

**CITY OF WEST HOLLYWOOD
QUESTIONS AND ANSWERS: 4-5-22**

#	Professional Audit Services Questions	Answers
1	How long have the current auditors been performing the audit for the City?	The City contracted with White Nelson Diehl Evans (WNDE) in Fiscal Year 2013-14. In 2019, the City issued an RFP and awarded a new contract to WNDE. In 2020, WNDE merged with CliftonLarsonAllen (CLA).
2	If a member of the team has past experience with another firm on financial statement audits such as the scope of work does this satisfy the firm experience requirement?	Each team member's experience are considered separate and independent of the firm's experience.
3	What is the desired timeline for: a. Interim b. Field work c. Draft Reports d. Final Reports	Timeline for audit: During the month of June 2022 During 1st week of October 2022 During 1st week of November 2022 During 1st week of December. The City submits to GFOA for Award for Excellence in Financial Reporting which is due every December 31st.
4	How many auditors and how many weeks were the auditors on site for both interim and year end field work?	On the average, the total auditors on-site during both interim and year-end is around 2 to 3 auditors and the fieldwork is usually 4-5 days. In the past two years, due to Covid-19, the fieldwork is 100% remote.
5	What were the prior audit fee(s)? Please provide breakdown by report.	Total contract fees in the FY20-21 contract were \$78,909: a.) City Audit and Related Reports - \$45,889; b.) Single Audit and Related Reports - \$3,620; c.) GANN Limit Review Report - \$450; d.) Cities Financial Transaction Report - \$3,950; and e.) Others(agreed-upon procedures) - \$25,000. Note: Not all fees were charged since the City did not have any agree-upon procedures and no additional fees were charged for implementation of GASB 68 and GASB 75.
6	Are there any new services requested in this RFP that were not included in the prior year audit fee?	There are no new audit services requested in this RFP. The audit services requested in this RFP are the same with prior years. The City may have special projects; such as TOT audits or agreed-upon procedures review on occasion.
7	If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much was the last year's fees?	The preparation of the State Controller's Report is contracted to CLA; last year's fee is \$3,950.
8	How many major programs were tested each year for the Single Audit? If applicable, please provide the most recent copy of the report.	On the average, there is one major program tested for Single Audit and there were no audit findings. During the fiscal year 2020-2021, a Single Audit was performed. The Single Audit report will be provided to the winning audit firm.
9	How many journal entries were proposed by the auditors? Were there any findings?	The auditors have no proposed journal entries. All entries are client adjusting entries. There are also no audit findings.

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10	Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?	There are no material adjustments made by the auditors.
11	Has the City entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?	There are no new major contracts or projects that are not reflected in the prior year financial statements.
12	Any New Debt Issuances in the Current Fiscal Year?	The Successor Agency to the West Hollywood Community Development Commission (SA Agency to CDC) has issued the 2021 Tax Allocation Refunding Bonds for the purpose of refunding the SA Agency Series 2011A/2011B and 2013 LAC bonds.
13	Is the City involved in any litigation not included in the Prior Year Financial Statements?	The City is not aware of any litigation that are not included in the prior year financial statements.
14	Any other Major Changes in the Current Fiscal Year that would affect the operations of the City?	None. There are no major changes in the current fiscal year.
15	How did you measure the quality of the audit performed?	The City considers the audit of high quality.
16	What audit areas, in your opinion, were cumbersome?	The audit areas that are cumbersome are the areas covered by the new GASB pronouncements such as GASB 87.
17	What efficiencies would you like to see in the audit of the City's financials?	The efficiencies that the City prefers are ; a. Information is requested in advance; b. When auditors do not ask for the same item; c. When auditors are well-rounded and knowledgeable with governmental accounting standards; and d. There is continuity with the staff assigned to the city.
18	What is the reason that you are considering changing the auditor?	An RFP was issued in order to ensure that audit services along with the related costs are the best available. In addition, the City will be issuing an RFP for its ERP system and would like to have auditor continuity during the implementation process.
19	Will your prior auditors be invited to bid?	Yes, the prior year auditor is allowed to bid. It is the intent of the City to make an award in the best interest of the City after all factors as discussed in the RFP have been evaluated.
20	How many staff did the audit team consist of in the past and when did the auditors come on site?	On the average, the total auditors on-site during both interim and year-end is around 2 to 3 auditors and the fieldwork is usually 4-5 days. In the past two years, due to Covid-19, the fieldwork is 100% remote.

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21	Have there been any changes in your accounting system or software since last year?	The City of West Hollywood's accounting function are computerized using the Tyler Technology/EDEN systems software on a Unix/Windows based. The applications operating on this system are general ledger, accounts payable, accounts receivable, payroll, human resources and purchasing. The business license system used is HDL. The City is using electronic timesheets, which work in sync with EDEN systems. The City does not expect any changes in the EDEN software for maintenance of general ledger during FY21-22. The City is currently working on Eden replacement and it may happen in FY22-23.
22	Do you expect to have any retirement or replacement of key employees?	The City does not expect any retirement or replacement of key employees.
23	When did the on-site fieldwork take place?	The interim fieldwork takes place during June and the year-end fieldwork takes place during October.
24	How many weeks did your prior auditors encounter for your last audit? How many weeks/hours were spent by the prior auditors in the field?	We are not provided with total auditor hours. However, on the average, during interim and year-end, auditors are on-site for 4-5 days. See answer to question#3 and #4.
25	When did the on-site fieldwork take place?	The on-site fieldwork are scheduled in October. However, due to Covid-19, the audit in the past two years are 100% remote.
26	What is the current year budget for auditing services?	The City's current budget for auditing services is within the same range as the previous fiscal year's audit fees.
27	When will a closed trial balance be available for the audit with all closing entries recorded?	The closed trial balance will be available on the 1st day of the year-end fieldwork. If requested earlier, the City can provide the day before the 1st day of fieldwork.
28	Is there anything specific that you are looking for with the successor auditors?	There will be four (4) key considerations in the firm that will be selected which includes a.) Expertise and experience with similar projects; b.) Firm's qualifications related to municipal audits; c.) Presented approach and completeness of proposal; and d.) Fee/price.
29	What are the things you liked and didn't like about your current auditors?	The current auditors have done a great job for the City of West Hollywood. See also question #18.
30	What are the things you liked and did not like in the audit process followed by your current auditors?	The City liked the audit processes; the City would have prefer to be informed of any changes affecting the financial statements or audit process in advance.
31	How many adjusting entries did you have last year?	The client adjusting entries ranges from 10-15 every year, which includes GASB 68 and GASB 75 entries which are usually available once the draft ACFR is provided.

