

**San Diego Community College District
AUDIT SERVICES FOR SAN DIEGO COMMUNITY COLLEGE DISTRICT**

Request for Proposal (RFP) No. 23-02



**ADDENDUM NO. 1
October 27, 2022**

CERTIFICATION OF RECEIPT OF ADDENDUM

I certify that I have received this addendum on behalf of the company listed below.

Signed: _____ **Dated:** _____

Name and Title: _____

Company: _____

**ADDENDUM NO. 1
TO RFP #23-02**

- 1.0 This addendum is considered to be part of the RFP. All other terms of the RFP remain unchanged and in effect. This addendum is intended to provide additional information and/or to change requirements in the above referenced RFP. Any information contained herein will be considered part of the RFP and as such will be used in the evaluation of the responses. Attention all potential respondents, if you have already submitted your proposal prior to the RFP closing date, please review this addendum and re-submit your response, should this addendum modify your initial RFP response.
- 2.0 To verify that all Suppliers have received a copy of this addendum, please sign the cover page of this addendum and return it with your proposal to:

San Diego Community College District
Purchasing & Contract Services
Attn: Kelly Rosas, RFP #23-02
3375 Camino del Rio South, Suite 270
San Diego, CA 92108

- 3.0 The information in this addendum is the result of the questions received below.
- 3.1 Is the current audit firm invited to bid in the RFP or are you requiring rotation?
- Yes, it is an open compete process, any audit firm with the requisite knowledge is capable of competing.**
- 3.2 What were your auditor’s contract fees for each of the last three fiscal years? Please provide for each service. Please separately identify any additional billings for out of scope work, if applicable.

FY 2021-2022 \$163,900 Total (breakdown of the fees is provided below):

• San Diego Community College District Audit	\$116,000
• Proposition S and Proposition N	
\$16,000	
• San Diego Community College Auxiliary and Informational Return	\$5,500
• Social Security Alternative Plan	\$4,500
• San Diego City College Foundation and Informational Return	\$9,400
• Mesa College Foundation and Informational Return	\$4,500
• Miramar College Foundation and Informational Return	\$3,500
• San Diego Continuing Education Foundation and Informational Return	\$4,500

FY 2020-2021 \$161,900 Total (breakdown of the fees is provided below):

• San Diego Community College District Audit	\$114,000
• Proposition S and Proposition N	
\$16,000	
• San Diego Community College Auxiliary and Informational Return	\$5,500

- Social Security Alternative Plan \$4,500
- San Diego City College Foundation and Informational Return \$9,400
- Mesa College Foundation and Informational Return \$4,500
- Miramar College Foundation and Informational Return \$3,500
- San Diego Continuing Education Foundation and Informational Return \$4,500

FY 2019-2020 \$159,900 Total (breakdown of the fees is provided below):

- San Diego Community College District Audit \$112,000
- Proposition S and Proposition N
\$16,000
- San Diego Community College Auxiliary and Informational Return \$5,500
- Social Security Alternative Plan \$4,500
- San Diego City College Foundation and Informational Return \$9,400
- Mesa College Foundation and Informational Return \$4,500
- Miramar College Foundation and Informational Return \$3,500
- San Diego Continuing Education Foundation and Informational Return \$4,500

3.3 Are your audits being conducted remotely? Do you desire auditors on-site or are you flexible to some (or all) audit procedures being conducted virtually?

The audits are currently being primarily conducted remotely due to the ongoing health concerns, with various time frames set aside for in-person work to be conducted at the District Office. SDCCD is relatively flexible when it comes to the utilization of a hybrid remote/on-site process and will be open to discussing with the selected firm how best to proceed.

3.4 What is the expected timing of commencing the year-end audits?

The commencement of work each year is February 15.

3.5 Are the accounting services centralized at the District office for all of the colleges?

Fiscal related activities (e.g., AP, General Accounting, Payroll) are centralized at the District.

3.6 Generally how many weeks and how many audit staff are in the field during final fieldwork?

That depends on what area of fieldwork underway at any time throughout the audit.

3.7 What were the previous year's audit fees? Do such fees include the audits for each of the entity-level reports included in the RFP?

See response in question 3.2.

3.8 Were there any significant changes in operations in the past fiscal year?

There were no significant changes in operations.

3.9 Have there been any management letters issued in the last two years?

Yes, there was a management letter issued for the year ended June 30, 2021.

3.10 How many audit adjustments were there in the last audited fiscal year and what were the nature of these audit adjustments?

There were 18 audit adjusting entries for the last fiscal year. Nine were related to HR/OPEB/PERS/STRS, five were related to bonds, two were related to capital assets, and one was for the BOG waivers, and one for the interfund transfers.

3.11 In what ways can your previous audit experience be improved?

Ongoing and effective lines of communication between the District and the independent audit firm is critical.

3.12 Can we get a copy of the most financial reports for the San Diego Community College Auxiliary 501(c)(3) and the four separate campus foundations?

Yes, all audit reports will be available for download with this addendum.

3.13 The RFP mentions that the audit firm will prepare the GASB 34/35 statements and schedules. Does this include the footnotes for the District? **Yes.**

Also, who will prepare the financial statements (and footnotes) for the San Diego Community College Auxiliary 501(c)(3) as well as the four separate campus foundations?

