February 18, 2021

NOTICE TO ALL BIDDERS

ADDENDUM NO. 1

Request for Proposal - B0004037– Independent Audit Services

This addendum is to provide all potential respondents the questions raised and the College’s response to each question.

Please be advised the closing date and time is amended to: Monday, March 1, 2021 at 3:00 pm CST.

Question 1: Please provide a copy of the NCERP and the Foundation financial statement audits for 2020. 
*The statement is attached.*

Question 2: Please provide a copy of the New Job Training program audit as of June 30, 2020. Are significant changes in revenues or expenditures (or types of expenditures) since June 30, 2020?
*This information was included in auditor procedures; there is no separate report.*

Question 3: It appears only the 2019 audit is available on-line. Will you please provide the financial statement audit (we understand the compliance piece may not be available yet) for 2020. If the audit is not available, will you share internal statements? Or, were there any significant events or transactions during fiscal year 2020 that significantly impacted the audit in terms of complexity or number of hours? 
*Audits from 2017 to 2020 are attached.*

Question 4: Please describe the College’s process to evaluate GASB 84 Fiduciary Activities and GASB 87 Leases. What conclusions have been reached? On average, how many leases does the College have that need to be evaluated under GASB 87? 
*Financial Accounting staff have evaluated leases and the college will implement June 30, 2022. We have fewer than 25 leases that are applicable.*

Question 5: Was there a Management Letter issued for FY2019 or FY2020? If so, can we get a copy of each?
*There were no items to report.*
Question 6: What has been the typical make-up of the audit team in past years (i.e., number and levels)? And number of weeks scheduled for the audit.

Audit team assignments and levels of expertise are the purview of the bidding firm.

Question 7: What was the typical timing of planning, federal compliance testing under Uniform Guidance, and final financial statement audit fieldwork?

The college desires to present the audit reports to the Board of Trustees at the October Board meeting (third Thursday). Field work is usually split between preliminary work (June or July) and final work in August through Labor Day.

Question 8: What were the audit fees for the prior three fiscal years for each: College audit, Single Audit, Foundation Audit, NCERP Audit, Building Corporation, New Jobs Training Program? Did the fees include any additional fees for the adoption of new standards?

Fees were separated for the NCERP pension, the Foundation and all other auditing procedures through the College. No extra billing was made in the past three years.

Question 9: Were there any non-attest services performed outside the scope of the audits that were separately billed in the prior year? If so, what procedures were performed.

No non-attest services were performed by the regular audit team/firm.

Question 10: Does the College have any significant new federal grants that will require auditing in FY2021?

None, except Cares (et al).

Question 11: How many adjustments, if any, were posted during the past year’s audit? (Please address all entities including blended component units)

None were identified.

Question 12: Were there any audit adjustments proposed by the auditors in FY2020 for all engagements (College, Foundation, NCERP, Building Corporation)? If so, can we get a copy of the audit adjustments?

None were noted.

Question 13: How many adjustments, if any, were passed/waived during the past year’s audit?

We are not aware of any significant waived entries.

Question 14: Please provide copies of the SAS 114 and SAS 115 letters.

See audit reports.

Question 15: Describe any difficulties in performing the audit.

No difficulties noted.
Question 16: Are the accounting and financial reporting functions centralized (for College with blended component units and for the NERP)? What about federal grant responsibilities?  
NCERP, the Foundation and the College are audited separately; however, the College’s financial accounting department assists both the Foundation and NCERP staff with financial statement preparation. Federal grants are under the College’s financial accounting staff responsibilities.

Question 17: Will the College prepared financial statements be available to the auditors prior to final fieldwork (mid August per Section H#2 of the RFP)?  
Yes. Generally, the primary statements and footnotes are available for auditor review prior to the completion of fieldwork. MD&A and other information is generally completed 30 days prior to the Board meeting. NCERP and the Foundation should be completed by the end of September. Note: Auditors have prepared the Foundations final statements and NCERP statements are prepared by the Auditors and College financial accounting staff.

Question 18: Will the financial statements be prepared in their entirety (i.e. including the supplemental schedules and statistical section) by the College?  
Yes; however, on new pronouncements auditor input for disclosure is requested.  
If not in their entirety, please detail out what pieces of the statements are prepared by the College and when the drafted statements or pieces will be ready.  
Please see answer to question 17.

Question 19: Have there been any significant events or transactions (or are any anticipated) during this current fiscal year that would significantly impact the audit for June 30, 2021 in terms of complexity or number of hours?  
Significant transactions have been Cares and CRRSSA funding.

Question 20: Any disagreements between the current auditor and management with regard to accounting principles, auditing procedures or classification of internal control deficiencies?  
None noted.

Question 21: Do you receive any other deliverables from the audit that were not listed in the RFP?  
No.

Question 22: Which campuses collect cash?  
All campuses collect cash.

