

**ALBUQUERQUE PUBLIC SCHOOLS  
PROCUREMENT DEPARTMENT  
ADDENDUM #1 FOR RFP NO. 15-052SS-SL  
EXTERNAL AUDIT SERVICES  
APRIL 7, 2015 – 2:00 PM**

April 1, 2015

Please note the following changes/corrections:

- Responses to written questions are listed on the following pages.

Thank you for your interest in Albuquerque Public Schools

**ACKNOWLEDGE ADDENDUM WITH RFP:**

**Addenda not signed and returned may consider the RFP non-responsive and may be rejected.**

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**COMPANY/FIRM NAME**

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**SIGNATURE**

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**DATE**

**Sandra Sanchez  
C.P.M., A.P.P., CPPO, CPPB  
Procurement Manager**



**REQUEST FOR PROPOSAL  
RFP #15-052SS-SL  
EXTERNAL AUDIT SERVICES**

**RESPONSE TO TECHNICAL QUESTIONS SUBMITTED**

1. What were the 2014 fees for each component unit of the District (including component units of the charter schools, if applicable)?

*Answer: \$10,120*

2. Has the District made progress on the controls of the Capital Asset Management finding from the prior year? Has the physical inventory reconciliation between the existing asset management module and the inventory observation been completed?

*Answer: The District is implementing an asset tracking system created by Hayes Software called TIPWebIT. It is a web-based system that is accessible by every location and department in the District. While not yet 100% completely implemented, District staff have a very clear picture of District assets at this time. A firm was contracted to do a district-wide inventory which was completed last August. Programming changes have been made and are being fine-tuned for integration with Lawson on several levels. The District has made a significant investment, including highly skilled staff to oversee the program. The District is confident that significant improvement will be apparent.*

3. Has the internal audit department identified significant issues in regard to financial reporting during the departments FY15 audits? What has been the primary focus of the internal audits performed during FY15?

*Answer: Financial Reporting is not the focus of the internal audit department. We consider that a duplication of effort since that is the responsibility of the external audit. Internal Audit focuses on process, efficiency, and compliance issues.*

*The internal audit department has concentrated on completing the activity funds audits, and responding to the whistleblower complaints that have been filed. So far 144 activity funds have been completed and twenty-one are scheduled. We are waiting to schedule closing audits for bookkeepers and principals that are leaving their respective schools.*

*Last year the department handled 85 whistleblower complaints and this year we have had 113 complaints filed through 3-31-15. To date 36 operational/federal fund audits, investigations, follow-up audits and performance audits have been completed. We expect to complete two to three additional performance audits by year-end in addition to operational and federal fund audits that correspond to retiring and transferred principals. Any investigations that occur between now and the end of the school year will be completed. Annual required reports to the Office of the State Auditor are also handled by the Internal Audit Department.*

4. Just to clarify, you prepare your own financial statements for APS and the IPA is expected to prepare the financial statements for each of the Charter Schools and then add them to your information provided and print the draft report for your review and then print the final copies after your approval.

*Answer: Yes, that is correct. The IPA will also need to insert charter information into the notes and the conclusion section, as well as create and include combining schedules, and adjust the table of contents for those additions.*

5. You have “Addendum #1 RFP #12-043SS-MC External Audit Services” included as part of the RFP document, and we noted there are some inconsistencies in dates and were wondering if all of these responses were intended for FY 2014-2015 or just the ones with the changed dates? Also in here questions 6-12 are omitted, is there a reason for this?

*Answer: These were questions from the last RFP from 3 years ago, and we included them as they contain information that is still relevant. The dates reflected are accurate, for example: #15 reflects the implementation date of GASB54. Questions 6 – 12 were not relevant to this year’s RFP.*

6. If for the above questions are not updated can you please answer questions 1, 4, 5, 13, 16, 17, 22?

*Answer: 1,4,5 no change*

*13 Internal audit completes all audits for the activity funds at the schools.*

*16 In addition, please refer to question #2 above.*

*17 The audit plan for 14-15 showed 2500 hours for activity funds. The response about the reports being individualized for each school is still accurate.*

*22 no change*

7. For the FY 2014 audit, how many if any adjustments were proposed by the External Auditors? If there were proposed adjustments, how many were booked by APS?

*Answer: Excluding the component units, 4 proposed, 2 booked.*

8. What level of effort did the prior auditors expend on your audit on-site:  
a. Number of people and weeks they were on-site?

*Answer: Excluding the component unit audits, on-site work could be 8-10 weeks with 3-5 people at any given time*

9. What would be your ideal staffing of this engagement?  
a. Would you prefer larger teams with less weeks on site or smaller teams with more weeks on site?  
b. What would be the ideal number of team members to be on-site at a time?

*Answer: We prefer smaller teams with more weeks on site. Often the Senior Auditor or Audit Manager was the only one on site, but very often, 3-4 people were on site, and sometimes up to 6 people would be on site.*

10. What format will you provide your draft financial statements in? (Electronic or paper copy, if electronic, what software?)

*Answer: Electronic format in CCH’s Workpaper Management*

11. Are there any significant changes in funding amounts or sources during the current year?

*Answer: No*

12. Where there any changes in key financial personnel from fiscal year 2014 to 2015?

*Answer: Two positions in the Capital Fiscal Services Department: There is a new Director with many years high level experience in NM public schools, and a new Capital Controller. The Controller is a seasoned CPA with very good supervisory and management skills. In addition, a new Executive Director of Budget and Strategic Planning was hired with many years of budget and finance experience with the district.*

13. Can you please provide a status update to prior year findings for APS?

*Answer: We have a very detailed and specific corrective action plan in place with some tasks completed, some in progress or pending, some on-going on a continuous basis. This plan includes APS and all component units.*