



Date: February 18, 2020

To: Interested Proposers

From: Mike Murzynsky, Director of Finance

Re: Audit Services Request for Proposals (RFP) – Addendum two

This Addendum modifies the Audit Services RFP documents only to the extent indicated herein. All other areas not changed or otherwise modified by this Addendum shall remain in full force and effect. This Addendum is hereby made an integral part of the original Project Documents.

**The Proposer shall sign below acknowledging they have read and understand this Addendum and include this Addendum (and attachment A) with their Proposal submittal.**

The RFP will be modified to reflect the following changes, or additions resulting from questions or clarifications.

- 1) What is the most important reason for issuing the RFP? What does the City of Newport hope to improve about the audit of its financial statements in the coming years?

Answer: the present firm has been the auditor for over five years and best practices dictate that the City go out and see what other auditors may be interested in performing our audit.

- 2) Outside of implementing the audit process with the highest professional standards, how does the Selection Review Committee define value from the auditors?

Answer: As noted in the RFP Section 5.2, the City is seeking value from the service requested. While cost is important to the overall evaluation process, the experience and qualifications **may be assigned** a higher value. Thus, the scoring is weighted towards the proposers experience and qualifications while price is not.

- 3) What issues or disagreements were experienced with the current auditor, if any? Is the current auditor eligible for re-engagement?

Answer: None and yes.

- 4) When will the audit records be ready for audit, both interim testing and final audit work and how does that fit within your anticipated timeline for the audit?

Answer: interim testing is dependent on the audit firm, we prefer the testing to happen late in early July but end up with the month of June. For the final fieldwork, we will be ready the last week of September and then fieldwork in early October. Finally, there is a timeline listed in the scope of work for the final products and the response should take all of this into consideration.

- 5) When was fieldwork performed for the most recent audit? How many auditors were in the field for interim and final fieldwork, and for how long?

Answer: interim testing was performed last week of July 2019 and final fieldwork was performed the third week of October 2019. The number of auditors were 1) interim testing three auditors for two days, 2) final fieldwork a total of four auditors and down to three at end, five days in Newport.

- 6) Were there any significant adjustments made during the most recent audit? If there is an associated letter, please furnish a copy.

Answer: no there was nothing out of the ordinary. There was no letter discussing the adjustments.

- 7) Has there been any significant change to key staff in the past year, which would affect the upcoming audit?

Answer: no.

- 8) Please provide a breakout of fees for the past three years of audits for the City

Audit Year	2018-19	2017-18*	2016-17
Financial Audit	\$44,690	\$32,990	\$42,925
Urban Renewal	\$3,710.50	\$13,794.50	\$8,190

Note \*: City had no Single Audit Requirements for 2017-18 and Newport Urban Renewal should have been billed \$8,560 for 17-18 audit and \$8,945 for 18-19 audit.

9) ADJUSTMENT TO **Section 5.2 SELECTION REVIEW COMMITTEE**, paragraph two:

Scoring will be completed covering all areas listed below in the Evaluation Criteria. All scores for each Proposer shall be added together to arrive at a final score for each Proposer. Proposals will then be ranked in descending order by the total Proposal score.

Updated paragraph two for Section 5.2

Scoring will be completed covering all areas listed below in the Evaluation Criteria. All scores for each Proposer shall be added together **and averaged (divided by number of scorers)** to arrive at **an AVERAGE** final score for each Proposer. Proposals will then be ranked in descending order by the ~~total~~ **AVERAGE** Proposal score.

**NOTE: This proposal includes our blended component South Beach Urban Renewal agency; information on the agency is available on the City’s website.**

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Proposer signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Name (please print)