

Ledyard RFP 2018-07 for Audit Services

Q&A

1. How long have your current auditors been doing the audit? Will they be considered for the current year's audit or are you required to switch? Why are you changing auditors?

The current auditors have been performing the audit services for Ledyard for four years. They definitely will be considered in this new round of proposals. The Town's purchasing ordinance requires that we solicit proposals on a regular basis.

2. Is the accounting for all the departments and agencies of the government centralized in one finance department? (Board of Education, WPCA, etc.)

The accounting for all departments and agencies is handled through one software program—Munis. The General Government and the Board of Education performs its own accounts payable, accounts receivable, payroll, and human resources functions. All bank accounts are centralized with the town except for BOE's grant fund, student activities, food service, and early learners funds.

3. In trying not overwhelm or underutilize your finance department, can you tell us approximately how many auditors were there last year and for how long for preliminary work? Field work? Did you feel this as an appropriate number? Too many at one time? Too few at one time?

The current auditors have traditionally employed two staff for preliminary work and then the same two people for field work, plus the audit manager who works on the audit throughout. Staff were onsite for two weeks for preliminary work, and around five weeks for field work. A good deal of work is done by email when audit staff are not on site. This seemed to be the right amount of time.

4. Approximately how many journal entries did the auditor propose last year? In what areas?

Approximately fifteen audit entries, mostly adjusting ending balances, debt, and healthcare IBNR.

5. What were the total fees charged for the audit last year? For the ED001? Were there other services performed? What were they and what were the approximate fees?

The total audit fees were \$53,500; EDOO1 is \$4,500, WPCA is \$9,500. No additional services were performed.

6. Are there any significant changes in your finances this year from last? (Significant new grants, programs, etc.) Are there any significant changes in your finance department this year from last? Are there any significant changes in either of these expected at this time for the next 5 years?

The Town is in the middle of a \$67M school consolidation project and, because of delays in the state budget process, will start applying for and receiving state reimbursements within the next month. The majority portion of the Town's share of the funding has been bonded.

Also because of drastic reductions in state funding (Ledyard has lost 3% of state funding, or \$1.6M with additional cuts anticipated this year and next), Ledyard is considering a supplemental tax increase this year and additional cuts to town spending.