



**DEPARTMENT of ADMINISTRATIVE SERVICES**

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**ADDENDUM NO. 1**

**RFP No. 2024-002**

**PROFESSIONAL AUDITING SERVICES**

**Issued March 5, 2024**

The City of Gardena issues this addendum before the proposals are due, to inform proposers of revisions to the Request for Proposal (RFP) package and is hereby made a part of the RFP documents. The following changes, additions, and/or clarifications shall be made to the requirements for the above-mentioned project. In case of a conflict between the original RFP package and this Addendum, this Addendum shall govern. All requirements contained in the RFP package shall apply to this Addendum, and the general character of the project called in this Addendum shall be the same as originally set forth in the applicable portions of the RFP documents, unless otherwise specified under this Addendum. All incidental work necessitated by this Addendum, as required to complete the project, shall be included in the RFP, although not specifically mentioned in this Addendum. The balance of the RFP documents shall remain unchanged.

This Addendum includes answers to questions received by the City beginning February 12, 2024 to February 28, 2024.

**The proposer shall acknowledge receipt of this Addendum on Form D ("Addendum Acknowledgement") as part of their proposal.**

**ANSWERS TO QUESTIONS RECEIVED FOR RFP 2024-002 PROFESSIONAL AUDITING SERVICES:**

- 1. Could you please provide details on the audit fees incurred in the previous fiscal year?**

FY 22/23 \$80,708 FY 21/22 \$79,126

- 2. Kindly share a copy of the previous year's GTrans Enterprise Fund Financial Report for our thorough understanding.**

See attached

- 3. If applicable, could you provide insights into the reasons behind the change in auditors from the prior fiscal year?**

Council directed staff to go out for Request for Proposal.

- 4. Were there any disagreements or disputes with the prior auditor that we should be aware of?**

No

- 5. In your experience, what were the most challenging aspects of the audit process during the previous engagement?**

No real challenges

- 6. What is the reason that you are considering changing the auditor?**

Council directed staff to go out for Request for Proposal.

- 7. Will your prior auditors be invited to bid?**

Yes

- 8. How many staff did the audit team consist of in the past and when did the auditors come on site?**

Auditors came on site for Interim in May, Final in October, and Single Audits in February. Staffing consists of a manager and (2) audit staff.

- 9. Is the scope of the services requested the same as last year?**

No. Major program not included is Family Child Care which is no longer an active program in the City. Will not be included in interim, final, and Single Audit.

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

No

- 11. Do you expect to have any retirement or replacement of key employees?**

No

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**12. How many weeks did your prior auditors require for your last audit?**

Three weeks

**13. How many weeks/hours were spent by the prior auditors in the field?**

Actual hours are unknown but 700 hours based on the proposal

**14. When did the on-site fieldwork take place?**

May, October, and February

**15. What were the prior year audit fees and can you please breakdown by components?**

FY 22/23 \$80,708 FY 21/22 \$79,126

Component	FY 2021-2022	FY 2022-2023
ACFR	\$52,596	\$53,648
GTrans	9,020	9,201
GANN Limit	531	541
Single Audit	10,612	10,824
Family Child Care	6,367	6,495
<b>Total</b>	<b>\$79,126</b>	<b>\$80,708</b>

**16. What is the current year budget for auditing services?**

\$80,708. This amount includes Family Child Care but is no longer an active program in the City.

**17. When will a closed trial balance be available for the audit with all closing entries recorded?**

Late September

**18. Is there anything specific that you are looking for with the successor auditors?**

No

**19. What are the things you liked and did not like about your current auditors?**

City has established an excellent professional relationship with the current auditor, and they provided the required professional services to the satisfaction of the City of Gardena. They were timely and communicative throughout the whole audit process.

**20. What are the things you liked and did not like in the audit process followed by your current auditors?**

The current auditor's process seems to strike a good balance between being cumbersome and being thorough. Due to the excellent relationship with the current auditors, we were not forced into using a specific format or schedules developed by the auditors that gather data for their purposes but are not useful to the City.

**21. How many adjusting entries did you have last year?**

14 Entries

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

Yes

**23. How many major programs did you have last year?**

3 and included Family Child Care but is no longer an active program in the City.

**24. How much were the total federal expenditures last year?**

\$9,152,856

**25. Could you please share copies of the FY2023 (or most recently issued) reports for: a. GTrans Enterprise Fund Financial Report b. Single Audit (only if FY2023 is available)**

See attached.

**26. Would the City be open to having the majority of the audit being performed remotely?**

The City would be open but we would like on-site meetings during the audit process.

**27. What was the City's experience with remote auditing? Would you suggest any changes?**

Currently, most of the audit processes are being performed remotely due to the established relationship with our current auditors.

**28. Are the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files.**

Yes

**29. Do you permit your auditor's to access the City's financial software remotely?**

Yes

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**30. With regard to RFP Part C.1., could you please define what would make a firm “local, national, or international” for purposes of the RFP?**

California, United States of America, Other Country besides the United States of America

**31. With regard to RFP Section VII., Paragraph 9, could you please confirm whether there is a specific RFP form that should be notarized? Or will a signed statement regarding the non-debarment be sufficient?**

Please provide notarized affidavit

