



**FRUITLAND PARK AUDIT COMMITTEE
RFP AUDITING SERVICES PROPOSAL EVALUATION**

AGENDA

January 11, 2017

Commission Chambers

City Hall

506 W. Berckman

Street Fruitland

Park, FL 34731

2:00 p.m.

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Meeting Minutes**
 - **December 6, 2016**
 - **December 16, 2016, and**
 - **January 6, 2017 Bid Opening**
- 4. RFP Auditing Services – Evaluation and Short List Proposals**
- 5. Member Comments**
- 6. Public Comments**
- 7. Adjournment**

Any person requiring a special accommodation at this meeting because of disability or physical impairment should contact the City Clerk's Office at City Hall (352) 360-6727 at least forty-eight (48) hours' notice prior to the meeting. (§286.26 F.S.) If a person decides to appeal any decision made by the City of Fruitland Park with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The city does not provide verbatim records. (§286.0105, F.S.)

PLEASE TURN OFF ELECTRONIC DEVICES OR PLACE IN VIBRATE MODE

CITY OF FRUITLAND PARK AUDIT COMMITTEE MEETING

December 6, 2016

City Hall Conference Room

506 W. Berckman Street

Fruitland Park FL 34731

11:00 a.m.

An Audit Committee Meeting was held at 506 W. Berckman Street, Fruitland Park, Florida 34731 on Tuesday, December 6, 2016 at 11:00 a.m. to review the qualification criteria for auditor services.

Members Present: City Treasurer Jeannine Racine-Michaud, Chair; Commissioner Ray Lewis, and City Clerk Esther B. Coulson.

Chairperson Michaud-Racine called the meeting to order at 11:00 a.m.

1. Roll Call

Chairperson Michaud-Racine called the roll where a quorum was present.

2. RFP

After discussion, and **by unanimous consent, the committee agreed to housekeeping changes in the RFP; namely, the timeline for public notices; proposer's receipt, submittals and communication requirements.**

3. Evaluation Score-Sheet Approval

Following discussion and **by unanimous consent, the committee approved the evaluation score sheet for audit proposals as corrected.**

4. Comments

There were no other comments to address before the committee.

5. Public Comments

No one from the public appeared before the committee.

6. Adjournment

There was no other business to come before the committee at this time, the meeting adjourned at 11:49 a.m.

The minutes were approved at the January 11, 2017 meeting.

Signed _____
City Clerk Esther B. Coulson

Signed _____
City Treasurer Jeannine Racine-Michaud, Chair

**CITY OF FRUITLAND PARK AUDIT COMMITTEE
PRE-PROPOSAL MEETING**

December 16, 2016

City Hall Conference Room
506 W. Berckman Street
Fruitland Park FL 34731
10:00 a.m.

An audit committee pre-proposal meeting was held at 506 W. Berckman Street, Fruitland Park, Florida 34731 on Tuesday, December 16, 2016 at 10:00 a.m. to review the qualification criteria for auditor services.

Members Present: City Treasurer Jeannine Racine-Michaud, Chair; Commissioner Ray Lewis, and City Clerk Esther B. Coulson.

1. Call to Order

Chairperson Michaud-Racine called the meeting to order at 10:20 a.m.

2. Roll Call

Ms. Coulson called the roll where a quorum was present.

3. RFP Auditing Services – Questions, Clarifications, Interpretations or Corrections

Chairperson Ms. Racine-Michaud gave an overview of the RFP. She cited written questions that were submitted whereby Commissioner Lewis, later in the meeting, announced that the dialogue at this day's proceedings would be followed up with a written response to prospective bidders which will be distributed in writing. (Copies of the questions and responses were filed with the supplemental papers to the minutes of this meeting.)

4. Member Comments

There were no other comments to address before the committee.

5. Public Comments

No one from the public appeared before the committee.

6. Adjournment

There was no other business to come before the committee at this time, the meeting adjourned at 10:51 a.m.

The minutes were approved at the January 11, 2017 meeting.

Signed _____
Esther B. Coulson, City Clerk

Signed _____
Jeannine Racine-Michaud, Chair

Question 1. *Is the RFP really for 2016 or was that a typo?*

Answer No, it is not a typo. The city is very late in the process.