Question 23: Please describe how the College evaluates other new accounting pronouncements and determined whether any will have a significant impact on their respective financial statements.  
College financial accounting staff evaluates new pronouncements for the college in conjunction with the auditors drafting disclosures. Auditors evaluate new
pronouncements for the Foundation and NCERP.

Question 24: How does the College keep up with technical updates in the industry? Financial accounting staff review pronouncements and attend industry seminars, etc.

Question 25: Were there any adjusting or passed journal entries identified during the FY20 audit? If so, how many and what did they relate to? None identified.

Question 26: Were there any reportable control deficiencies during the FY20 audit? If so, what did they relate to? Only p-cards were identified.

Question 27: What are your expectations for fieldwork while COVID is active? Are you anticipating the audit will be completed remotely? Remote field work and auditor requirements of on-site field work are the purview of the bidder. Remote field work is acceptable.

Question 28: Do you utilize any third-party advisors (investments, payroll, etc...)? If yes, what type of audit support do they provide, if any? For NCERP, Actuarial support (Willis Towers Watson) and Columbia Threadneedle (investment advisors); OPEB – Benefit manager consultants – USI including actuarial OPEB liability. For the Foundation – Mercer investment advisors; the college utilizes USI for benefit consulting and various third parties for worker’s compensation and unemployment benefits.

Question 29: Related to CARES Act funding, were there any issues with identifying additional eligible costs for Higher Education Emergency Relief Fund (HEERF) institutional portion usage? Has the state also awarded Coronavirus Relief Fund (CRF) funds to the College and if so, how much per institution? See Footnote 17 of FY20 Audit, page 64-65.

Question 30: Can you provide the most recent copy of the Non-Certified Employees Retirement Plan financial statements? See attached.

Question 31: Who serves on the Retirement Committee that the audit team would be presenting to on an annual basis? The Retirement Committee consists of six voting members. One each is selected from the AFT, FOP and IUOU unions, one is voted by active non-unit participants and two are appointed by the Board of Trustees at the recommendation of the Committee through the Chancellor.
Question 32: Is any tax assistance needed related to either the College or Foundation 990’s/990-T’s?
No. Financial Accounting prepares and submits 990’s.

Question 33: Can you provide the most recently issued New Jobs Training Program report?
Not applicable.

Question 34: What are the annual revenues/expenditures related to the New Jobs Training Program?
For FY20 New Jobs Training Program has approximately $1.5 mil on hand and approximately $125K of activity.

Question 35: Will the incumbent firm have the opportunity to propose again? Does the College have a rotation policy?
The bid is issued every five years and yes, incumbent firms may propose.

Question 36: Section F #1 of the RFP indicates the College’s staff will prepare the Financial Statements. Does this include the notes to the financial statements and required supplementary information?
Yes.

Question 37: Section H #3 indicates the number of copies of the reports to be reproduced. Who reproduces the copies of the College audit report (including the Single Audit)?
Audit firm produces hard copies and submits digital to Financial Accounting and FAC within 30 days of audit opinion.

Question 38: Are there any records or operations such that any field work would need to be performed outside of your main location? Are the financial aid records maintained at each campus or at a central location? Are the records available electronically?
Most available electronically, Auxiliary inventories are by campus. All primary accounting documents are maintained at the McKelvey location.

Question 39: Have there been any instances of fraud reported in the past five years?
Yes. Don Robinson stole approximately $7 mil of State funds from Jobs Training program. Full restitution was made.

Question 40: To what extent has the College implemented an internal audit plan over the past three years?
Internal audit plan/procedures planned for the beginning of FY22.

Question 41: Is the Foundation included in the reporting entity in accordance with GASB Statement No. 39? If yes, why is the Foundation blended with the College as opposed to being discretely presented?
Audit firm determined presentation in previous years.
Question 42: How does the College intend to implement GASB Statement 84? Does the College have any activity funds that will be reported as fiduciary activities and a separate opinion unit?

New Jobs funds are the most significant issue with respect to GASB 84. Agency funds are insignificant and can be broken out or combined as needed.

Question 43: Are records for the Building Corporation maintained by a third party or by the College finance department?

They are maintained by the College’s Finance Department.

Question 44: Are records for the NCERP maintained by a third party or by the College finance department?

Records are maintained by a combination; State Street Bank maintains and manages funds. Census information is a function of HR.

Question 45: Can we get a copy of the most recent (6/30/20) separately issued statements for the NCERP?

See attached.

Question 46: Section F #1 of the RFP indicates the College staff will prepare the financial statements for the College. Does the College staff also prepare the separately issued financial statements for the NCERP?

Yes, with limited assistance from auditors.

Question 47: Who reproduces the NCERP audit report? If auditors, how many copies of the separately issued NCERP audit report is required?

The Finance Department prepares primary statements for review by auditors. Twelve copies of the audit report are required.

Question 48: Who is the actuary for NCERP?

