



THE CITADEL

Solicitation Number	RFP 24012-JM
Addendum #	1
Date Issued	02/02/2024
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SOLICITATION TITLE: RFP 24012-JM Auditing Services

TYPE OF ADDENDUM:

- Questions posed regarding the Solicitation and their respective answers by The Citadel.

Questions:

1. What were the fees for the College audit, The Citadel Trust Audit, the 990 and the NCAA AUPs for fiscal year 2022 and 2023?
 - A. Fees for FY 2023:
 - a. **College:**
 - i. \$57,250 Engagement Letter Fee
 - ii. \$3,450 GASB 96 Adoption
 - iii. \$17,700 Additional Billings for financial statement drafting and formatting assistance
 - b. **Trust:**
 - i. \$25,500 Engagement Letter Fee
 - ii. \$2,250 Trust Form 990-T
 - c. **Other:**
 - i. \$11,150 NCAA AUP FY 2023 Engagement Letter Fee
 - B. Fees for FY 2022:
 - a. **College:**
 - i. \$54,000 Engagement Letter Fee
 - ii. \$8,000 Additional billing for additional major program test work
 - iii. \$17,700 Additional billings for financial statement drafting and formatting assistance
 - b. **Trust:**
 - i. \$24,000 Engagement Letter Fee
 - ii. \$3,150 Trust Form 990-T
 - c. **Other**
 - i. \$10,500 NCAA AUP FY 2023 Engagement Letter Fee
2. In The Citadel's 2023 financial statements, it is disclosed that the Citadel Trust also issues its own financial statements. Would the successful auditor be preparing the College's and the Trusts financial statements? Or would the financial statements be prepared by the College and or Trust?
 - A. The auditor will need to prepare stand-alone financial statements for both The Citadel and The Citadel Trust.
3. Could we get a copy of the separately issued Trust financial statements as of June 30, 2023?
 - A. The awarded vendor may request a copy once the award and protest period are complete,
4. Would the College be open to starting preliminary compliance testing in April/May, primarily the single audits?

A. Yes

5. Typically how many weeks do the auditors schedule for fieldwork and when is that typically scheduled?

A. Student financial aid and some planning is performed on site and remotely, usually in May or June with wrap up occurring during or after the financial statement audit. All other audit work is completed remotely. Refer to question 7 for actual hours spent during the last two fiscal years.

6. Would it be okay if we emailed the electronic copy or sent it by another secure means in addition to mailing the hard copies?

A. The required number of hard copies and usb are required. Please refer to bid instructions on pg 1.

7. In an effort to understand the level of effort exerted by the current auditing firm, may we be provided with:

a. Hours billed

b. Prior year fees

c. How did the fees charged compare to the fees quoted in the proposal?

A. Total financial statement audit hours for the College & Trust (not tracked separately)

a. FY 2023 – 710.80 hours

b. FY 2022 – 714.70 hours

B. Total NCAA AUP hours

a. FY 2023 – 70 hours

b. FY 2022 – 69 hours

C. See response to question 1 for prior year fees

D. Actual hours were more than proposed hours

8. Can you provide a schedule of auditors in the field from the prior year including number of people and timing (for example, 4 people for 4 weeks in June and 6 people for 8 weeks in September and October)? Please also comment on the timing of the single audit and NCAA testing, if performed at a later date.

A. Student financial aid and some planning is performed on site and remotely, usually in May or June with wrap up occurring during or after the financial statement audit. Year-end is performed starting in early-August and throughout September. NCAA AUP is done in the November/December timeframe.

B. The financial statement audit and single audit team consists of a partner, second reviewer, manager, senior, and two to three staff members. The NCAA AUP team consists of a partner, second reviewer, manager, and a senior.

9. In the past, has there been delays in the readiness of any information and if so, was there an impact on the overall timing of the audit?

A. Information is provided timely to the audit team. The only delays we encounter are the preliminary and final investment statements from our investment managers because of level 3 investments. When there have been delays in readiness, the College and its auditors have worked together to meet the State's October 1 deadline.

10. Are you satisfied with the current auditors (a) timeliness (b) pro-activeness on communications (c) involvement outside of the audit process and (d) value they provide to your organization?

