08/09/18

ADDENDUM TWO (2)

RE: RFQ 735-18-6201 Auditing Services Student Financial Assistance Cluster

TO WHOM IT MAY CONCERN:

The submission deadline has been changed. **Qualification information is to be submitted by 2:00 pm CST, Monday, August 20, 2018.**

The following questions had been received prior to the last day for questions deadline and received the following responses:

- *Was an audit of the University's compliance with OMB Compliance Supplement for the Student Financial Assistance Cluster performed for the year ended August 31, 2017? If yes, may we receive a copy of the report. No, the last audit was conducted by the State Auditor's Office (SAO) for FY14, and the report can be found here: http://www.sao.texas.gov/reports/main/15-555.pdf.*

- *Is the current CPA firm being asked to propose? This is a new audit requirement, so there is no current CPA firm.*

- *How long have you been with your current auditors? N/A*

- *Are you dissatisfied with your current auditors? N/A*

- *Is there anything you would like to see as an improvement from a service perspective? N/A*

- *What have been the fees for the last 3 years? N/A*

- *How many days was the prior firm at your site for the compliance audit of student financial assistance? N/A*

- *What are your key concerns about transitioning to a new firm? N/A*

- *Does the University have an internal audit department? Will Internal Audit be available to assist with the audit and if yes, approximately how many hours?* Yes the university

has an internal audit department. It will be available to assist and can allocate approximately 10 hours to this audit.

- *Will the University draft the schedule of expenditures of federal awards (SEFA) and related notes or will the audit firm perform this nonattest service? Yes, the university annually prepares the Schedule of Expenditures of Federal Awards (SEFA) and includes it as a major schedule in the Annual Financial Report (AFR) and electronic web application submission to the State of Texas.*

- *Which programs does the University receive under the student financial assistance cluster? Are these programs consistent with the prior year? Are any programs new to the University? See pages 52-53 of the FY17 SEFA in the annual report here: https://mwsu.edu/adminfinance/_assets/files/Annual-Financial-Reports/afr-2017.pdf. No new programs are expected in this cluster for the FY18 reporting cycle.*

- *Can any portion of the audit be performed remotely? Yes*

- *What is the IT environment like? We have an A+ Information Technology Department*

- *Which systems/software are you using for student financial assistance? Banner for the ERP system. In addition to Banner,*
  - *ScholarNet (via Great Lakes Higher Education) to process Alternative / Private loans.*
  - *Portfolio Navigator (via Great Lakes Higher Education) to process delinquency/default notifications*
  - *College Cost Meter (via Great Lakes Higher Education) to process loan debit notification letters(will implement for May 2019 notices)*
  - *EDExpress for Windows to reconcile Pell Grant (but do not use the system to process any financial aid, only to load the Pell reconciliation file for an inclusive output which I compare with Banner)*
  - *USA Funds Cohort Analysis Tool to upload default loan files received from DOE for Cohort Default Rate review*
  - *EdConnect to transmit electronic files to/from CPS Processor (such as FAFSA ISIRS, loan files, Exit /Entrance Counseling etc)*
  - *HelmNet (via the Texas Higher Education Coordinating Board) to process State of Texas loans (CAL & BOT)*
  - *MoveIT (via the Texas Higher Education Coordinating Board) to submit/receive state files/reports*
  - *MappingXpress allows students to upload documents into a secure file to be retrieved by MSU Financial Aid Office*
  - *We access certain federal/state websites (such as NSLDS, COD, FAA Access/CPS Online, The Texas Higher Education Coordinating Board)*
  - *We utilize mail, fax and university email as well as ClassApps to create online forms /surveys.*
- *How would you describe the internal controls environment? Are policies and processes related to awarding, administering and compliance with the department of education*

guidelines documented in writing? Financial Aid staff are setup with Banner security that allows specific processes or changes to student records be performed dependent on the staff's specific job duties. A global overview of the Department of Education's financial aid rules and regulations are evident in the Policy and Procedure Manual as annually purchased through National Association of Student Financial Aid Administrators (NASFAA). Additionally, within the NASFAA P&P Manual, MSU Financial Aid Office has interjected specific policies and procedures related to awarding, administering and compliance of financial aid programs that are evident to MSU operations.

- *Are we correct in our understanding that fees are NOT to be included in the response- merely qualifications and references etc as outlined in the RFQ? No pricing or fees are to be included in your submittals.*

- *Are the forms, peer review report, license, etc. included in the 20 page limit? Submittals should be limited to 20 pages.*

- *Would the University like bios/ resumes of proposed team members? If so, is there a preferred section should be included in? Please see the RFP for specifics regarding requirements for Statement of Qualifications.*

- *Has the University had an SFA audit completed before? If so, can you provide a copy of the report as well as the predecessor auditor fees and/ or hours? The last audit was done in FY14 by the State Auditor's Office, and the report can be found here: http://www.sao.texas.gov/reports/main/15-555.pdf.*

- *Is the SFA audit for one year (8/31/18)? Yes.*

- *What dollar amount of SFA expenditures is expected for FYE 2018? ~43M-45M*

- *Have there been any findings related to the University's SFA Cluster in audits conducted by the SAO in the past 2 years? No, the last audit was for FY14 (see above).*

- *Upon reviewing the sample contract we believe some of the terms should be revised to be appropriate for the requested auditing services. How should Contractors communicate any requested revisions to the terms to the University? Requested revisions are reviewed by the Universities Office of General Council, but can be submitted to the Purchasing & Contract Management Office.*

- *Are there any changes in Student Financial Aid staffing? No changes as we are fully staffed with 10 FTE's and typically 2 student employees.*

- *Are there any changes in Student Financial Aid Software? No changes except for the Banner updates/patches that are constant throughout the year which are needed for current and new year processing. Effective in September 2018, we will migrate from Banner 8 to Banner 9 which is the same system but will be web-based.*

- *Has there been any communication or compliance issues noted from the Department of education? Kat, can you provide? The most recent Circular A-133 was performed at MSU in 2012 to encompass the 2011-12 financial aid award year; the only compliance issue reported was that a Disbursement Notification Letter was not sent to two (2) students within the required 30-day timeframe after the funds were disbursed. The late notifications occurred because of the heavy volume of awards needed to process, and because of the time involved in switching to the Direct Loan program. Additionally, the last Comprehensive Annual Financial Report (CFAR), which included MSU, was completed by the State Auditor's Office in 2014 with a follow-up in 2015.*

- *Could we get a copy of the prior year report as well as financial statement audit? N/A. the UNAUDITED annual report is here: https://mwsu.edu/adminfinance/_assets/files/Annual-Financial-Reports/afr-2017.pdf*

- *Are there any satellite campuses? MSU Texas at Flower Mound*

- *Certain terms contained in the University's sample purchasing agreement may require modification to comply with accounting professional standards and firm policies. Please confirm if the University is willing to negotiate these terms with the successful bidder? Requested revisions are reviewed by the Universities Office of General Council, but can be submitted to the Purchasing & Contract Management Office.*

Regards,

Joseph J. Mrugalski Jr.
Purchasing/Contract Management
Midwestern State University