



State of Rhode Island
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ADDENDUM # 1

3/30/15

Solicitation RFP #7549410

Title: Auditing Services – Higher Education

Submission Deadline: April 8, 2015 @ 11:00 AM

Per the issuance of ADDENDUM # 1 the following are noted:

Vendor questions (attached).

Interested Parties should monitor this website on a regular basis, for any additional information that may be posted.

**Gary P. Mosca,
Senior Buyer**

A handwritten signature in cursive script that reads "Gary P. Mosca".

Vendor Questions:

RFP #7549410

1. Have there been any significant changes in the operations of the three entities (URI, RIC and CCRI) since the 2014 audits that would have a significant impact on the scope of the engagement?

RESPONSE: No.

2. What led the entities to search for a new CPA firm?

RESPONSE: We are required to do a search at the end of every 3-year contract period.

3. Are there any areas that your current CPA firm did not perform to your expectations?

RESPONSE: None.

4. Who are the primary users of the audited financial statements?

RESPONSE: The State of Rhode Island as well as the federal government and bond rating agencies to the best of my knowledge.

5. When does the interim and year-end fieldwork occur for:

- a. the financial statement audit
- b. the NCAA agreed upon procedures engagement
- c. OMB A-133 & HUD audits

RESPONSE: Interim fieldwork normally begins in the middle of June. Audit fieldwork takes place beginning in late July and into August. The following provides more detail by institution:

URI: (FSA/A-133 & NCAA) June – 2 wks (3 people), Aug – 3 wks (3 people), Sept – 2 weeks (2 people, Oct – 1 wk (3 people)

RIC – last year during the weeks of June 16th and June 23rd

CCRI fieldwork is traditionally done during the 3rd and 4th weeks of August.

6. Are there any changes that you would like to see in the timing of the audit process for any of the above?

RESPONSE: The system audits have always been on time and on budget. We would like for that to continue but are always open to a discussion related to timing if improvements might be possible.

7. What is the duration of interim and year-end on-site fieldwork for each of the audits and the agreed upon procedures report?

RESPONSE:

URI – see item #5

CCRI – interim fieldwork for 2 weeks in June, Audit field work for 2 weeks in August – A-133 work is also done during these times and they sometimes return for additional A-133 work

8. How many auditors are on-site during each stage of the audit process, and what is the composition of the audit team?

RESPONSE:

URI – see item #5

CCRI: The partner is involved in the planning meeting and makes sporadic visits during the process. The manager, lead auditor and staff auditor make up the team.

9. Are any adjusting journal entries are proposed by the auditors? If so, how many?

RESPONSE:

URI: No adjusting journal entries

RIC: Prepares any entries needed.

CCRI prepares all adjusting entries

10. Who prepares the financial statements for the financial audits at each of the entities?

RESPONSE:

URI – Associate Controller - Reporting

RIC – Controller/AVP prepares the reports

CCRI prepares draft financial statements. The auditor prepares final financial statements based on the draft financial statements and review by the state controller's office for presentation consistency between the three schools.

11. Is there any significant capital projects/improvements expected to be entered into during the year ending June 30, 2015 at any of the entities?

RESPONSE: Yes.

URI: \$45 million

RIC: Yes

CCRI: Yes

12. Do any of the entities expect to have any significant new contributions, grants or other contracts during the year ending June 30, 2015?

RESPONSE: Yes.

13. Are the entities planning on refinancing any of your tax exempt bonds during the year ending June 30, 2015? Will there be any new bond issuances during the year ending June 30, 2015?

RESPONSE: There are no refunding bond issuances anticipated but there may be a new bond although we are getting very close to the end of the year. The timing could push any possible bond issuance into FY 2016.

14. Approximately how many endowment funds do the entities maintain? What types of software are used to track the endowment funds?

RESPONSE: The endowment funds are audited by other external auditors and are included in our financial statements.

15. What software(s) do the entities use for:

- a. Financial reporting
- b. Student aid/admissions
- c. Development

RESPONSE:

URI: Peoplesoft/nvision/excel/word

RIC: PeopleSoft

CCRI uses Elucian Banner

16. Are there any significant contingencies or legal issues that could have an impact on any of the entities' financial statements for the year ending June 30, 2015?

RESPONSE: None that we are aware of currently.

17. Are any of the entities anticipating any significant new federal awards that will result in additional programs that will need to be tested as a major program for the OMB Circular A-133 audit for the year ending June 30, 2015?

RESPONSE:

URI: Currently URI has two major programs that are audited

RIC: Not aware of any at this time.

