

Request for Qualifications

Independent Auditor Services Fiscal Years 2018, 2019, 2020

Question & Answer Submissions

1. Are there any events or transactions in the 2017/2018 fiscal year that would significantly alter the financial position of the college or foundation in comparison to the June 30, 2017 financial statements?
A: Not at this point
2. Which ERP system is utilized by the college (Banner, Colleague, CAMS, Workday, etc)
A: Colleague and Abila for the Foundation
3. Are there any new/large grants anticipated for 2018, 2019 or 2020 that would significantly impact the College's Schedule of Federal Expenditures?
A: No
4. Has the College had any instances of fraud (including cyber security breaches) in the last 2 years?
A: No
5. What were the total audit fees paid for the College audit for June 30, 2017?
A: \$37,700
6. What were the total audit fees paid for the Foundation audit for December 31, 2017?
A: \$9,200
7. Did the college reimburse the current CPA firm for any travel related fees for prior 3 years of audits?
A: Travel is included in fee
8. Does the current CPA firm provide any additional reports, studies, trend analysis, etc to the College beyond the reports that are listed on the Colleges website (<http://www.eastcentral.edu/about-ecc/audit-reports/>)?
A: No, but they do provide advice throughout the year if questions arise regarding the handling of new transactions. We have not been billed extra for this service.
9. Does College management prepare the financial statements, or is this completed by the Audit firm?
A: The college provides the audit firm with a year-end trial balance. The audit team then prepares the financial statements and notes to the financials.

10. Describe the journal entries proposed by the CPA firm for the College and Foundation Audits for June 30, 2017.

A: Moved 1 transaction from AP to Prepaid, adjusted bond amortization expense, provided the GASB 45 adjustment

11. Is a separate report issued for the Foundation's audited financial statement, or just inclusion of the data as a discretely presented component unit?

A: A separate report is issued.

12. Is a significant component of the audit testing been completed historically by the CPA firm on site at the college, or at the CPA firms offices? Does the college have a preference?

A: Historically the auditors observe inventory in June and spend about a week at the college in late September for the college. They will come in for 2-3 days in April for the foundation. The audit team views a lot of the documents used for testing online. The college would be open to exploring the feasibility of not having Auditors on site if we could figure out a way for them to view documents online.

13. What was the timeline for the 2017 audit? Specifically, for the following milestones, separate for both College and Foundation:

A: The foundation has a 12/31 year end and are normally ready for the auditors by April 1. Field work has historically taken about 2-3 days and they like to have their report by the 1st of June.

a. Pre-audit planning meeting w/ management

A: Usually none

b. Pre-audit meeting with board or designated committee thereof

A: Usually none

c. Interim fieldwork for financial statements

A: June inventory observation

d. Single audit/financial aid fieldwork (start date and end date)

A: Late September

e. Year end financial statement audit fieldwork (start date and end date)

A: Late September for about a week

f. Audit exit meeting w/ management

A: Late September at the end of field work

g. Delivery of draft opinion/financial statements to management

A: Third or Fourth week of November

h. Presentation of audit results to board or designated committee thereof

A: first Monday in Dec

Second Question Submission

14. What was the reason for sending out request for proposal such as, rotational, best practices, issues with prior CPA firm, checking prices of current services or another reason?

A: Board Policy to bid services every 3 years.

15. What factors does the College and Foundation view as being important in its relationship with a CPA firm?

A: Audit report should be complete for Foundation by June 1. Audit report for the College should be complete by December 1.

16. Does the College and/or Foundation ever have a need for additional services from its CPA firm?

A: Occasionally, we will solicit guidance on how to handle particular transactions.

17. Do you mind sharing the prior year's fees broken down as requested in the RFP?

A: \$37,700 for the College, \$9,200 for the foundation

18. In addition to the audit fees were any additional fees charged in the past and for what services?

A: No

19. Has the incumbent firm been invited to bid on this RFP? How many years has the incumbent been servicing the College and Foundation?