A. Yes to a), b), c), and d)

11. Has there been any disagreement with the current auditor firm? If yes, please provide some background on the issue.

A. No

12. Has there been any untimely (not retirement related) resignations of management level

A. No.

13. Has the Citadel investigated a fraud in the last two years?

A. No

14. What are the two most significant issues facing the Citadel in the next two years?

A. Enrollment cliff and the economic impacts to operations.

15. Describe any relationships with third party service providers used by the entity that may have an impact on the accounting or financial reporting of the entity (i.e. Actuaries, etc).

A. No third-party providers offer accounting support

16. Are there any improvements you would like to see in the audit process?

A. We are satisfied with our current audit process

17. Are there any significant changes in operations in the current year vs. the prior year including changes in policies and procedures, personnel, or the reporting entity?

A. No significant changes year over year.

18. In prior years, have there been any delays in the audit due to delays in receiving information from third parties or other reasons?

A. Information is provided timely to the audit team. The only delays we encounter are the preliminary and final investment statements from our investment managers because of level 3 investments. When there have been delays in readiness, the College and its auditors have worked together to meet the State's October 1 deadline.

19. Are there any significant regulatory or legal issues facing the Citadel?

A. No

20. Have there been any recent audits from the Department of Education, State auditors, IRS or other sources?

A. No

21. May we be provided with copies of any management letters, if issued, in FY23?

A. There are none available.

22. Can you provide the mail pickup schedule from on-campus US Postal service to the Procurement Services Department so we can ensure timely delivery of the proposal? Is this specific to items sent via USPS or would another mail delivery service be preferred to ensure timely delivery?

A. Citadel Post Office hours are Monday through Friday 8:30 a.m. - 4 p.m. Hand delivering your bid to the procurement office is the surest way to be sure your bid is received. Please refer to the mail pick-up reference on pg. 13. Bids not received in the procurement office prior to the deadline will be rejected.

23. As it relates to the Fee for Consent to the Use of Audit Report in the Official Document for Revenue Bonds- What is the extent of Auditor involvement in this process? Should a fee be provided for this work? There is no line item earmarked in the fee schedule.

A. Auditor involvement was limited.

B. No, please refer to Lot 5, and change in Scope of Work and Price Schedule. Add additional response to question (highlighted).

24. As it relates to the request for assistance with Higher Education Financial and Accounting Issues- the RFP indicates this is referenced as Lot 3 but Lot 3 is identified as tax services. Should we create a new lot or what is the best approach to pricing for these services?

C. No, if any additional work is required The Citadel will pay on an as needed basis. Please refer to Lot 5, and change in Scope of Work and Price Schedule

25. Can you clarify the following statement as there is no part B listed in Section III "Any proposal which does not include all the required statements and affirmations called for in Section III, part B will automatically be rejected as not being responsive.

A. Comment removed please refer to change in Scope of work and revised price proposal.

26. Price Schedule. May additional lines be added within a lot as long as we maintain the presentation of a total All Inclusive Fee?

A. No

27. Would it be okay if we emailed the electronic copy or sent it by another secure means in addition to mailing the hard copies?

A. No, a usb must be provided as requested.

Other Change: Bid Submission Date and Award Date

Bid Submission date has been moved to: Thursday, February 15, 2024

Award date has been moved to: Thursday February 22, 2024

Change or clarification to the Solicitation's specifications, requirements, or scope of work and price schedule.

Scope of Work and Price Schedule are modified as follows:

III. SCOPE OF WORK/SPECIFICATIONS

The Citadel is seeking a qualified Accounting Firm to prepare Financial Audit Documents for The Citadel and The Citadel Trust for an initial one (1) year period and four (4) optional one (1) yearly renewal periods not to exceed five years.

Nature of Services Required

Each proposal must address itself to providing the following services:

Financial and Compliance Audits – Each proposal must address itself to the conduct of an audit and expression of an opinion upon The Citadel (the “College”) and The Citadel Trust (TCT) financial statements for the years ended June 30, 2024, 2025, 2026, 2027, and 2028. The proposal must address itself to the conduct of an audit performed in accordance with auditing standards generally accepted in the United States of America, the provisions of Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements of U.S. Code of Federal Regulations, Title 2, part 200, Subpart F, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“2CFR200”). The audit must include audit procedures to ensure compliance with State laws, rules and regulations that, if not followed, could materially affect the basic financial statements.

