

# Addendum 1

RFP for Auditing Services  
Contract Number 17-01-06-01

## Questions and Answers

Below are questions and answers regarding subject RFP. All questions are written in black color font and the answers are provided in dark red color font.

- 1) We noted that Section III, part F states that firms that wish to review prior year's audit reports and workpapers should contact SB and Company. We assume that this means during the proposal preparation process and we request your approval to request copies of the 6/30/16 Audited Financial Statements, Single Audit Report, Management Letter, Form 990 and NCAA Compliance Agreed Upon Procedures Report from S B and Company.

*Please use this link to access our publicly available reports:*  
<https://www.desu.edu/about/administration/finance-administration/accounting-department/general-accounting-reporting>

- 2) Were there any issues that delayed the issuance of the 6/30/16 audit?

*There were delays related to vacancies in key positions.*

- 3) Will the auditor be able to download the University's general ledger electronically during the audit?

*Yes, to the extent that the information is found within our financial systems.*

- 4) Will inquiry and reports access to your financial software be provided to the auditor?

*Yes, as deemed necessary.*

- 5) What were the prior year's audit fees?

*That information should not be necessary to prepare a bid.*

- 6) Were there any additional services performed by the auditors besides those enumerated in your RFP? If so, please describe them. Do you expect them to recur?

*There was additional non-audit analytical work performed on the behalf of Management that we do not expect to repeat.*

- 7) Is the current auditor expected to submit a bid for the auditing services?

*Please inquire of SB and Company, they may or may not choose to disclose that information.*

- 8) Typically, how many audit personnel are on-site for preliminary and final fieldwork, and how many days/ weeks are they on-site?

*That information should not be necessary to prepare a bid; feel free to inquire of SB and Company, they may or may not choose to disclose that information.*

9) Have there been any large or unusual transactions in FY 2017?

*No.*

10) Have there been any significant changes in funding or operations in FY 2017?

*No.*

11) Although there is no pre-bid meeting required, may we schedule a meeting with you and visit your offices?

*We will accommodate your request to visit the campus; however, we will only answer questions submitted through the written Q&A process.*

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12) Section II – Scope of Services – Letter A -Why is the University bidding these services and is the current auditor bidding?

*As a best practice, the University places this contract out for bid every three years. For your second question, feel free to inquire of SB and Company, they may or may not choose to disclose that information.*

13) Section II – Scope of Services –Letter A -What were the audit fees for the University audit including the audit of the federal programs , NCAA compliance and tax returns (990) for FYE June 30, 2016?

*That information should not be necessary to prepare a bid.*

14) Section II – Scope of Services – Letter G – No 7-Typically, how many weeks are the auditors on-site and how many staff are on-site during those weeks?

*That information should not be necessary to prepare a bid; feel free to inquire of SB and Company, they may or may not choose to disclose that information.*

15) Section II – Scope of Services – Letter G- No 7 -How many adjustments did the prior auditor propose? What was the nature of the adjustments?

*That information should not be necessary to prepare a bid.*

16) Section II – Scope of Services – Letter G – No 7 – Were there any findings in the single audit report for June 30, 2015 and do you anticipate any findings for June 30, 2016?

*Please see the answer to question #1; we do not anticipate any findings.*

17) Section II – Scope of Services – Letter G – No 7 – Was an AU-265 Letter or Management Letter issued for June 30, 2015 or June 30, 2016 and if so can we obtain a copy?

*There is not a management letter.*

18) Section II – Scope of Services – Letter A - Any significant changes in the operations of the University since 6.30.16?

*None.*

- 19) Section IV – Time Requirements – Letter D – Reports – What are the names of the entities that require preparation of 990 tax returns within the scope of the proposal?

*Delaware State University*

- 20) Section V – Assistance to be provided to the Auditor - Does University prepare its Schedule of Expenditures of Federal and State Awards? Has the 2016 Single Audit been completed?

*Yes; the Single Audit should be completed by 03/31.*

- 21) Can you help clarify the following? Section V Assistance to be provided to the Auditor and Report Preparation- Subpart A states that the preparation of the financial statements is the responsibility of DSU and on Subpart B it states that report preparation shall be the responsibility of the auditor.

