



**HIGHLANDS COUNTY
BOARD OF COUNTY COMMISSIONERS
(HCBCC)
PURCHASING DIVISION**

DATE: August 13, 2020

BID NO. RFP 20-038

ADDENDUM No. 2

Project: External Audit Services

This addendum is being issued to answer questions received.

1. Please provide a listing of the audit selection committee.

Answer: The External Audit selection committee will be composed of these persons or designee as required by Section 218.391 Florida Statute:

Arlene Tuck, County Commissioner District # 5
Paul Blackman, Highlands County Sheriff
Eric T. Zwyer, Tax Collector
Penny Ogg, Supervisor of Elections
C. Raymond McIntyre, Property Appraiser

2. What were the fees paid for each of the prior three year's audits?

Answer:

September 30, 2018 Audit Fees: \$189,000.00
September 30, 2019 Audit Fees: \$191,000.00
September 30, 2020 Audit Fees: \$193,000.00

3. Were there any additional fees paid beyond the contracted fee for such items as out of scope work or non-attest services?

Answer: No

4. Are there any expected changes in key management roles in the Finance Department?

Answer: No expected changes, however, there will be a new Clerk of Courts elected in the 2020 election. Changes are always possible in the transition of an elected official.

5. Are there any expected changes in financially significant accounting systems?

Answer: No

6. Are there any significant planned changes in internal controls over financial reporting?

Answer: No

7. Have there been any significant financial/budget impacts due to COVID-19?

Answer: Yes – Significant cuts to FY 20 budgets and expected cuts in FY 21 as well. Also, Cares funding has been received (EMS, Housing, General) and we anticipate audit requirements with this funding.

8. RFP Section VII.C.1. (page 22) states “Although County staff is competent and capable of preparing its Comprehensive Annual Financial Report (CAFR), the County intends for the selected Firm to produce the CAFR, with assistance from County staff.” What assistance is provided by the County Staff? Specifically, are County Staff preparing any sections of the CAFR such as MD&A and Statistical sections?

Answer: County staff prepares the MD&A and the Statistical Section, however, both are reviewed in detail by external audit staff.

9. Is the County expected to early-implement any issued but un-adopted applicable GASB pronouncements?

Answer: No

10. Has the County began reviewing and collecting information regarding their leasing arrangements in anticipation of the upcoming Lease Standard (2022)?

Answer: No. Due to unexpected COVID-19 delays and the flooding of the County’s courthouse, no lease review has been initiated at this time.

11. Does the County anticipate needing assistance from the Auditor when implementing new accounting pronouncements?

Answer: Yes. Assistance from our external auditors is always expected when implementing new accounting pronouncements.

12. Is the County expected to issue, refund, or early terminate any long-term obligations during the next three years?

Answer: No

13. Are there expected changes to the County’s OPEB plan in the next three years?

Answer: No, not at this time. The County is considering a Length of Service Aware Program (LOSAP). This is not formally adopted but there is a plan pending for volunteer firefighters.

14. Who is the OPEB plan actuary?

Answer: Bolton

15. Who is the investment manager for the County?

Answer: The Clerk of Courts has an Investment Advisory Group that manages the investment of the County's surplus funds. The advisory group is currently comprised of four members of the Clerk's finance staff. The County does not employ an external investment manager.

16. Does the Clerk's Internal Audit function provide any assistance to the external auditors?

Answer: No

17. Section VIII TAB-B 2.d. (page 26) states "The proposal must include sample products for all reports." Please confirm that you are requesting the proposer to provide an example report for each report expected to be issued under this RFP. Note, this request alone may be 25+ pages with all of the reports required for the CAFR and the Constitutional Officers (assuming non-duplication of the GAS Report, Management Letters, and Ch. 218.45, F.S. Investment Compliance Examination Reports for each of the Constitutional Officers). Do these example reports count toward the 50 page limitation?

Answer: To fulfill this request, each proposer should provide an example report for each report expected to be issued under the RFP. These reports will not count toward the 50-page limitation.

18. What is the reason that the County has requested proposals for audit services? (i.e. auditor rotation, internal policy/requirement, etc.)

Answer: Current contract expiring.

19. When does the County expect to have final SEFA and SESA?

Answer: Approximate time frame - Draft by January 10th, Final Report by January 31st.

20. How have the County's operations been impacted by COVID-19?

Answer: See answer #7 above. The Board has not had any staffing layouts at this point. There have been hiring and spending freezes implemented. The entities have transitioned to remote work environments, where permissible. Some offices have been closed temporarily or on specific days.

21. Have there been any significant changes in staffing and/or policies and procedures recently?

Answer: No, but the Purchasing Policy is planned to be updated in September to take effect in the FY20-21 Fiscal Year.

22. Have there been any audits and/or reviews performed by any third parties (i.e. granting agencies, etc.) recently? If so, what were the results?

Answer: Yes, Healthy Families is audited annually. We are currently in the process of a FRS audit.

23. Are there any changes expected to the timeline due to COVID-19?

Answer: No

24. What are the expectations related to remote work for the FY 2020 audit, and potentially the 2021 audit?

Answer: Remote work is acceptable.

25. If we elect to submit electronically, do we also need to send in a hard copy of the signed forms? Trying to clarify section VIII. C. 1. C. on page 25.

Answer: Electronically signed documents or signed and electronically scanned documents are acceptable.

26. On page 26, section 2d, the RFP states: The proposer must include sample products for all reports. Please clarify what you would like us to include in the proposal, or can we submit a link to a CAFR? This of course would exceed the 50 pages.

Answer: See answer to item #17 above.

27. Our headquarters are located in Alabama; however, this will be serviced out of our Sarasota/Bradenton Business Unit. Would the firm that has a closer office get more points?

Answer: Location is a consideration as identified in the solicitation documents Section VIII. Proposal Format Criteria.