Willis Towers Watson is the actuary for NCERP.

Question 49: When is the actuary report available?

The report is generally available by August 15th.

Question 50: Does the NCERP utilize an investment manager? If so, who?

Investment managers are Columbia Threadneedle and State Street Bank.

Question 51: Who appoints the five board members?

NCERP has six voting members. One each is selected from the AFT, FOP and IUOU unions, one is voted by active non-unit participants and two are appointed by the Board of Trustees at the recommendation of the Committee through the Chancellor.
Question 52: Are records for the Foundation maintained by a third party or by the College finance department?
The Foundation has their own accounting staff.

Question 53: Can we get a copy of the most recent (6/30/20) separately issued statements for the Foundation?
See attached.

Question 54: Section F #1 of the RFP indicates the College staff will prepare the financial statements for the College. Does the College staff also prepare the separately issued financial statements for the Foundation?
Yes with input from the auditors.

Question 55: Who reproduces the Foundation audit report? If auditors, how many copies of the separately issued Foundation audit report is required?
The auditor reproduces the Foundation audit report and 12 copies are required.

Question 56: What software is used for fundraising?
Ellucian Banner is used for fundraising; no additional software is used.

Question 57: Who prepares the tax and/or information returns (i.e. 990 for Foundation)?
The College’s financial accounting staff prepares these documents.

Question 58: The Foundation financial statements include in-kind contributions. Does this only include personnel costs of the College? If it includes additional sources, please describe.
It includes all administrative costs including payroll.

Question 59: Section F #1 of the RFP indicates the College staff will prepare the financial statements for the College. Does this include financial statements for the Single Audit?
No.

Question 60: Are there any new federal programs in excess of $750,000 expected for year ended June 30, 2021?
We are not aware of any new federal programs outside of CARES Act grants; however, the college will continue to seek additional funding from private and government grants that are available.

Question 61: Do you have someone dedicated to grants management ensuring compliance?
Yes, two staff are dedicated to this function.

Question 62: Related to CARES Act funding, were there any issues with identifying additional eligible costs for Higher Education Emergency Relief Fund (HEERF) institutional portion usage? Has the state also awarded Coronavirus Relief Fund (CRF) funds to the College and if so, how much per institution?
See footnote 17 of audit.

Question 63: Is any CARES Act funding expected to be tested as a major program in FY21? Yes, auditor’s discretion.

Question 64: How is the College planning on utilizing HEERF II allocations during FY21? We plan on using these allocations for approved costs/reimbursements.

Question 65: What do you enjoy most about working with your current service providers? We enjoy good interaction and relationship.

Question 66: What areas (of the work requested) would most likely benefit from a fresh perspective? (i.e., service, quality, timeliness?) None identified.

Question 67: A year from now, how will you define a successful engagement? We will define a successful engagement by timely completion of the audit presentation with quality interaction and dialogue.

Question 68: Can you tell us what other firms are including in the RFP? If not specific names, are they local or regional? This solicitation has been posted publicly advertised in newspapers of general circulation and distributed to local and regional firms that have expressed an interest.

Question 69: Would you like us to include references in the proposal? If yes, how many? Yes, we would like three references from similar institutions, if possible (multi-campus, public, community colleges).

Question 70: What are your primary goals for FY21? The next five years? Our goals include conducting internal audits, improvement of accounting controls and procedures, automating functions and reporting (CAFR).

Question 71: How do you prioritize your key strategic initiatives? Key strategic initiatives are prioritized by the Chancellor and the Board of Trustees.

Question 72: Describe any internal initiatives underway in the finance area that you see your audit firm could help support as a resource? We are planning to develop an Internal audit plan/procedures.

Question 73: Please describe any significant anticipated transactions that may occur in the near future (such as capital campaigns, implementation of new software, new buildings, new debt or current debt restructuring). Significant transactions include: Foundation is in the middle of $20 mil
fundraising campaign, New daycare center at Forest Park. No new debt is planned. We just completed our new Center for Nursing and Health Sciences; no debt restructuring is planned.

Question 74: What are your biggest concerns for the upcoming year?
Our biggest concerns are enrollment and distance learning needs and returning to on-site classes.

Question 75: What are your major pain points or key areas for potential improvements?
None identified.

Question 76: Do you anticipate any major IT transitions or improvements in the next three years?
We do not have any expected changes with our EFP system (Banner) other than upgrading to version 9. The base system and database (Oracle) will remain the same. There may be changes to HRIS, payroll, reporting software and cashiering software. Software changes will likely be delivered as software as a service (SaaS) overlaying Banner. We’ll continue to upgrade system and network hardware and continue efforts to maintain network security.

Except as amended in Addendum No. 1, all components of this Request for Proposal remain unchanged. Please include a signed copy of this addendum with your proposal submission.

Sincerely,

[Signature]

Cynthia Green
Purchasing Supervisor

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Signature                     Company & Phone Number