CCRI's Controller's Office is not aware of any at this time.

18. Have any of the three entities been audited during the past two years by any federal or state agencies, or the IRS?

RESPONSE:

URI: Sponsor agencies – Federal.

RIC: No.

CCRI: No.

19. Do you have an internal audit function? If so, please provide any reports that would have an impact on the financial statement audits.

RESPONSE: Yes, there is a limited internal audit function. However, there are no reports that would impact the financial statement audit.

20. What were the fees associated with each audit as of and for the year ended June 30, 2014?

RESPONSE: Any and all information regarding fees with each audit or any other contract information may be obtained by examination of prior contract thru Access to Public Records.

21. Is the audit being put out to bid on normal cycle?

RESPONSE: Yes.

22. What are the current audit fees for the audit? Past three years?

RESPONSE: (see question 20 response).

23. Can you please provide a copy of the current contract with the current audit firm?

RESPONSE: (see question 20 response).

24. What is the desired audit fieldwork schedule for preliminary and final fieldwork?

RESPONSE: Please see question #5.

25. Does your current auditor perform interim work? If so, when is it performed and for how long? How many staff? What are the areas typically available for testing at interim?

RESPONSE: see question 5 & 7

26. When are the books closed and ready for final fieldwork? How many staff are typically in the field and for how long?

RESPONSE: see question 5, 7 & 8

27. Are the books and records for URI, RIC and CCRI separately maintained in separate locations? If so, please detail locations where audit testing is performed.

RESPONSE:

URI – Carlotti Hall, North Kingstown, RI

RIC - RIC

CCRI 400 East Ave Warwick, RI

28. Assume the answer to question 7 is yes, is it appropriate to assume that the audit work for the 3 separate reporting entities can be performed simultaneously?

RESPONSE: Yes.

29. Do each of the 3 systems maintain independent Student Financial Aid offices?

RESPONSE: There is only one system of public higher education in Rhode Island but three institutions within it. Each institution maintains its own independent Student Financial Aid office.

30. Is there a grant/contract department? If so, are these separate for each entity?

RESPONSE:

URI – Yes.

RIC – Yes.

CCRI – no.

31. What level of assistance does management provide for the audit, i.e. schedules prepared, preparation of financial statements, etc.?

RESPONSE:

URI: Management prepares f/s, footnotes, and MD&A, and all schedules

RIC - .

CCRI – schedules, working trial balance, copies of source documents, draft financials, MDA & A and Footnotes

32. Have there been many passed or posted adjustments resulting from the audit process in recent years?

RESPONSE:

URI: None.

RIC: No.

CCRI: no.

33. What software platform do URI, RIC and CCRI use?

RESPONSE: URI – PeopleSoft (Oracle)

RIC – PeopleSoft

CCRI – Banner

34. Do you have plans to make changes to those software platforms?

RESPONSE: None currently.

35. What are your most significant concerns as an organization?

RESPONSE: Timeliness of audit – meeting the State deadlines – resources of the bidder to complete all three audits in a timely and efficient manner.

36. Who are they key individuals who interface with the auditors and have you experienced turnover in key roles within the organization?

RESPONSE:

URI: Associate Controller – Reporting (20 yrs at URI)

RIC – yes, AVP/Finance Controller currently vacant

CCRI – Controller, Associate Controller, Financial Aid Director – no turnover in these positions

37. Do you have an Audit Committee or equivalent? If so, who are the current members of the Committee?

RESPONSE: The Council on Postsecondary Education – but no specific audit committee at this time.

38. Is there an Internal Audit Function? If so what is their focus? Who do they report to? Does your current auditor utilize any work done by your internal audit team?

RESPONSE:

URI: Internal Audit focuses on special projects and reports to the VP of Finance. External auditors do not rely on any of their work.

39. Has your auditor provided a management letter in the past 3 years? If so, can that document be made available?

RESPONSE: Yes.

40. Are there any matters that require consideration in assessing the scope of this project over the proposed term? For example, any changes in the nature and scope of operations, major capital projects or expected changes in the grant funding at any of the 3 entities?

RESPONSE: Not that we are aware of.

41. What are the expectations of the auditor in relation to bonds issued by the 3 entities? Do the underwriters typically require consent letters or to provide comfort letters associated with bond offering documents?

RESPONSE: Yes.

42. With the implementation of GASB 68 in FY2015; what steps have been taken at this point to adopt this standard?

RESPONSE: GASB 68 will be addressed at the state level for the state employees' retirement system. The Council on Postsecondary Education maintains a defined contribution retirement plan which is fully funded.

End.