

REQUEST FOR PROPOSAL

PROJECT NO. RFQ 19-23

External Auditing Services

QUESTIONS AND ANSWERS No. 001

Date: January 14, 2019

To: Prospective Respondents

From: Procurement Operations Department, Houston Community College

Subject: Questions and Answers Responses

Q.1 How many days/weeks are usually scheduled for interim and final fieldwork?

Response: HCC's previous audit firm scheduled a week of planning. Most of that was spent in their office, but the College was available and had to provide information to them in advance of that week. They scheduled two weeks for interim work in late July/first week of August. The firm performed their final work during the month of October, but spent a lot of time during November reviewing work papers, following-up on questions/loose ends and reviewing the report. HCC staff prepares the CAFR, but the College is used to the audit firm printing 65 copies of it.

Q2. What is the IT environment like?

Response: HCC use Oracle's PeopleSoft Finance, HR/Payroll (HCM) and their Campus Solutions modules. The College is on the latest version of their product and have good controls. The IT team is professional and highly experienced with these modules.

Q3. Have you experienced any significant changes in activities, funding or key personnel from the prior year, or are you anticipating any major changes over the course of the contract?

Response: No, with the exception of new laws, regulations and accounting pronouncements.

Q4. What are your key concerns about the audit?

Response: HCC is concerned about making the transition as smooth as possible. The senior and staff assigned to the job are critical to the success of the engagement, so the College wants to make sure to get the "A" team. There was minimal turnover in those positions with the previous firm, so HCC looks forward to continuing that tradition. The College is used to having an open communication and being alerted to issues early, so that is a continued expectation. The College found that having weekly status meetings with agendas sent out a day before the meetings was an effective method of keeping on track throughout the engagement.

Q5. How would you describe the internal controls environment?

Response: The internal control environment is very good. HCC also has a strong Internal Audit function.

Q6. What are the College's reasons for going out for bid (required rotation, policy, checking prices, etc...)?

Response: Required rotation per the Board Bylaws.

Q7. Is the incumbent firm allowed to bid on this RFP? How many years has the incumbent been providing service to you?

Response: No. Please refer to page 3, Section 1, paragraph 4 of the RFP document.

Q8. Was the College charged for anything outside of the normal audit contract?

Response: No.

Q9. Any significant changes in personnel that could affect the audit (finance, financial aid, etc...)?

Response: No.

Q10. How many Board and Audit Committee meetings does your audit firm typically attend?

Response: They attend in August and present their audit plan and December to present the audit results. They meet with the Audit Committee Chair to present these items in advance of presentation to the full Audit Committee and Board. The Audit Committee and Board meetings are held on the same day, on the first Wednesday of each month.

Q11. Any audits from regulators (IRS, Department of Education, etc.) in the past two years? If so, what were the results of these examinations?

Response: There is a complete list of external audits provided in Internal Audit's Annual FY Internal Audit Reports. These are posted on the Internal Audit section of the HCC website at the link below for the last several years.

<https://www.hccs.edu/departments/internal-auditing/>

Most of the regulators' external audits have been operational in nature. All exceptions in regulators' external audit reports are remediated by HCC personnel. For FY 2019 to date, please refer to Internal Audit's status report to the Audit Committee presented in November 2018.