National Collegiate Athletic Association (NCAA) Agreed-Upon Procedures – Each proposal must address itself to the conduct of the NCAA required annual agreed-upon procedures reporting all applicable revenues, expenses and capital expenditures for or on behalf of a member institution’s intercollegiate athletics programs, including those by any affiliated or outside organization, agency or group or individuals for the years ending June 30, 2024, 2025, 2026, 2027, and 2028. The NCAA financial reporting, including any requirements of the Equity in Athletics Disclosure Act (EADA), must comply with NCAA legislation mandated under provisions of the NCAA Bylaw 3.2.4.15 (Operating and Capital Financial Data Report).

Referenced as Lot 4 on Price Schedule

Fee for Consent to the Use of Audit Report in the Official Document for Revenue Bonds – The Citadel may include the audited financial statements in documents issued in connection with the issuance of revenue bonds. The Auditor shall cooperate in all aspects to facilitate inclusion of the financial statements, and not place an undue burden, demand, or restriction in incorporating the financial statements in these documents.

Fee for the Preparation of The Citadel Trust Federal 990/990-T and South Carolina state returns.

Assistance with Higher Education Financial and Accounting Issues – Each proposal must address itself to the following services. **Referenced as Lot 3 on Price Schedule**

- Additional auditing or accounting services either to supplement audit services or due to a material change in the scope of work required services;
- Assistance in reviewing policy and presentation issues related to GASB pronouncements;
- Assistance with federal and related indirect cost proposals;
- Assistance in tax issues for higher education institutions;
- Assistance in bond issues topics;
- Assistance in identifying and implementing best business practices for higher education institutions; and
- Other consulting services offered to higher education institutions.

The successful offeror may provide additional professional services to address areas of special emphasis defined by The Citadel. Optional professional services must be specified on an hourly rate by staffing and skill level.

A formal entrance conference will be held annually to review audit objectives and strategies, current year considerations, the impact of new accounting and auditing developments, the coordination of effort between audit teams, and any changes in the State deadlines.

The Citadel is included in the statewide GAAP financial statements for the State of South Carolina. It is of extreme importance, therefore, that you meet the preliminary draft and final report delivery dates set out in this RFP.

You must deliver to the Associate Vice President – Finance & Business, no later than 5:00 p.m. on the dates specified in the “Time Considerations and Requirements” section of this RFP, the final audit report. A formal exit conference is to be held with the appropriate Citadel representatives. The Citadel is to be given an opportunity to provide a written response to any internal control comments and to any findings of noncompliance. Responses will be included in the formal communications document when it is issued.

Description of Entity and Records to be Audited

The Citadel is physically located at 171 Moultrie Street, Charleston, South Carolina. Financial records are maintained at this location. The financial statements represent all activities of the College and its component units. Although The Citadel Trust is a legally separate entity, the Trust's financial statements are blended into The Citadel's financial statements. In addition, the separate legal entities of The Citadel Foundation, The Citadel Brigadier Club, The Citadel Alumni Association and The Citadel Real Estate Foundation are discretely presented components in the College financial statements.

The financial statements of all component units are audited by external auditors.

The Citadel is requesting bids based on auditing The Citadel in four (4) Lots. The Citadel requests bids show cost for each year of the five (5) year period by lot.

The accounting records are processed electronically. Details and a description of the systems will be provided on request. The June 30, 2023, opinion issued by Cherry Bekaert Advisory LLC Cherry Bekaert LLP was unqualified. No internal control comments were made. A copy of the Financial Statements, Single Audit, and NCAA reports may be obtained from The Citadel's Associate Vice President - Finance & Business website at:

<https://www.citadel.edu/fins/reports-publications/>

If you are unable to download a copy of the reports, please notify the Associate Vice President - Finance & Business of The Citadel and a copy will be provided.

Assistance Available to Offeror

Previous audit work papers will be made available to the successful Offeror upon award.

The Citadel's staff will prepare a preliminary trial balance, supporting schedules, and draft financial statements including adjusting entries proposed by the auditor and accepted by the College. Accounting staff generally will pull requested documents. Do not assume that accounting staff will be available to prepare lead schedules for audit work papers.

Report Requirements

Financial Audit

The Citadel will be accounted for as a business type activity. The financial report will consist of a set of combined financial statements; namely, (a) statement of net position, (b) statement of revenues, expenses and changes in net position, (c) statement of cash flows, (d) statement of fiduciary net position, (e) statement of changes in fiduciary net position.