*SubPart A refers to the unaudited financial statements, SubPart B refers to the audited financial statements that accompany the auditor's report.*

- 22) Can you help clarify how many hard copies of the proposal are required? Section I Overview on page 2 of the RFP states three copies are required, while page 17 states two copies are required.

*Please submit three paper copies.*

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- 23) Should the Delaware State University Housing Foundation be included as a deliverable under this RFP?

*No.*

- 24) Has Delaware State University been impacted by any significant changes since its last audit?

*No.*

- 25) Was any new debt issued during 16/17?

*There was a refunding of 2007 bonds.*

- 26) The proposal refers to circular A-133, which is no longer current. Is the University aware of and compliant with the requirements of the Uniform Grant Guidance as it impacts the University's management of federal awards?

*Yes.*

- 27) How many audit adjustments were made as part of the 6/30/16 audit?

*That information should not be necessary to prepare a bid.*

- 28) When will the 6/30/17 books be closed and ready for audit?

*August 2017, but interim work may begin earlier.*

29) Are there any areas that management feels the auditors should focus on that perhaps haven't been addressed extensively in past audits?

*No.*

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30) The proposal requests a separate electronic pricing file:

a. Should the pricing information be included in the proposal and the separate file, or only in the separate file?

*In both.*

b. Would you like any paper copies of the pricing file?

*Yes.*

c. Is it permissible to include the electronic pricing file on the same CD/DVD/memory drive as the proposal, or would you like a separate CD/DVD/memory drive for the pricing file? If separate, should the file go in the same sealed envelope as the rest of the proposal, or be provided in a separate envelope?

*Yes; n/a.*

31) Page 2 of the RFP requests three paper copies; Page 17 of the RFP requests two paper copies – should we provide two paper copies or three?

*Please provide three paper copies.*

32) Are you or another individual within the University available for a face to face or telephonic meeting prior to submission of proposals?

*No, to be fair to all bidders only written correspondence is acceptable.*

33) Are there concerns with the current auditor or audit process?

*No.*

34) Will the current auditor be participating in the proposal process?

*That information should not be necessary to prepare a bid; feel free to inquire of SB and Company, they may or may not choose to disclose that information.*

35) Would it be possible to obtain a copy of last year's agreed-upon-procedures report for NCAA compliance?

*It is under review and not available at this time.*

36) Did the University receive a management recommendations letter as part of last year's audit? If so, would it be possible to obtain a copy of this letter?

*No.*

37) Based on prior year report dates, it appears the financial statements of the DSU Foundation are

issued in late September. Do you anticipate that schedule to remain consistent in the future?

*The DSU Foundation is not within the scope of work of this RFP.*

- 38) Part IV (Time Requirements) notes that the fiscal records are available by August 15th. Is the information needed for the Single Audit and NCAA Compliance testing also available by this date? If not, what date do you anticipate this information being available by?

*We expect it to be available concurrently.*

- 39) Does the University have any changes planned (such as changes in accounting software, changes in federal programs) which might impact the scope or timing of future audits?

*Not at this time.*

- 40) What is the current field work structure (e.g. number of people on-site, number of weeks)? Is this your preferred structure or would you like more people/fewer days (or vice versa)?

*For your first question, feel free to inquire of SB and Company, they may or may not choose to disclose that information. For your second question, we have no preference.*

- 41) Has the University identified anything not included in the RFP which you would like us to address in our proposal?

*No.*

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- 42) Based on a past RFP for DSU, the auditor was also supposed to incorporate audits that were completed for the DSU Student Housing Foundation and the DSU Foundation. At that time, the DSU auditor was also supposed to audit the DSU Student Housing Foundation and as stated in the current RFP another auditor would audit the DSU Foundation. Is the DSU Student Housing Foundation still in place and, if so, is it now both being audited by another auditor as well?

*The current scope of work is laid out in the RFP; prior work and prior RFP's are not valid and should not be relied upon. The DSU Student Housing Foundation has been discontinued.*

- 43) The RFP requested we obtain prior year reports directly from SB & Company. We have been informed by them that they are not authorized to release the reports to us and we should obtain the reports directly from DSU. Will DSU be able to provide us with copies of the prior year audit reports for the financial statements, A-133 and NCAA? In addition, can we get a copy of the latest management letter, if one was issued?

*Please see the answer to question #1.*