A: Yes, since 2014

20. Any disagreements with the previous CPA firm?

A: No

21. Any audits from State auditors, IRS, Department of Education or other regulatory agencies in the past two years? If yes, what were the results of such examination(s)?

A: No

22. Can you please provide us with a PDF copy of any management letter(s) issued as part of the fiscal year 2017 audit for our consideration?

A: Attached (Links on website)

23. Who is part of the evaluation committee?

A: President, finance department personnel, will make recommendation to the board of trustees

24. The RFP indicates an audit presentation in December – is this just with the East Central College Board of Trusts? Is there a separate audit presentation with the ECC Foundation Board of Directors? If yes, when would that occur?

A: Yes. At this time the Foundation Board is not requesting a presentation. If they would request that, the presentation would probably be in June.

25. How many weeks is the auditor normally on site and typically how many team members are in the field?

A: 1 team member one day to observe inventory at the end of June. 2 people for one week from late Monday morning to late Friday morning. The foundation usually has 2 people for 2-3 days.

Can you provide this separately for the Foundation and for the College? Is there any interim audit planning work done for the College while the audit team is working on the Foundation audit, such as review of internal controls, student financial aid testing, etc? If yes, please describe what time frame this would take place and what the College would expect to be covered?

A: Current Auditors did not use interim field work.

26. When are the financial statements were issued for the Foundation on June 1, 2017. Is that a typical issuance date of the audit and is management/Board satisfied with that issuance date?

A: Yes

27. The 2016 audited financial statements and single audit for the College were issued November 22, 2016. Were the 2017 audited financial statements and single audit for the College issued on/near that same date?

A: Yes

Was that timing/issuance date satisfactory and you expect similarly for 6/30/18 year see supporting documentation?

A: Yes

28. What type of IT software/technology does the College and the Foundation use? Is the audit firm provided read only access to the IT systems during audit testing? Is the audit firm allowed to export data from the IT systems (export done by your IT team under audit firm's direction of parameters or data download)?

A: Colleague and Abila. Colleague, Yes and Abila, No (foundation)

29. Any passed audit adjustments identified in the past year or two's audits?

A: No

30. Was any type of review of information technology controls performed under the financial statement audit? If yes, please describe.

A: No

31. Does the College and Foundation expect any significant changes in federal grants and/or other funding sources (i.e. donations/pledged donations)in FY 2018? If yes, please describe.

A: No

32. Can you please describe how much assistance the current auditor has typically provided related to preparation of the financial statements for the College and/or Foundation, if any? If the College and/or Foundation drafts their own financial statements, when are those financial statements provided to the audit firm?

A: Current firm is given a closed year end trial balance the first part of September. The Foundation can provide a trial balance by April 1. Auditors prepare the financial statements.

33. Has the Foundation begun to assess ASU 2016-014 Nonprofit Reporting Presentation/Model changes that will impact the Foundation for its reporting year-end 12/31/2018? If not, would the Foundation seek assistance/consult from the audit firm for the new required changes?

A: No and yes

34. Has the College begun to assess any new GASB changes that will impact their 6/30/18 financial statements? If not, would the College seek assistance/consult from the audit firm for any new required GASB changes?

A: Yes and probably yes

35. Has the Foundation and/or College had access to any educational training opportunities from their current audit provider such as webcasts or in-person events that would also provide continuing professional education (CPE)?

A: No

36. Are there any audit risk of concern to management and the Trustees/Board of Directors? If yes, please describe?

A: No

37. Has the College/Foundation had any significant changes in staff in the past twelve months that may impact the audits? If yes, please describe?

A: The Foundation's director left in December 2017. The person that takes care of the Foundation accounting is still in place.

38. What key attributes in terms of service and experience would you like in your audit/professional services firm provider?

A: Would prefer to have same audit personnel each year.

39. Is there anything that you would like to see done differently in terms of providing audit services/professional services to the College and Foundation?

A: Not Really