

ADDENDUM #1

RFP 15185 – REQUEST FOR AUDITING SERVICES

QUESTIONS AND ANSWERS

Question 1: If similar services as requested in this RFP have been provided in the past, what were the prior year total hours and fees related to this contract? If this is a new request for services, can you please provide an estimated range of how many hours of assistance you anticipate will be needed to provide the services?

Answer 1: These services have not been procured in the past. The extent to which these services will be utilized is unknown and depends upon the unique circumstances encountered each year.

Question 2: As a follow-up to the previous question, what time frame (i.e. May through October) do you anticipate that most of the assistance will be needed?

Answer 2: The most critical time period extends from mid-July through September when data is being compiled and summarized for the auditors.

Question 3: If similar services have been provided in the past, what was the hourly rate schedule for providing such services?

Answer 3: Similar services have not been provided in the past.

Question 4: Could you please provide a copy of the prior year client assistance package received by your external auditors.

Answer 4: No. We do not feel it is appropriate to share that information at this time.

Question 5: How much of the audit financial statement close process is centralized at the WVHEPC vs. the respective institutions?

Answer 5: Almost all of the financial statement close process is performed at the institution level. The Commission provides some inter-institutional data.

Question 6: Can we partner with other firms and bid jointly to provide the requested services?

Answer 6: Yes.

Question 7: Does the Board of Treasury Investments and the Investment Management Board, as applicable, provide management with all the information necessary to complete the detail investment footnote disclosures?

Answer 7: Most of the information needed for this footnote is provided by the Investment Management Board.

Question 8: Are the records of the respective colleges and universities maintained on an accrual basis or cash basis during the year?

Answer 8: That depends upon the institution. The majority maintain records on a cash basis during the year, except for accounts payable.

Question 9: Can you please briefly describe the most significant areas that you anticipate needing assistance with during the audit process?

Answer 9: The issues may vary from year to year and institution by institution. In the past, employee turnover has resulted in difficulties with cash reconciliations as well as the calculation and posting of accrual entries.

Question 10: Please briefly describe the consolidation process for the WV Higher Education Fund financial statements.

Answer 10: Institutional statements and several schedules prepared by the Commission are used by the financial audit firm to complete the Fund statements.

Question 11: In reviewing the prior year reports, it was noted that several reports, including the WV Higher Education Fund, were completed after the State of West Virginia Financial and Reporting Section's initial requested deadline. Can you please describe what caused the delays in completing the prior year audits?

Answer 11: Some institutions have experienced turnover in key personnel. As a result, they have not been able to complete their pro forma statements in a timely manner. The Fund statements cannot be prepared unless all material supporting statements audits are complete.

Question 12: Section 3.4.1 of the RFP states "The work completed will comply with the requirements of the firm completing the institution's audit." Do such requirements relate to the content and form of schedules, reconciliations and financial statements? Are there other requirements of the audit firms of which proposing firms should be aware?

Answer 12: The requirements relate to the content form of schedules, reconciliations and financial statements. The engagement needs will depend upon the circumstances.

Question 13: Section 3.1.4 of the RFP states that the firms will be evaluated on economic effectiveness, etc. and section 3.4.1 states that "The services to be provided will depend upon the needs for each engagement." In responding to section 4.6 (d) of the RFP for fees, should proposing firms provide hourly rates for each staff classification?

Answer 13: Yes.

Question 14: Is the purpose of this RFP to obtain hourly rates based on the level of staff participation?

Answer 14: Yes. It is also expected that firms participating in the financial audit will maintain standards of independence.

Question 15: The RFP states that the prices in the proposal will not be subject to increase. To clarify, the yearly cost can increase from year to year within the proposal, however, the applicable yearly costs, when they occur, cannot increase over the proposed fees, correct?

Answer 15: Yes.

Question 16: With over 20 entities to be considered, how many firms are typically awarded contracts? Will each contract be assigned to specific entities?

Answer 16: No firms have been awarded contracts in the past. The number of firms receiving an award will depend upon the results of the RFP process. A successful firm will not be assigned to a specific entity.

Question 17: Should the proposed fees be by individual entity?

Answer 17: No. Some institutions will not need assistance.

Question 18: Are there specific deadlines to meet for each facility?

Answer 18: Yes. Typically the pro forma documents are due the last week of August.

Question 19: What is the level of support that can be expected from the accounting staff on-hand at each entity?

Answer 19: This will depend upon the circumstances and level of expertise at each institution.

Question 20: Can we expect to make the generally same adjustments at each entity?

Answer 20: There will be a significant degree of similarity among the institutions.