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32	Do you expect to have a single audit this year?	We expect a Single Audit every year, unless our federal expenditures are below \$750,000 threshold. A separate fee for this service is requested as part of the RFP.
33	How many major programs you had last year? How much were the total federal expenditures last year?	During FY2020-21, there was one major program tested for Single Audit. The total expenditures last year was \$820,663.
34	How many TOT agreed-upon procedure engagements does the City anticipate for FY 2021-22?	We do not anticipate any TOT agreed-upon procedures in FY2021-22.
35	Could you please share a copy of the most recently issued TOT report(s)?	The last TOT agreed-upon procedures review was for FY2017-2018. The City prefers not to provide the report due to confidential information.
36	Does the City prepare and submit the State Controller's Report for the West Hollywood Public Financing Authority?	The preparation of the State Controller's Report is contracted to CLA. The last year's fee is \$3,950.
37	Does the City have a preference with regard to having the majority of the audit performed in-person or remotely?	The City prefers to have the majority of the audit performed remotely.
38	What was the City's experience with remote auditing? Would you suggest any changes?	They City's experience with remote auditing is considered favorable; cash receipt testing required additional time in order to scan information and would be preferable if done in person, if possible.
39	Are the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files.	Yes, the majority of supporting documentations are maintained electronically except for some cash receipt records.
40	Do you permit third parties to access the City's financial software remotely?	We allow our external auditors to have access to the EDEN System.
41	Has there been any turnover in management during the past year?	The turnover only pertains to retirement of the City Manager and promotions.
42	Has there been any turnover in accounting staff during the past year?	There are no turnover in the accounting staff during the year.

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43	How many journal entries were proposed by the auditor in the prior year?	The auditors have no proposed journal entries. All entries are client adjusting entries. There are also no audit findings.
44	Any management letter comments outstanding from the prior year?	There is no management letter issued in the prior year.
45	May we receive a copy of last year's management letter?	Not applicable. There is no management letter issued last fiscal year.
46	Any known or suspected fraud?	There are no known or suspected fraud.
47	When will books be ready for the audit?	The books are ready for the audit on the 1st day of final fieldwork.
48	Are financial records available electronically?	Yes, all financial records are available electronically. Refer also to question #39 above.
49	Is remote auditing acceptable to the City?	Yes, remote auditing is acceptable to the City.
50	Who prepares the financials?	The Annual Comprehensive Financial Report (ACFR) is prepared by the audit firm.
51	Were there any significant transactions (e.g. bond issuance, leases) during the year?	The City issued the Series 2021 Tax Allocation Refunding Bond during the FY22. Refer also to question #12 above.
52	Significant changes to operations or funding sources?	There are no significant changes in operations during FY2021-22.
53	Significant construction or capital projects?	The West Hollywood Park Phase II, which is a multi-million capital project, was completed during FY21-22.

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54	Any audits or inspections by regulatory agencies?	There are no audits or inspections by regulatory agencies.
55	Any changes to the governance structure of the organization?	The City's City Manager Paul Arevalo, has retired during the year and was replaced by David Wilson.
56	Why is the City considering changing auditors?	An RFP was issued in order to ensure that audit services along with the related costs are the best available. See #18 and #29 for the same question and answer.
57	Will your prior auditor be invited to bid?	Yes. See #19 for the same question and answer.
58	How long has your prior auditor been performing the audit?	Eight years. See #1 for the same question and answer.
59	What were the prior year audit fees, and can you provide the break down by components?	See #5 for the same question and answer.
60	For both interim and year end, how many staff did the audit team consist of in the past and how many weeks did the auditor spend in the field?	See #20 for the same question and answer.
61	Is there anything specific that you are looking for with the successor auditors?	See #28 for the same question and answer.
62	Is the scope of the service requesting the same as last year?	Yes, the scope of service will be the same.
63	Are there any significant changes in operations expected for FY 2021-22?	See #21, #52, and #53 for the same question and answer.
64	Will there be any significant events in FY 2021-22?	See #51 for the same question and answer.
65	Have there been any changes in your accounting system since last year?	See #21 for the same question and answer.
66	What are some things you would like to see improved in the financial audit process compared to previous years?	See #30 for the same question and answer.
67	How many audit adjusting journal entries did you have in the prior fiscal year?	See #31 for the same question and answer.
68	Any litigation not included in the 2021 Financial Statements?	None. There are no litigations included in the 2021 Financial Statements. Refer also to question #13 above.
69	Did the City have any layoffs, retirements, or replacements of key employees in the finance department due to Covid-19 or otherwise.	The Finance division has one employee that retired. The position is currently being filled-up by contractual employees.