



## RFP 736-16 Financial Auditor

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Addendum 001  
January 12, 2017

1. Were there any unique, material transactions that have or will occur in FY17 that did not occur in FY16?

**Refinancing of the outstanding Certificate of Participation with the possibility of adding new money to the issue.**

2. Approximately how long have key financial/accounting personnel been at CMC?

**Linda English, VPFA; 24 years.**

**Mary Boyd, Budget and Finance Director; 12 years.**

**Ken Keister, Senior Budget/Finance Analyst; 5 years.**

**Nick Larkins, Budget Finance Analyst; 2 years.**

**Sandra Thwing, Accounting Tech III; 8 years.**

**Willa Kane, Accounting Tech II, Student Receivables, 20 years.**

**Danielle Warnes, Accounting Tech II, Cash Receivables; 1 year.**

**Mike Warner (part-time), Accounting Tech; 1 year.**

3. How many staff are in the finance/accounting group?

**Please see question 2.**

4. Any known fraud or illegal acts in FY16 or FY17?

**None.**

5. What is the most important factor to CMC when selecting a firm?

**That the firm have higher education and financial aid experience.**

6. Were there any significant deficiencies or material weaknesses in internal control over financial reporting noted prior to FY16?

**One significant deficiency in federal awards was found. Please refer to financial statements posted at [www.coloradomtn.edu/Board of Trustees/Budget & Audit](http://www.coloradomtn.edu/Board of Trustees/Budget & Audit).**

7. How many firms are bidding?

**We do not have a way to know for sure. The last time we issued an RFP we had eight responses, we expect roughly the same number will respond to this RFP.**

8. What have been your frustrations with auditors in the past?

**Turnover in staff and establishing a partnership relationship with a firm. In other words, we need a firm we can confer with when we have tough transactions or situations who will be helpful and not just be looking for things to report as audit exceptions or management letter comments.**

9. Have there been any general ledger conversions or significant changes to IT structure?

**None.**

10. Were there any audit adjustments recorded in FY16?

**None**

11. Were there any passed audit adjustments in FY16?

**None**

12. Other than Student Financial Aid, are any changes expected in the other Federal awards received? (i.e. new agencies or programs)

**Yes, CMC is anticipating receiving a renewal in its Upward Bound program (level funding, continuation) and has received a new partnership award with the US Forest Service for a \$300k internship. CMC anticipates additional funds/expansion of scope on this project may occur in the upcoming two years. CMC will also be pursuing a Title III Section A Strengthening Institutions award which, if granted, will represent a major \$2.2m award to the institution. CMC anticipates pursuing an NSF-Advance award in 2017-2018 and at least one, possibly two, National Endowment for the Humanities awards in 2017-2019 (preservation of collections and/or community college project support.) CMC anticipates between 2017 – 2020 pursuing minor federal awards from the US Dept. of Agriculture, specifically its Rural Community Facilities development award (Leadville) and potentially a Rural Business Incubator award (Leadville.) Finally due to demographic changes CMC anticipates by 2020 pursuing a renewal of its three TRIO SSS awards and new funding under Title V once CMC officially reaches HSI designation.**

13. Is CMC still making expenditures under pre-Uniform Guidance grants?

**No, at this point every standing federal grant has been renewed while under Uniform Guidance and CMC has no “hospital” grants that are exempt from Uniform Guidance.**

14. Has CMC adopted new procurement guidelines under the Uniform Guidance?

**CMC believes we are compliant with Uniform Guidance procurement guidelines.**

15. What were the fees paid for the FY16 CMC audit and CMC Foundation audit?

**\$70,000, and \$19,000, respectively.**

16. About how many days were auditors on-site for interim and final fieldwork?

**5 days and 10 days, respectively.**

17. Is CMC open to telephonic or web-based meetings (fraud discussions, closing meetings, etc) to reduce travel costs? Or must all meetings be held in person?

**CMC is fiscally responsible and open to virtual meetings. We are interested in your counsel on how many and which meetings make sense to be held in a virtual format.**

18. It is not mentioned in the RFP, would you also like a bid on the State of Colorado financial aid reporting?

**Yes, we would like the audit firm to bid on the State financial aid.**

19. What is the term of the contract? Are you looking for the bid to be multi-year or just for June 30, 2017? If multi-year how many years should be included in the proposed fees?