Question 2. *For 2016, why the last-minute RFP?*

Answer: The RFP was completed in November 2016. Staff decided to utilize the “piggy back” (purchasing process) made available to other local municipalities. Later the city attorney, after review, opined that according to Florida Statutes 218.391, an RFP had to be conducted for audit services. The City of Fruitland Park Commission established an audit committee and staff started the process over again by updating the RFP, which is why the city is so late in the process.

Question 3. *What were the prior three years of audit fees paid for auditing services? If possible, please break down by service (financial audit and single audit, etc.)*

Answer: The city paid approximately \$17,150, \$17,450, and \$17,550 respectively. The last single audit was in Fiscal Year 2011-12 CDBG Grant.

Question 4. *If available what was the total hours spent by the recent auditor on the most recent audit?*

Answer: City has requested this information from previous auditor.

Question 5. *Were there any additional services provided in the prior three years.*

Answer: There were additional services. The city’s auditor tracked the city’s assets and calculated the city’s depreciation. The city is working on its own tracking spreadsheet with its assets from the previous auditor’s information. The city should be tracking its assets. The previous auditor audited the city’s local pension plan annual report and annual financial report prior to submitting them to the state.

Question 6. *Do you expect any significant changes from the following: sources of funding or the amount of funding received from outside agencies such as contracts, grants, etc?*

Answer: The city has grants that will be received in FY 2016-17 which are identified in the city’s budget. The grants include: two \$50,000 for one of the city’s parks; \$250,000 for the lift station; \$500,000 for sewer connection -- the city’s sewer construction project, -- and \$500,000 (from the state) and \$1,000,000 (from Lake County) to construct a new Fruitland Park Library to be starting soon.

Question 7. *Debt (either new or reductions beyond normal payments)?*

Answer: In FY 2015-16, the city borrowed \$2,500,000 for the sewer construction project which the city has already started paying in FY 2016-17.

Question 8. *Expenditures of the city?*

Answer: The items previously listed (see Question 6 above) and they are also listed in the FY 2016-17 budget.

Question 9. *The number of major funds in the next year?*

Answer: No; however, the city is contemplating the special fire assessment fee.

Question 10. *Does the city expect to need a single audit for FYs 2016-17 or 2017-18 (expending federal or state funds greater than \$750,000)?*

Answer: Yes, for FY 2016-17, the city's library construction grant for \$1,000,000.

Question 11. *How often does the city obtain an actuarial valuation for the pension plans?*

Answer: The city has a firefighter pension plan which is a local plan. The city receives an actuarial report from the Florida Department of Management Services Retirement every three years. The last report was issued in November 2014 and the information was for FYs ending 2015, 2016, and 2017.

Question 12. *Do you know why Governmental Accounting Standards Board Statements (GASB) 67 and 68 (Financial Reporting for Pensions) were not implemented during the 2014 and 2015 Comprehensive Annual Financial Report (CAFR)?*

Answer: No. The city's defined benefit plan is very small for the volunteer firefighters. It is anticipated that the auditor would include it in the CAFR.

Question 13. *Have you received your "Certificate of Achievement for Excellence in Financial Reporting" awards for CAFR for prior years?*

Answer: The city has not applied for the excellence award for the last two years. The city has fourteen years of continuous excellence awards. Last year, it was too late to apply and for the prior year, the city decided not to submit for various reasons. The city does not plan applying for the award this year but anticipates doing so for FY 2017-18.

Question 14. *Has the auditor general contacted the city regarding not implementing GASB 45 Other Post-Employment Benefits?*

Answer: No. It is anticipated that the auditor includes same to the CAFR. The city does not provide employment benefits for people who leave their employment with the city. Florida Statutes allow employees to be on the city's plan; however, the city does not have anyone on its plan as the cost is miniscule.

Question 15. *How many auditors and or how long have the auditors been present at city hall?*

Answer: The city has had one auditor for 16 years.

Question 16. *How many days did the city auditor stay for audit; days per week?*

Answer: The auditor comes and goes when information is required and he is local.

Question 17. *What are your expectations form your audit firm as far as providing good service to the city?*

Answer: The city treasurer expects that:

- the products are provided in accordance with GASB requirements;
- work to be timely;
- the audit be conducted for a week at city hall at a predetermined time and then contact the city staff with questions, clarifications or to provide further information;
- assistance with questions is provided by the auditing firm and that the firm acts as support in accordance with the law, and
- the CAFR be provided in an electronic portable document format which the city must submit to the state.