The independent auditors' report on the financial statements is to be addressed to the Board of Visitors of The Citadel. The auditors report on the financial statements must describe the nature of the audit and that the audit was performed in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. The report must include an opinion as to whether the statements conform to accounting principles generally accepted in the United States of America. A presentation to the Board of Visitors will be required annually.

Referenced as Lot 1 on Price Schedule

Single Audit

A Schedule of Expenditures of Federal Awards as required by 2CFR200 must be included. The Schedule of Expenditures of Federal Awards must list the Federal Catalog of Federal Domestic Assistance number, pass-through grantor's number (CFDA), and total expenditures for each grant, by cluster and federal funding source.

Referenced as Lot 1 on Price Schedule

NCAA Agreed-Upon Procedures

Requirements for the NCAA agreed-upon procedures and financial reporting can be found in the NCAA legislation under the provisions of the NCAA Bylaw 3.2.4.15 (Operating and Capital Financial Data Report).

Referenced as Lot 4 on Price Schedule

Report of Required Communications

A report of required communications, in accordance with Governmental Auditing Standards and 2CFR200, is to be prepared each year with emphasis on improvement of internal controls related to the financial statements, accounting practices, the

accounting system, legality of actions, other instances of noncompliance with laws and regulations, and any other material matters. The report must include specific statements indicating whether conditions noted in prior auditor's comments or findings have been corrected or still exist.

The required audit communications will be addressed to the Board of Visitors of The Citadel. A presentation of these communications to The Citadel's Board of Visitors will be required annually, normally in January/February. The Citadel must have the opportunity to review the information presented to the board at least fifteen business days before the presentation.

Time Considerations and Requirements

During the months of February or March of each year, the successful auditor will arrange a meeting time with The Citadel for pre-audit planning of the upcoming fiscal year-end audit process. The successful auditor must provide to The Citadel by March 31st of each year a written timeline of dates and activities required for a timely audit process and completion of the financial statements. This timeline will be dictated by The Citadel's internal timeframes and external timeframes set by State and Federal regulations. For fiscal year 2024, the auditor must arrange the meeting immediately after notification of the award of the contract. Interim audit field work can be commenced at a date mutually agreed upon by the successful Offeror and the Auditee but completed no later than June 15th. Weekly update meetings will be scheduled during interim and final fieldwork.

The preliminary reports including the auditor's opinion letter and management letter draft must be submitted to the Associate Vice President – Finance & Business of The Citadel as specified by the due dates in the following schedule. In addition, the final reports must be delivered no later than 5:00 P.M. on the dates established by the South Carolina Comptroller's Office each year. Some of the dates noted in the schedule below are based on fiscal year 2024 deadlines and are subject to change as the State's deadlines change each year.

Schedule of Due Dates* of Audit Work/Financial Reports for the Fiscal Status Report	
August 31	Substantially all field work completed by auditor.
September 15	Audit firm and The Citadel finalize the preliminary draft and the audit firm submits the finalized Financial Section and the RSI to the State Comptroller General's Office.
October 1	Any remaining required documentation/final reports are submitted electronically to the State Comptroller General's Office and the State Auditor by the audit firm.
*Should the due date/action required fall on the weekend, the due date will change to the following Monday.	

Schedule of Due Dates* of Audit Work/Financial Reports for the Single Audit	
October 1	Substantially all field work completed by auditor.
No later than September 15	Audit firm submits preliminary draft to The Citadel.
No later than October 1	Audit firm submits final Single Audit report to The Citadel and the State Auditor's Office.
No later than October 7	Audit firm submits data collection form to Federal agency.
*Should the due date/action required fall on the weekend, the due date will change to the following Monday.	

Schedule of Due Dates* of Audit Work/Financial Reports for the NCAA Agreed-Upon Procedures report	
No later than November 15	Substantially all field work completed by auditor.
No later than November 20	Audit firm submits preliminary draft of NCAA report to The Citadel.
No later than December 5	Audit firm submits final NCAA report to the State Auditor's Office.
*Should the due date/action required fall on the weekend, the due date will change to the following Monday.	

Contractual Arrangements

Progress billings will be accepted up to 50% of the total fee. Billings are to be based on percentage of completion and must include identification of charges for each component. Billing for the final 50% of the fee will be accepted upon delivery of the reports. The Citadel reserves the right to adjust the percentages (up or down) based on your meeting agreed delivery dates in previous year(s).

