



Procurement Services
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ADDENDUM NO: 3

IFB/RFP No: RFP NKU-08-2023

Project /Commodity: External Audit Services

Date: 12/01/2022

Due Date: 12/16/2022

BIDDER/RESPONDER SHALL CONFORM TO THE FOLLOWING CHANGES AS SAME SHALL BECOME BINDING UPON THE CONTRACT TO BE ISSUED IN RESPONSE TO THIS INVITATION FOR BID.

Question & Answers

HCV 12/01/2022

1. Can you provide your most recent audit fees for each entities audit?

NKU	6/30/2022	6/30/2021
Financial Statements, Lease Law, HB 622	61,400	57,400
Single Audit	20,300	19,000
Research Foundation	8,400	7,800
NCAA AUP	12,900	12,050
NKU 990T (Optional)	2,800	2,600
Research Foundation 990 and 990T (Optional)	2,770	2,590
	108,570	101,440
Foundation		
Financial Statements	30,300	28,315
990	Extension Filed	12,060

2. Do you prefer the work for each entity to be performed on-site or virtual or a blend? **We have experienced working with audit firms that were fully remote, fully on-site and a mix of both. The most important thing is to have good lines of communication from both sides.**
3. Does the NKU Foundation prepare their own financial statements or does the auditor prepare them? **The Foundation prepares its own financial statements.**
4. Has the University begun to assess the impact of GASB 96, Subscription-based information technology arrangements and what impacts they believe it will have on their audit and financial statements? **Yes, we have begun to assess the impact of GASB 96.**
5. In what areas have internal audit provided assistance on the University's audits in the past?
 - **HB 622**
 - **Major Program Testing**
 - **Student Financial Aid**
 - **NCAA**
 - **Fixed Assets**
 - **General Audit Testing**
6. Has the Research Foundation begun to assess the impact of GASB 96, Subscription-based information technology arrangements and what impacts they believe it will have on their audit and financial statements? **Not applicable**
7. Only 2021 financial statements were provided for the Northern Kentucky University Foundation – can you provide 2022 financial statements? **The Fy22 Foundation statements were posted on the RFP website.**
8. Have there been any significant changes in the investment strategies to the NKU Foundation? **The investment policy including investment allocation target ranges is reviewed annually by the Foundation's investment committee and adjusted as deemed appropriate.**
9. Has the NKU Foundation assessed the effect of implementing FASB ASC 842 related to Leases and if they expect there to be any significant impacts? **The Foundation is assessing the effect of implementing FASB ASC 842 and will be prepared to make any necessary reporting updates.**

OVERALL ENGAGEMENT / AUDIT QUESTIONS

10. Has the University evaluated the impact of GASB 96 SBITAs? Any preliminary conclusions on the population and impact to the University? **Yes we have begun to assess the impact of GASB 96.**
11. Has the University reviewed NACUBO's recent draft guidance issued on determining the Scholarship Allowance, a change from the Advisory Alert 2000-05? Any preliminary conclusions on the impact? **Yes we are aware of the draft guidance and we are currently assessing its impact.**
12. Were there any significant adjusting or passed journal entries identified during the FY22 audit? If so, how many and what did they relate to? **There were no transactions of this type during Fy22.**
13. What are your expectations and preferences for fieldwork? Are you anticipating the audit will be completed in person, remote or a hybrid approach? **We have experienced working with audit firms that were fully remote, fully on-site and a mix of both. The most important thing is to have good lines of communication from both sides.**
14. Has the conclusion to blend the Research Foundation (NKURF) into the University financial statements been reviewed recently to ensure proper conclusion? **Yes during the Fy22 audit.**
15. Who prepares the various financial statements? **The NKU Comptroller's Office prepares the financial statements. The external auditors print the financial reports for the University and NKURF.**
16. How has the Internal Audit department been utilized in the past for their 200 hours? What is the timing for the available 200 hours? **See Question #5**
17. Does the University, NKURF, or NKU Foundation issue any annual reports that qualify under SAS 137? **The NKU Research Foundation does not. The NKU Foundation will discuss with the audit team the annual reports generated to determine the need for review under SAS 137**
18. Has the NKU Foundation evaluated the impact of ASC 842, Leases? What are the preliminary conclusions on the impact to the NKU Foundation? **The Foundation is assessing the effect of implementing FASB ASC 842 and will be prepared to make any necessary reporting updates**
19. Are the accounting records for the Research Foundation prepared for by the University accounting staff and under the same internal control structure? **Yes the University prepares the accounting records using the same control structure.**

GENERAL QUESTIONS

20. Why is the University going out to bid? **NKI policy is to issue an RFP every four years.**
21. What do you enjoy most about working with your current service providers? **We have been successful in completing all state and federal audit requirements and received positive feedback from the Audit and Compliance committee of the Board of Regents.**
22. What areas (of the work requested) would most likely benefit from a fresh perspective? (i.e., service, quality, timeliness?) **A fresh perspective is always appreciated but no areas stand out.**
23. A year from now, how will you define a successful engagement? **Working with our external audit partner we have met all deadlines for submission of the financial statements and other reports.**
24. As a firm, we go above and beyond to create value beyond a traditional engagement – what does value from your service provider relationships look like to you?
 1. Significant areas that audit committee care about- **Compliance with all accounting regulations and open communication.**
 2. Significant areas that management care about- **Compliance with all accounting regulations and completing the audit prior to the deadline.**

25. Can you tell us what other firms are included in the RFP? If not specific names, are they local or regional? **All firms are eligible to submit a proposal. Past history indicates that many are national firms with local or regional offices.**
26. Can you provide the fees for each portion of the external audit and tax services performed? **See Question #5**
27. How many K-1's are received annually? **Approximately 50 K-1's.**
28. Are there any state and local tax filings? **NKU only has payroll taxes at this time. The Foundation has some state filing requirements that are done in conjunction with the 990T**

UPCOMING GOALS

29. What are your primary goals for FY23? The next five years? **Strategic revenue growth and a reduction in expenditures**
30. How do you prioritize your key strategic initiatives? **We use our strategic plan, Success by Design, to guide our priorities.** Design: Northern Kentucky University, Greater Cincinnati Region (nku.edu)
31. Describe any internal initiatives underway in the finance area that you see your audit firm could help support as a resource. **Not at this time.**
32. Please describe any significant anticipated transactions that may occur in the near future (such as capital campaigns, implementation of new software, new buildings, new debt or current debt restructuring). **At this time there are no new buildings, refinancing or issuing of debt planned for Fy23.**
33. For NKU Foundation – any anticipated changes in investment custodian/consultant? **No changes to the investment custodian or consultant anticipated during the year ended 6/30/23.**
34. What are your most significant concerns for the upcoming year? **Primarily GASB 96.**
35. What are your major pain points or key areas for potential improvements? **None that would impact the completion of the year-end audit process.**
36. Do you anticipate any major IT transitions or improvements in the next three years? **There should not be any major IT transitions/improvements over the next 3 years that impact financial reporting and/or IT general & application controls over financial reporting.**
37. Are any new joint ventures or PPPs (public-private and public-public partnership) being created or in development? **Not at this time.**

SINGLE AUDIT

38. Any significant new grants expected that would be over \$750,000? **Not that we are aware of at this time.**
39. Any significant findings or issues within the June 30, 2022 single audit? Could you provide a copy of the report, if available? **None that we are aware of at this time**
40. Has the University considered assigning back Perkins loans to the Department of Education and fully exiting/liquidating the program? **We routinely evaluate our federal loan programs and this is an option we will continue to monitor.**