

**RFP#18-924-00010**  
**Audit Services**  
**Issue Date: 02/28/2018**  
**Due Date: 03/23/2018**

**The Department received questions from various IPA's. Below is the Department Response to Written Questions.**

Question: Can you provide a detailed cost breakout from the FY17 audit?

**Response:**  
**Cost does not include GRT.**  
**PED: \$175,000**  
**DVR: \$79,600**  
**CHARTERS: \$12,000/Charter school**  
**FOUNDATIONS: \$5,000/Foundation**  
**CLOSE OUT PROCEDURES: \$5,000**

Question: For the cost response form, do you want a price per component unit or do you have a specific number of component units (charter schools and foundations) that you would like priced and included in total on the cost response?

**Response:**  
**Charter school costs could be included in one lump sum unless there is anticipated cost variances between each school then a break out would be necessary.**  
**FY 18 Authorized State Chartered Charter Schools: 56**  
**FY 18 Expected Foundations: 11**

Question: Do you anticipate any of the component units to be required to have a single audit separate from the Department single audit?

**Response:**  
**No**

Question: On page 16 of the RFP, under Proposal Organization, it shows the Campaign Contribution Form should be included in Binder #2, along with the Cost Proposal. On page 21, the form is listed as Item 11 under Mandatory Specifications. Should the form be included in both places?

**Response:**  
**It should be included in Binder #2 but note that this is a mandatory form that must be included.**

Question: How many charter schools has the PEC approved over the next two years?

**Response:**

**FY 2018: 56**

**FY 2019: Approximately the same as FY 2018 +/- 5**

Question: How many charter schools and charter school foundations does this audit encompass?

**Response:**

**FY 18 Authorized State Chartered Charter Schools: 56**

**FY 18 Expected Foundations: 11**

Question: Do the charter schools and the foundations use the same financial reporting software?

**Response:**

**No**

Question: Has PED issued oversight reports on the charter schools?

**Response:**

**No**

Question: Does PED provide timelines associated with the close out process to the charter schools?

**Response:**

**Yes**

Question: How many auditors were onsite at a time, and are there preferred fieldwork dates and times?

**Response:**

**The amount of members varied at times throughout the audit. All together there were approximately 6 at PED and approximately 4 at DVR. Interim has been performed in July & August. Final is in September & October. PED requests at least 2 weeks to review the entire draft of financial statements before submission to the SAO.**

Question: What is the department's expectations for partner/manager time?

**Response:**

**The Department expects:**

**Partner representation at weekly status meetings and 2-3 times a week.**

**Manager representation at weekly status meetings and 2-3 times a week.**

Question: Are the Charter Schools on consistent software or are they multiple software?

**Response:**

**Charter schools use different software(s).**

Question: Does PED have dedicated IT staff on site?

**Response:**  
**PED has an IT Department.**

Question: Were there significant changes to Federal Programs?

**Response:**  
**No**

Question: Are there any specific PED requirements at the charters schools or initiative that require additional testing?

**Response:**  
**Identification of requirements or initiatives that require additional testing will be communicated at the entrance conference.**

Question: Has PED received any correspondence from the federal government on issue in any of their federal programs—i.e. copies of any audits or oversights performed besides last year’s audit?

**Response:**  
**No**

Question: Was there any significant budget cuts in any of the programs or operationally during the FYE 2018?

**Response:**  
**No**

Question: If we were or used a subcontractor, would the subcontractor need to provide forms such as the Campaign Contribution Disclosure Form, NM Employees Health Coverage Form, Reference Form, and Peer Review Report?

**Response:**  
**Yes**

Question: Was there any significant turnover related to key personnel or grants managers?

**Response:**  
**No**

Question: When could a contract be approved? Before July 1, 2018?

**Response:**  
**Contract typically is approved before July 1.**

Question: Can interim work be scheduled before June 1 even if a contract is not in place?

**Response:**  
**No**

Question: Would a final trial balance be available upon DFA closing date expected to be end of July or mid to late August?

**Response:**  
**Final Trial Balances are provided when final testwork is performed.**

Question: Are there significant changes in the accounting department for FY?

**Response:**  
**No changes at PED. DVR has had a change in CFO.**

Question: Is PED SHARE general ledger in agreement with prior year audit? For both modified accrual and full accrual?

**Response:**  
**Yes**

Question: Are beginning fund balances and net position balances in agreement with prior year audit?

**Response:**  
**Yes**

Question: Has MOE requirements for special education for current year been met? Are there outstanding matters in relation to federal funding? Are there internal controls to ensure IDEA B - MOE is calculated and reported to the Feds timely?

**Response:**  
**MOE procedures will be discussed with IPA once contract is in place.**

Question: Is there internal documentation of transaction cycles and policies and procedures of key functions (internal controls)?

**Response:**  
**Yes**

Question: Are there significant 2018 legislative changes to the operations of PED or to the funding formula?

**Response:**  
**No**

Question: Could a preliminary SEFA be drafted allowing earlier start on single audit?

**Response:**

**A Preliminary SEFA could be available during interim work.**

Question: Are there oversight audits of Charter Schools available performed by PED or by a CPA contractor?

**Response:**

**The Charter School Bureau provides oversight to state chartered charter schools.**

Question: How many charter schools re-chartered with APS or other school districts on or before the beginning of FY18 that will not be included with PED this year?

**Response:**

**Only State Chartered charter schools are considered component units of the PED.**

**FY 18 Authorized State Chartered Charter Schools: 56**

**FY 18 Expected Foundations: 11**

Question: How many new schools have a newly approved charter granted which would be new to PED in FY18?

**Response:**

**One new charter school approved for opening in FY18.**

Question: Have any charter schools had their charters revoked during FY18?

**Response:**

**Two charters closed during FY18.**

Question: How many foundations are there in connection with the 63 charter schools from FY17?

**Response:**

**Eleven**

Question: Has PED performed a periodic closing of its books during the year in some manner and would information schedules be prepared by PED and available at agreed upon dates?

**Response:**

**PBC's will be available to the selected IPA.**

Question: Does PED prepare all financial statement footnote and supplementary schedules/tables (in Excel) or does the auditor?

**Response:**

**PED provides PBC's to assist the IPA for footnote preparation.**

Question: What progress has been made to the 2013-003 IT general controls PED finding since last year?

**Response:**

**Initiatives as identified in the Management Response are in progress.**

What progress has been made by DVR regarding the few federal non-compliance findings with respect to the three DVR related federal grant # 84.126 findings last year on eligibility, earmarking, and payroll?

**Response:**

**Corrective actions as described in the Management Response are in progress.**