

March 13, 2015

**ADDENDUM #2
RFP 15-66
Audit Services**

The number of this Addendum, Addendum No. 2, must be entered in the space provided on the Bid Form.

REPLACE:

CITY OF LOWELL

In accordance with the Specifications, and under the terms and conditions mentioned above, I (We) hereby offer to furnish and deliver to departments described above the following materials which shall in all respects meet the attached specifications, as required during the terms mentioned above for the following prices:

INCLUDE THIS PAGE IN A SEPARATE ENVELOPE MARKED:

“Price Proposal RFP 15-66 Auditing Services”

Fiscal Year Ending 6/30/2015 \$ _____

And two additional options years at same price

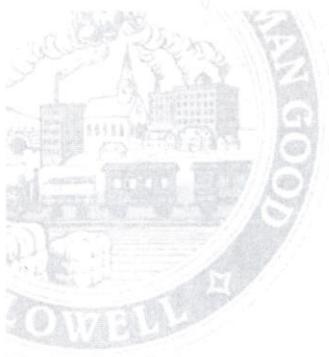
The City of Lowell reserves the sole right to exercise these two 1 year options at the same price of FY15, for FY16 and FY17. Options will be exercised in May of each year.

Signature of Bidder _____

Print Name and Title _____

Company Name and Address _____

Telephone Number _____



CLARIFY:

- 1 Are all the City's cash accounts reconciled on a monthly basis and proven to general ledger balances?
 - Reconciled Monthly
- 2 Are all receivable balances reconciled regularly and proven to the general ledger balances?
 - Yes
- 3 Does the School Dept and City share the same integrated Munis general ledger system?
 - Yes
- 4 Has there been any recent staff turnover in financial positions that would have a negative impact on the City's ability to reconcile and close its books in a timely manner?
 - No
- 5 When is the City typically ready for audit fieldwork to be performed?
 - Typically, interim work done in June and then final fieldwork done in October
- 6 Is the contributory retirement system included in the audit RFP?
 - No
- 7 Are separate financial statements issued for the contributory retirement system?
 - Yes
- 8 Who are the actuaries for the contributory retirement system?
 - KMS Actuary
- 9 Will the actuaries provide all the new GASB 67/67 disclosures, including "best practice" schedules?
 - Yes
- 10 When will the contributory retirement system's books be closed and ready for audit?
 - May
- 11 When do you anticipate receiving the actuaries new GASB 67/68 information?
 - May/June
- 12 Do the prior year audit fees noted in Addendum 1 include the audit of the contributory retirement system?
 - No
- 13 Does the audit RFP include Agreed Upon Procedures testing of the school end of year report (EOYR)?
 - Yes
- 14 Does the audit RFP include new DESE requirements for Agreed Upon Procedure testing of school student activity funds?
 - Yes
- 15 Do the prior year audit fees noted in Addendum 1 include Agreed Upon Procedure testing of the EOYR and/or student activity funds?
 - No, this was priced separately, prior contract price for this was \$12,000



16 Does the City perform any internal audits?

- No

17 Has the City had any risk assessment and/or internal audits performed recently?

- No

18 Are there any ongoing investigations by federal and/or state agencies?

- No

Also answered in addenda 1, the correct cost for the fiscal year 2014 audit was \$94,000

Sincerely

P. Michael Vaughn
Chief Procurement Officer