Report Review and Timing

The Auditor must deliver to the Associate Vice President - Finance & Business (and other agencies noted below) no later than 5:00 P.M. on the dates specified in the "Time Considerations and Requirements" section of this RFP, to the address previously given, the final audit reports.

1. Financial Audit – One electronic copy of the audit report, which meets the requirements of accessibility per the Americans with Disabilities Act, to the State Comptroller General, the State Auditor, and The Citadel. Also, the number of printed copies requested by The Citadel.
2. Single Audit – One electronic copy to the State Auditor, the Federal Clearinghouse, and The Citadel. Also, the number of printed copies requested by The Citadel.
3. NCAA Agreed-Upon Procedures Report – One electronic copy to the State Auditor and The Citadel. Also, the number of printed copies requested by The Citadel.

Final payment will not be approved until all required report copies have been provided.

Working Papers

Working papers will be retained by the successful Offeror as required by State Archives and History Retention guidelines for three years or until advised otherwise by The Citadel, in writing. The working papers must be made available on site without charge for examination by representatives of The Citadel and the Federal/State Government. In addition, the successful Offeror must make all work papers available without charge to the auditor who audits the subsequent fiscal year.

Additional Services as required – Referenced as Lot 5 on price schedule.

VIII. BIDDING SCHEDULE/COST PROPOSAL

BUSINESS PROPOSAL (JAN 2006): Offerors are to submit a Business Proposal as a separate document from the Technical Proposal. The Business Proposal may include the following considerations:

- (a) Total Cost of Ownership -- What is the anticipated cost of purchasing, owning, leasing, operating, maintaining, and/or supporting the proposed solution for the total potential term of the contract? Provide a detailed accounting. (b) Risk Analysis -- What internal or external factors could significantly impact the probability of completing this project on time and within budget? (c) Risk Mitigation -- What actions can be taken to mitigate the identified risks? (d) Risk Sharing -- Are there opportunities for mutually beneficial risk sharing? (e) Performance Incentives -- Are there opportunities for performance-based incentives? (f) Financing Options -- Are there alternative financing options available to the State?

[08-8010-1]

PRICE PROPOSAL (JAN 2006): Notwithstanding any other instructions herein, you shall submit the following revised price information as a separate document: [08-8015-1]

Price Schedule	Cost
Lot 1 Audit and Single Audit of The Citadel	
FY 24 All Inclusive Fee	\$
FY 25 All Inclusive Fee	\$
FY 26 All Inclusive Fee	\$
FY 27 All Inclusive Fee	\$
FY 28 All Inclusive Fee	\$
Total	\$
Lot 2 Audit of The Citadel Trust	
FY 24 All Inclusive Fee	\$
FY 25 All Inclusive Fee	\$
FY 26 All Inclusive Fee	\$
FY 27 All Inclusive Fee	\$
FY 28 All Inclusive Fee	\$
Total	\$
Lot 3 Preparation of Form 990-T	
FY 24 All Inclusive Fee	\$
FY 25 All Inclusive Fee	\$
FY 26 All Inclusive Fee	\$
FY 27 All Inclusive Fee	\$
FY 28 All Inclusive Fee	\$
Total	\$
Lot 4 NCAA AUP	
FY 24 All Inclusive Fee	\$
FY 25 All Inclusive Fee	\$
FY 26 All Inclusive Fee	\$
FY 27 All Inclusive Fee	\$
FY 28 All Inclusive Fee	\$
Total	\$
Total Fees All Lots	
FY 24 All Inclusive Fee	\$
FY 25 All Inclusive Fee	\$
FY 26 All Inclusive Fee	\$
FY 27 All Inclusive Fee	\$
FY 28 All Inclusive Fee	\$
Total	\$
Lot 5	
Hourly Rate for additional consulting services as required	\$
The hourly rate above will not be calculated in the award	

IMPORTANT NOTICE:

X Contractor is required to acknowledge receipt of this Addendum by signing below and returning a copy with its Offer.

Except as provided herein, all terms and conditions of the Solicitation referenced above remain unchanged and in full force and effect.

SIGNATURE OF PERSON AUTHORIZED TO EXECUTE ON BEHALF OF OFFEROR

Signature: _____

Printed Name & Title: _____

Company Name: _____

Date: _____