

## Response to Questions

The City of Jacksonville is providing answers to questions received by various audit firms in response to the Audit Service RFP issued on April 2, 2019.

- 1. Why are you considering a change in Auditors?**  
The City typically bids out our auditing services every 5 years and we have reached the end of the most recent 5 year contract term for audit services.
- 2. Have there been any significant disagreements with the incumbent auditor?**  
There have not been any significant disagreements with the current auditor.
- 3. Were there any audit adjustments made in the prior year, and if so what was their nature?**  
There were no audit adjustments made in FY18.
- 4. Did the City experience any major staff turnover during the year?**  
The Finance department has experienced some turnover in the past 12 months with both Financial Analysts resigning. The Information Technology Services Director has resigned effective April 12, 2019.
- 5. Are there any significant changes in funding sources (including federal and state grants) over the next three years as compared to June 30, 2018?**  
At this time there are no significant changes in federal and state funding sources with the exception that we are expecting significant FEMA reimbursement as a result of Hurricane Florence.
- 6. How many auditors are historically on site, and for how long?**  
During interim fieldwork there are typically 3 – 4 audit staff on site for up to a week.  
During year-end fieldwork there are typically 3 – 4 audit staff on site for up to two weeks.
- 7. What is most important to you in your audit service provider?**  
We seek to establish a relationship with an independent auditing firm that has the capacity to provide a professional audit as well as expert guidance and advice related to complex issues as they may arise. This relationship would be built on good communication and professionalism with City staff, and a knowledgeable audit staff that is available not only during the audit but throughout the year. It is also important to the City of Jacksonville to have the audit completed in a timely manner.

**8. In a typical year, how many "auditor entries" are provided by the audit firm and what is the nature of the entries?**

For June 30, 2018 there were not any "auditor entries" to record as provided by the audit firm. In previous years there have been one or two entries pertaining to adjusting payables and receivables.

**9. Has the City received any Management Letter comments from the audit firm from the last 3 fiscal year audits? If so, please provide a brief summary of each.**

June 30, 2016 – 1. One piece of equipment originally purchased as Powell Bill equipment was subsequently transferred to Stormwater and loan payments were still being charged to Powell Bill; 2. One instance where an administrative non-Powell Bill employee's time on one work order was erroneously coded to a Powell Bill work order.

June 30, 2017 – 1. One instance was noted where software allowed an employee to approve their own journal entry; 2. One instance where Non-Powell Bill work was charged to Powell Bill eligible funds; 3. One instance where 100% of an invoice was charged to a grant when two thirds of the cost should have been charged to other departments; 4. Three invoices at year end that were not recorded in the proper fiscal year.

June 30, 2018 – 1. One instance where an invoice did not have the "Paid" stamp on the invoice.

**10. Who is responsible for the accounting records and how long has that individual served in that role?**

Gayle Maides serves as the Finance Director and has been employed with the City for 21 years and has served as Finance Director for 7 years.

**11. Does the City anticipate any significant changes in grant funding (other than FEMA for Hurricane Florence) expected in the next five (5) years?**

At this time the City does not anticipate any significant changes in grant funding over the next 5 years.

**12. Are the TDA books and records processed by the City Finance Department?**

All of the financial records for Jacksonville Tourism Development Authority are processed and maintained by the City Finance Department.

**13. Does the City anticipate any significant changes in the IT system in the next five (5) years, other than standard upgrades?**

There has been some initial discussion concerning the status of our current IT system and if this system may need to be replaced in the next five years but no significant action has happened to move this forward.

**14. What does the City value in an auditor?**

We seek to establish a relationship with an independent auditing firm that has the capacity to provide a professional audit as well as expert guidance and advice related to complex issues as they may arise. This relationship would be built on good communication and professionalism with City staff, and a knowledgeable audit staff that is available not only during the audit but throughout the year. It is also important to the City of Jacksonville to have the audit completed in a timely manner.

**15. Are there significant impairments of PPE as a result of Hurricane Florence?**

The City of Jacksonville experienced significant damage to the roof of one of our recreation centers and this building has not been repaired or replaced at this time. All other repairs related to Hurricane Florence are currently being made at this time.

**16. Is the City open to a portion of the audit being conducted remotely?**

The City would be open to discussing a portion of the audit being conducted remotely as long as deadlines are met and the financial statements are completed on time as referenced in the RFP.