: Please clarify what “successfully completed projects” means. Would annual municipality audits qualify? Or are you looking for special projects other than audits?

A.19 Please refer to Definitions – item (m) for clarification.

Q.20 Section C/Part 4 asks for a list of former and current references for all customers for whom we have provided audit services. Our firm conducts audits for hundreds of entities annually. May we limit the number of references to five current municipal audit clients?

A.20 The EOI Section C/part 4 sentence specifically requests references for whom the Respondent has provided **relevant** audit services”, so Respondents should determine what is relevant.

Q.21 Section E/i asks for a fixed lump sum cost for providing the audit services that will not increase year over year. Please clarify what this means, since Section E/ii asks for the fixed fee for the services for each of the five (5) years.

A.21 Section E/i states fees will not increase year over year. E/ii asks for breakdown of fees, as any or all of the services can be broken down and awarded separately, and Respondent should also keep in mind that 4.2 states the contract is awarded for one year term and extended based on evaluation of performance. Section E/ii ensures Respondents are clear on fees to be paid in the event changes are made to the awarded work in the future.

Yours truly,



Kerry Lynne Gillis
Buyer II, Contracting Specialist

KG:kg