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**Questions and Answers**

**Financial Audit Services**

**RFQ: No. 781-1-23173**

**Question 1**:

Could you provide the latest audited financial statement for The Higher Education Coordinating Board. I was unable to locate them on the website.

**Response:** Please find the latest audited financial statement below. It is also available under the solicitation documents listed on the <http://www.highered.texas.gov/about-us/procurement/>



Double click to open report.

If document does not open, please email [Contacts@highered.texas.gov](mailto:Contacts@highered.texas.gov) to request a copy.

**Question 2**:

What has generally been the timing of the fieldwork for the financial audit services?

**Response:** Planning and perhaps some of the IT fieldwork may begin early in the fiscal year. The bulk of fieldwork typically occurs during the March through June timeframe. Also, the financial statement package is not available until approximately February.

**Question 3**:

Have there been any changes in key management personnel in the last 2 years?

**Response:** Yes.  We have the following new members of our leadership team:

* 1. Dr. Harrison Keller, Commissioner
  2. Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff
  3. Ms. Nicole Bunker-Henderson, General Counsel
  4. Mr. Ray Martinez, Deputy Commissioner of Academic Affairs and Workforce Education
  5. Ms. Lori Fey, Deputy Commissioner of Data Analytics and Innovation
  6. Ms. Melissa Henderson, Associate Commissioner of Development

**Question 4**:

Have there been any changes in major IT systems in the last 2 years?

**Response:** None.

**Question 5**:

Were there any management letters or significant audit adjustments in the last 2 years?

**Response:** None.

**Question 6**:

Can you disclose the audit fees for the financial audit services for the past year?

**Response:** Yes.  The current contract to conduct an agency-wide financial statement audit for fiscal year ended August 31, 2019 was executed with KPMG for a fixed fee of $199,200. (THECB Agency Operations Committee meeting July 22, 2020, Agenda Item VI-A)

**Question 7**:

Have you received or do you anticipate receiving and spending funding related to the COVID-19 pandemic in fiscal year 2020 or 2021?

**Response:** Yes.  During the week of July 10, 2020, Governor Abbott announced [Texas will invest $57 million](https://gov.texas.gov/news/post/governor-abbott-allocates-emergency-education-relief-funding-for-texas-higher-education) in federal funds to maintain the state’s need-based financial aid programs, including TEXAS Grants, Texas Educational Opportunity Grants, and Tuition Equalization Grants, to help keep more students enrolled at their colleges and universities.

Also, during the week of July 24, Governor Abbott and the legislative leadership [announced](https://gov.texas.gov/news/post/governor-abbott-announces-additional-118-million-in-federal-funding-to-support-texas-higher-education) an additional $118 million in federal funding to support Texas higher education, including $93 million in financial aid to help students continue or restart their progress toward earning a postsecondary credential of value.

**Question 8**:

Does management draft their own financial statements?

**Response:** The Deputy Commissioner for Financial Services/CFO is responsible for oversight of this activity.

**Question 9**:

a.) Is there to be a single audit under this RFQ as well? b.) If not, what is the timing of the single audit finding results and c.) Will the financial statement auditor have access to those results before significant fieldwork for the financial statement audit?

Answer:

a.) No.

1. Timing of the single audit results usually occurs in March.
2. Typically not, due to timing because both audit entities are auditing the same fiscal year at the same time.

**Question 10**:

Can you release the prior year (2019) single audit findings if there were any?

**Response:** The Comptroller of Public Accounts and the State Auditor’s Office have completed the statewide single audit reporting package for the state of Texas for fiscal 2019 and submitted the required materials to the Federal Audit Clearinghouse as required by [2 CFR, Part 200, Subpart F (Uniform Guidance)](http://www.ecfr.gov/cgi-bin/text-idx?node=sp2.1.200.f). All state agencies and institutions of higher education are included in the statewide single audit performed by the Texas State Auditor’s Office/CliftonLarsonAllen LLP.   <https://fmx.cpa.texas.gov/fmx/finrpt/singleaudit/index.php>

**Question 11**:

How much weight in scoring or preference will be given to using a HUB subcontractor?

**Response:**

Evaluation Criteria for each of the Proposal Components:

|  |  |
| --- | --- |
| Technical Component | 40% |
| Management Component | 30% |
| Qualifications | 30% |
| Total | 100% |

**Question 12**:

Attachment A has a section E which is entitled “Exceptions to T&C”.  However page 10 of the RFQ under #3 of the second PDF section notes that exceptions should be included in the transmittal letter. Should we refer out the Attachment A section to  the transmittal letter?

Page 10 of the PRQ under #3 of the second PDF section notes “Any exceptions to this RFQ and the THECB Vendor’s Addendum, or any of the items listed under A.3.2 contracting process must be specifically noted in the letter.”  Our question is what is the THECB Vendor Addendum and what is section A.3.2 please?

**Response:** The THECB has posted an Addendum to the RFQ to address Question 12