**We expect to have a three year agreement.**

20. The scope of the project states the firm will compile a draft of the financial statements for review and adjustment by CMC staff. In looking at the financials posted on the CMC website they do not include the supplementary information report for the combining of the balance sheets, the combining statement of revenue, expenditures and changes in net position and the budgetary schedules for the College's funds. Should the preparation of this separate 28 page supplementary information report be included in the scope of the project?

**Yes, we would like to have the audit firm prepare the supplementary information report.**

21. What is the make-up of the selection committee?

**The selection committee will be Chaired by our purchasing department; voting members will include representatives from the business office (2), Trustees (2), financial aid (1) and human resources/payroll (1).**

22. Section III item c. on page 5 of the RFP states to visit the purchasing department's website for various forms required to conduct business with CMC. Should these forms be completed and included as part of the bid or will they only be required to be completed upon the awarding of the contract?

**No forms need to be submitted as part of this RFP. The winning bidder will be asked to submit our Vendor Registration form and issue an insurance certificate compliant with our requirements posted with this RFP on the CMC website.**

23. How many days were the auditor's onsite for the 2016 audit for interim and final fieldwork? How many auditors were onsite for interim and final fieldwork?

**Three auditors were here for 5 interim days and an additional 10 final fieldwork days.**

24. The Annual Audit Timeline in the RFP indicates the trial balance is to be provided the Friday before final fieldwork and the draft of the financials are provided to the CFO at the start of fieldwork to work on the MD&A. However, later in the timeline it indicates the MD&A is prepared during the last two weeks of September. Would you please clarify the timing of the draft of the reports to CMC for preparation of the MD&A?

**Draft of the financials should be available to CMC staff at the end of the final fieldwork to work on the MD&A during the last two weeks of September.**

25. What transition issues would the CMC be concerned about if the audit is awarded to new auditors?

**The only concern CMC would have is the learning curve/ramp up time for a new firm. We maintain approximately 150 spreadsheets/reconciliations/working documents to fulfill auditor requests. Considering the limited size of our staff, we are interested in recycling as much of this setup work as possible prior to auditor sampling each year.**

26. Have there been any significant changes in key staff in the past year that would affect the 2017 audit?

**Our Vice President of Fiscal Affairs is retiring on June 30, 2017 and will be replaced at that time.**

27. If CMC could improve anything about the audit process, what would that be?

**Very clear crosswalk tables from the trial balance to the consolidated statements to make the review of the draft statements more efficient.**

28. What were the FY15 and FY16 Audit Fees for CMC?

**Please see question 15.**

29. Assuming each bidders proposed fees are equal, what is the next most important thing to CMC?

**Higher education and financial aid experience; tenure and experience of staff assigned to CMC ; professional development opportunities for CMC staff offered by audit firm; availability of audit firm staff at times other than field work; and transparent communication throughout the audit process. Additionally, our current auditors provide a website for shared document submissions which has proven very useful.**

30. How many single audit major programs are anticipated for 2017?

**Per OMB Circular A-133 CMC anticipates at a minimum that one (1) TRIO program and possibly the CMC Perkins program will fall under the audit category. CMC's partnership with the US Forest Service may fall under major program audit requirements, depending on the auditor's review of the terms of the partnership.**

31. What does CMC find/define value from its auditors outside of the audit process?

**Professional development opportunities for CMC staff; broad experience in audit firm staff as a resource for guidance on various unusual transactions or new accounting standards.**

32. Were there any audit adjustments identified by the auditors for 2015 and 2016?

**None noted.**

33. Section III, letter g.-- Along with your RFP submit a certificate of liability insurance per the attached requirements (Exhibit A). I could not find Exhibit A with the insurance requirements. Could you please provide?

**CMC insurance requirements are posted on our website as part of this RFP; please visit [www.coloradomtn.edu/purchasing](http://www.coloradomtn.edu/purchasing), select the 'Bids, RFP, RFI, RFQ tab and scroll down to this RFP.**