Question 18. *Has the city received any comments and recommendations from the audit firm in the last two years?*

Answer: Yes. The audit is delivered in written form and an oral presentation is communicated directly by the auditor to the city commission outlining concerns and matters that need to be addressed. According to the audit schedule, the CAFR will be presented to the commission the second meeting in March by the auditing firm. The auditor will make recommendations and identify areas of concern. A concern identified on the last audit was the that city's general fund unrestricted reserves were only one month of expenses at the end of FY 2015-16. In the past, the city's reserves were six months of expenses.

Question 19. *What is the deadline for submitting questions?*

Answer: Continue to submit questions to the city clerk as a records request. Due to constraints in the Government-in-the-Sunshine law, a meeting, similar to this day's pre-proposal meeting, would need to convene, questions would be posed in a public forum, and written responses would subsequently be distributed prior to the January 6, 2017 RFP deadline. The timing is not what the commission had envisioned and the intent was not to have such a tight timeline. The city is so late in the process due to miscommunication from advisors on what the process was supposed to be.

FRUITLAND PARK BID OPENING AUDIT SERVICES

January 6, 2017

City Hall Commission Chambers
506 W. Berckman Street
Fruitland Park, FL 34731

2:01 p.m.

The advertised Request for Proposals for Audit Services proposals opening was held on January 6, 2017 at 2:01 p.m. with the following present:

Committee Members: City Treasurer Jeannine Racine-Michaud, Chair; Commissioner Ray Lewis, and City Clerk Esther Coulson.

Also Present were: Ms. Stephanie Kimbrough, Baylis & Company PA

Ms. Coulson opened the bids and announced the firms: McDirmit Davis, CPA and Baylis & Company PA.

By unanimous consent, the Audit Committee agreed to meet on Wednesday, January 11 at 2:00 p.m. to evaluate and rank the proposers and provide a report before the city commission at its January 8 regular meeting where a determination will be made on whether proposers' presentations ought to be considered by the city commission or recommending the award of the request for proposals as the highest-ranked qualified firm and consultant's audit contract at its January 26, 2017 regular meeting.

The bid opening ended at 2:12 p.m.

The synopsis cited above represents the city clerk's understanding of the proceedings. Any misunderstandings or incorrect statements, please notify this office within five (5) days of receipt. If no corrections are received within this period this document will be considered to be an accurate account of the events.

Attachments: Proposals, proposed timeline, evaluation score sheet for audit proposals, and comments RFP Audit Services form.

Attest:

Esther Coulson, City Clerk

EVALUATION SCORE SHEET FOR AUDIT PROPOSALS

Propoal Criteria	Points	Firm 1	Firm 2	Firm 3
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<u>Mandatory Elements</u>	25 points max			
The firm must be an independent certified public accounting firm and auditors must be licensed for practice in Florida	0-5			
Firm's professional personnel have received adequate continuing education	0-5			
The firm has no conflict of interest to any other work performed for the City	0-5			
The firm most recent peer review or quality control review	0-5			
Firm adheres to instruction on preparing and submitting proposal	0-5			

<u>Technical Qualifications</u>	100 points max			
Quality of professional personnel and support personnel to be available for technical consultation. Strengths of assigned team members.	0-25			
Firm's relevant experience in government engagements & Single Audits, ability to furnish the required services	0-25			
Comprehensiveness of audit work: staffing, general approach, testing approach, analytical procedures, internal controls, and value added.	0-25			
Clearly provides for the scope, timing, steps and resources to complete engagement. Specifies price price for the engagement. Proposed fee is reasonable based on experience, unique value and knowledge the firm brings.	0-25			

RFP EVALUATION WORKSHEET

Staff qualifications & experience	
principal & mgt staff	
specialist, auditor in charge	
CPAs?	
experience of each	
Prior engagement with city	
Similar engagements with other govt entities	
list signigicat engagements (max. 5) performed last 5 yrs	
staff hours, scope of work	
name & # of client	
Public Crimes	
convicted vendor list	
Audit approach	
work plan, methodology	
sources of information - budget, matls, org chart	
manuals & programs, fin & mgt systems	
segmentation engagement, time frames for each	
level of staff & hours	
sample size methodology & statistical sampling	
use of EDP software	
type & extent of analytical procedures	
approach to be taken - laws & regs subject to audit	
approach for audit samples for test of compliance	
Identification of anticipated audit problems	
id problem, approach to resolve	
Peer Review	
latest peer review	
Compensation	
total all-inclusive price fee for 3 years	
additional fees	
propose price increase for addtl 3 years	