The audit firm will prepare the financial statements (and footnotes) for the San Diego Community College Auxiliary 501(c)(3) as well as the four separate campus foundations.

3.14 Has fieldwork been performed on site or remotely in the past? Does management have a preference for future audits?

Field work has been conducted remotely with a two week on site portion. Yes, the District does have a preference and this will be discussed during contract development with the selected firm.

3.15 Will the auditor be working with the same personnel when auditing the District, Auxiliary, and campus foundation entities?

Yes, barring any personal decisions existing or future staff that cannot be controlled by the District.

3.16 Please send a copy of your most recent audit report (2020-21).

All recent District audits can be viewed at: <https://www.sdccd.edu/about/departments-and-offices/business-technology-services-division/audits.aspx>

- 3.17 Would audit requests be filtered through a central team at the District, or will it be coordinated with each of the individual colleges and Foundations?

There would be a person at the District overseeing the audit but requests can be made to individual colleges.

- 3.18 What information systems does the District use for its general ledger and for student financial aid?

PeopleSoft

- 3.19 What information systems does each Foundation use?

San Diego Mesa, Miramar, City, and the College of Continuing Education use QuickBooks.

- 3.20 Do the Foundations prepare their own financial statements or is financial statement preparation part of the scope of the audit services?

Preparation is part of San Diego Mesa, Miramar, and City's scope. San Diego College of Continuing Education prepares their own financial statements.

- 3.21 Do the Foundations each track and maintain their rollforward of donor-restricted net assets in order to provide information to support required financial statement disclosures? (ie, endowment rollforwards, and net asset restriction by type in ending total net assets).

All sites track roll over.

- 3.22 Are the accounting services for the Foundations centralized at the District office or does each Foundation have its own accounting controls and personnel?

Please see answer to question 3.5.

- 3.23 Please provide copies of the most recent available issued audited financials for each of the following:

- San Diego City College Foundation
- San Diego College of Continuing Education Foundation
- San Diego Mesa College Foundation
- Miramar College Foundation
- Social Security Alternative Plan

All copies are available for download with the addendum.

- 3.24 Specific to tax services:
What is your current process for providing information for your Forms 990 to your tax preparer?
Specifically:

What are the roles and responsibilities of each internal individual involved in the tax process?

San Diego Mesa, Miramar, and City Colleges provides responses to requests for information and reviews each return prior to electronic submission. The College of Continuing Education and the Foundation accounting assistant provides response to requests for information and reviews each return prior to electronic submission.

What software(s) are utilized internally?

San Diego Miramar, City College, and the College of Continuing Education utilize QuickBooks. San Diego Mesa College uses QuickBooks as well where the current audit firm also uses Lacerte.

What is the typical timeline for tax preparation and filing?

All sites are typically October/November with sometimes extending to May 15.

Are there any pain points in your current process?

No

What is the current process for reviewing new revenue streams for unrelated business income tax implications?

San Diego Mesa, Miramar and City Colleges revenue generating events are not regularly scheduled so are exempt from UBI. The College of Continuing Education received consistent revenue streams. Any unrelated business income would be addressed in a board meeting.

- 3.25 The RFP, page 13 of 40, under item 3- required format of proposals – references a required Section J – Financial Information however there are no further details on what you would like bidders to answer/provide – can you please clarify what you require us to answer/provide?

The requested information is listed below the format. For example, A – Letter of Introduction and Proposal Cover Page corresponds to A. Proposal Cover Page below the list.

- 3.26 The RFP, page 19 of 40, under item 1.0 – scope of work – references “Addendum No. 1 for RFP No. 23-02, Independent Audit Services dated October 12, 2022.” – does such addendum exist? If so please provide a copy, this was not posted on the bid website.

Please disregard this. Currently, the only Addendum is dated October 26, 2022.

- 3.27 The Sample Contract, Appendix C in the RFP, page 29 of 40, item 6.1(g), mentions “CONTRACTOR shall furnish DISTRICT with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to DISTRICT.” Please clarify if a standard Certificate of Insurance form is acceptable or if not what “forms” are requested to be completed.

A standard certificate of insurance form will be acceptable.

3.28 Does the District prepare all schedules required to implement GASB 87?

This was not material enough for this year but the District can prepare the schedules.

3.29 Is the accounting for the Auxiliary and Social Security Alternative Plan Audit handled at the District office?

Yes

3.30 What is the general timeline of the audit, when do your auditors typically come and complete each phase of the audits including the miscellaneous reports?

The interim would generally be in the May time frame, and the final fieldwork in October.

3.31 Does management prepare the financial statements, or do you request your auditors prepare the financial statements?

The auditors.

3.32 Is the District willing to schedule interim audit fieldwork?

Yes, this is considered an integral part of the audit.

3.33 Can you provide a copy of the prior year Social Security Alternative Plan Audit document?

Yes, this is available for download with this addendum.

3.34 Is the student financial aid team and controls centralized in one location or does each college have their own student financial aid team, systems and controls?

Each college has its own.

3.35 With regards to proposal submission, is the bound notebook considered as the 3 ring binder, or does the SDCCD require spiral bound hard copies being placed in individual 3 ring binders for each copy, including the original copy?

Please submit 3 ring binders for the submission of response.