



RFP Number: 23-01: Questions & Answers for Independent Financial Audit Services

Addendum Number: 2

NOTICE TO PROPOSERS: THIS ADDENDUM SHALL BECOME PART OF THE RFB, AND PROPOSERS SHALL ACKNOWLEDGE, IN WRITING, RECEIPT AND INCORPORATION OF ALL ADDENDA AND CLARIFICATIONS IN THEIR RESPONSE. FAILURE OF THE PROPOSER TO RECEIVE ADDENDA SHALL NOT RELIEVE THE PROPOSER FROM ANY OBLIGATION UNDER ITS PROPOSAL AS SUBMITTED. THE PROPOSER SHALL IDENTIFY AND LIST IN ITS PROPOSAL ALL ADDENDA RECEIVED AND INCLUDED IN ITS PROPOSAL; FAILURE TO DO SO MAY BE ASSERTED BY THE DISTRICT AS A BASIS FOR DETERMINING THE PROPOSAL NON-RESPONSIVE.

Answers to Questions

Number	Questions	Response
1	<p>Proposal submission format: section 4.1 item B requests that the proposal submission include <i>“one (1) printed original and seven (7) copies of its proposal, together with one (1) copy of a USB drive containing an electronic version of the proposal in Microsoft Word format.”</i> Can we provide the electronic version as a PDF rather than a Word document? There are several required forms that would make providing a Word document difficult. In addition, we like to secure our final proposals as PDFs to avoid any ability to make changes.</p>	<p>As noted in the Proposal submission format: section 4.1 item B notes:</p> <p>“The proposer shall submit to the District one (1) printed original and seven (7) copies of its proposal, together with one (1) copy of a USB drive containing an electronic version of the proposal in Microsoft Word format, addressing each of the items in this RFP”</p> <p>There are no exceptions to the process noted above.</p>



Number	Questions	Response
2	<p>Section 5.2.2 – Item 2 – transmittal letter – the last bullet on page 26 of 57 of the document mentioned “For example, Independent Financial Services identified as key staff to render services shall provide any available certification that evidences the level of complexity of information for which they can effectively communicate in sign language in the scope of servicers assigned”. Is sign language a requirement of this RFP? Can you provide further clarification on this last bullet point?</p>	<p>The below narrative was inadvertently included in the RFP, and it should be deleted.</p> <p>“For example, Independent Financial Services identified as key staff to render services shall provide any available certification that evidences the level of complexity of information for which they can effectively communicate in sign language in the scope of servicers assigned”.</p> <p>Therefore, sign language is not a requirement for this RFP.</p>
3	<p>Section 5.2.2 – Item 5 – the proposal states “The Auditor's service must be currently in use at a multi-campus higher education district or system with a Student Head Count of at least 50,000 students and an annual budget of at least \$150 Million in the State of California.” We understand the complexity of a larger multi-campus system and how this is different than a single college district, but respectfully would like to ask if LA CCD would reconsider the headcount requirement. From the most recent data available on the California Community Colleges Chancellor’s office website, LA CCD is the only California CCD with over 50,000 in FTES and one of only two districts reporting fall 2022 numbers of over 50,000 in total student headcount. Would</p>	<p>As noted in Section 5 of the RFP;</p> <p>“The Auditor's service must be currently in use at a multi-campus higher education district or system with a Student Head Count of at least 50,000 students and an annual budget of at least \$150 Million in the State of California.”</p> <p>There are no exceptions to the narrative noted above.</p>



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	LA CCD reconsider lowering the cap to 30,000 total students perhaps? This would encompass the top 15 CA CCDs by total student headcount, all being multi-college districts.	
4	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.	For this RFP, it is expected of each Candidate to determine their own fee structure for the services they may/will provide to the District.
5	What were total hours for each of the last three years of audits, if known?	This information is not known as our audit contracts were issued on the basis of a fixed annual fee for professional services.
6	Are your financial operations centralized for the District, or decentralized to each college?	Financial Reporting is centralized. Operations are decentralized and identified by specific colleges, and are under one set of process guidelines.
7	Is student financial aid centralized at the District or decentralized at each college?	Reporting, Disbursement, Refunding, Government engagement, audits are centralized. Student intake, document reviews, packaging, etc are decentralized.



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8	How much on-site versus virtual audit work is performed as part of the District's audit?	Over 90% of audit work was performed virtually in the last 2 years as a result of the pandemic. In the future that percent will more likely decrease.
9	How much of your audit was conducted virtually the past year? What are your expectations for the amount of time spent on site? Which procedures does the District feel are best performed in person versus virtual?	Most audit work can be performed virtually.
10	Have there been any changes or migrations of information systems that are financially significant during FY 23? Are there any planned migrations in the next 3 years?	No
11	Does the auditor prepare the GASB 34/35 conversion entries or does the District?	The District performs 34/35 and all other GASB related entries.
12	We note the required deadlines outlined in the RFP; can you please provide information on when fieldwork or test work typically happens? a. When are interim tests of controls, compliance, and financial systems typically conducted? When do you prefer this to happen?	Please see below for corresponding response to when fieldwork or test work typically happens: a. Mid-August. b. Trial balance reports and general ledger reports are available before Mid-August. Final Year End numbers (completed Financial Statements) are available Mid October.



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	<p>b. When are final year-end numbers/trial balances ready to audit?</p> <p>c. When is the District's preferred timing for commencing final test work?</p>	<p>c. This timing is revolving and is negotiated between District and Auditor to meet deadlines.</p>
13	<p>Have there been any changes or departures in key staff in the past year that would affect the upcoming audit? Are you aware of any upcoming departures of key financial reporting personnel due to retirements, etc. in the next 1-2 years?</p>	<p>No</p>
14	<p>Are there any significant changes in internal controls, reporting structure or operating strategies from 2022?</p>	<p>No</p>
15	<p>Is the District planning any major transactions over the next few years that would significantly affect the financial statements? (ie, major construction projects, bond issuances, etc.)</p>	<p>There are on-going construction projects that have been around for the last several years.</p>
16	<p>Can Proposals be emailed to the Los Angeles Community College District, as opposed to having them mailed or delivered?</p>	<p>Proposals submitted via fax, telephone or email will not be accepted.</p> <p>As noted in the RFP (Section 4.1B - page 14):</p>



LOS ANGELES COMMUNITY COLLEGE DISTRICT

CITY / EAST / HARBOR / MISSION / PIERCE / SOUTHWEST / TRADE-TECHNICAL / VALLEY / WEST

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		<p>The proposer shall submit to the District one (1) printed original and seven (7) copies of its proposal, together with one (1) copy of a USB drive containing an electronic version of the proposal in Microsoft Word format, addressing each of the items in this RFP and must be received by the District no later than 2:00 p.m. on Friday, March 10, 2023.</p>