

**Questions for
Audit Services RFP # 26-770-1002-00001**

Questions #1 - #3 has sections that were partially taken from the RFP by one of the offerors.

1. Page 1, A:

The New Mexico Corrections Department requests proposals from Independent Public Accountants (IPAs) to perform the annual audit(s) of the Department's financial statements for the years ending June 30, 2025, June 30, 2026, June 30, 2027 and June 30, 2028.

Page 17 – 7. Cost Proposal

The total proposed cost for performing the audit must be itemized for each of the three contract years

Please clarify as to whether this RFP covers three or four years.

The RFP covers four years.

2. Page 6, 5: Submission of proposal

Proposals submitted by facsimile and other electronic means will not be accepted.

Page 13 – B . Number of Copies

In addition, all offerors shall provide one (1) electronic copy (thumb drive) of all materials in Binders 1 and 2.

Please clarify as to whether this RFP allows for electronic submissions. Or, possibly, whether bids can be submitted electronically (thumb drive) in lieu of hard copies.

Per page 13, Section III. Response Format and Organization:

Offerors shall provide one (1) original and three (3) identical copies of their proposal (Binder 1); and one (1) original and three (3) copies of the cost proposal (Binder 2) to the location specified in Section I, Paragraph D of this document, on or before the closing date and time specified for receipt of proposals. In addition, all offerors shall provide one (1) electronic copy (thumb drive) of all materials in Binders 1 and 2.

Therefore, the RFP does not allow for electronic submissions or submission by way of thumb drive in lieu of hard copies. A thumb drive is required in addition to the hard copies noted in the paragraph above.

3. Page 18 – 8 . Offeror Qualifications

Offeror should also provide a copy of the profile submitted to the State Auditor.

Could you tell us what format you would like the firm profile submitted for the purpose of responding to this RFP?

The copy of the firm profile would be in the format that was submitted to the State Auditor in accordance with 2.2.2 NMAC (State Audit Rule); including qualifications and area(s) of responsibility; and, a completed Campaign Contribution Disclosure form as required by Senate Bill 344, signed into law March 6, 2006.

4. What was the audit contract price and breakdown of the contract categories for fiscal year 2024?

Fiscal year 2024 consisted of the following services:

Services	Cost
Financial statement audit	\$81,600.00
Federal single audit	\$7,800.00
Financial statement preparation	\$8,400.00
Gross Receipts Tax	\$8,129.63
Total Compensation	\$105,929.63

5. Is there a specific appendix that should be completed for the Cost Response Form in binder #2?

Per section III Response Format and Organization, sub-section C of the RFP, there is no specific appendix for the Cost Response Form in binder #2. Please follow the Proposal Format outlined in the RFP on page 13.

6. Has there been turnover in compliance, financial, or operational staff?

We have 1,793 positions filled so we do have turnover in all departments.

7. How many audit journal entries were there for the 6.30.2024 audit?

There were 32 adjusting entries for NMCD's FY24 audit.

8. What is your preferred timing of the interim and final testing procedures?

Our auditors have come in as early as the end of June, and we would like all testing completed by the end of October to include any quality control review by the auditor's staff.

9. What significant changes in federal funds does NMCD expect for FY25, if any?

Currently we are not expecting any changes to the federal funds for FY25.

10. What is most important to NMCD when considering a new auditor and service provider?

Good communication, timeliness, and the expectation that NMCD would be a priority client.

11. Does NMCD expect the auditor to be fully on-site or do you prefer a hybrid approach?

A hybrid approach will work but we are NMCD is flexible if auditors choose to come on site.

12. What was the audit team composition with the current auditor (team size, members)?

As far as we could tell they had 3 team members but had a separate team to review for quality control.

- 13. What were the total hours and fees proposed the last time the Department issued an RFP for the same services?**

Below is an example of what an auditor has proposed in the past.

Service	Hours	2023	2024	2025	2026
Financial Statement Audit	680	\$ 81,600	\$ 81,600	\$ 81,600	\$ 81,600
Federal Single Audit	65	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800
Financial Statement Prep	70	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Cost per RFP		\$ 97,800	\$ 101,800	\$ 105,900	\$ 110,100

- 14. Are the audits conducted remotely, using a hybrid model, or in-person full-time? Is the Department open to audits being performed remotely?**

Hybrid model is acceptable.

- 15. Have there been recent changes in key personnel in any of the Department's accounting/finance functions or are there changes known for the future (retirements)?**

No.

- 16. What do you like about your current auditing experience? What do you wish you could change about your current auditing experience?**

We did not have good communication, and we did not feel we were a priority. Better communication, timeliness, and our expectation, the agency would be a priority client.

- 17. Is there anything specifically that you are looking for in a potential new professional services firm?**

Good communication, timeliness.

- 18. Who are the individuals to oversee the preparation of the financial statements and accrual conversion entries? What is their level of experience and knowledge?**

The ASD Deputy Director Co-CFO and CFO combined have over 20 years of experience.

- 19. When are trial balances typically available?**

The trial balances are available daily as audit entries are completed.

- 20. What is the desired timeline for the audits?**

Our auditors have come in as early as the end of June, and we would like all testing completed by the end of October to include any quality control review by the auditor's staff.

- 21. Does the Department expect any significant changes in the accounting system or other systems relevant to financial reporting during the contract term?**

No.

- 22. Is the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files?**

Yes.

- 23. Does the Department use service organizations? Examples include payroll processors, workers' compensation or medical claims processors, hosted data centers, cloud service providers, and managed security providers. If so, approximately how many and for which transaction cycles?**

New Mexico state agencies use the SHARE system for Human Capital Management and the Department of Finance Model of Accounting rules for processes as well State Personnel rules and regulations for all Human Services and Resources.

- 24. Are there any significant changes in operations expected for the contract term?**

None are expected.

- 25. What accounting, financial reporting and other information technology systems does the Department use? Does the Department have an inventory management system?**

SHARE for financial accounting and HCM for timekeeping and payroll. Fixed Asset CS for capital assets, E-equip for supply inventory and CMIS for Inmate Trust.

- 26. Section II, Conditions Governing the Procurement, subsection C.1, are there any specific conditions governing this procurement?**

This procurement will be conducted in accordance with the State Purchasing Agent's procurement regulations, 1.4.1 NMAC

Acceptance of Conditions Governing the Procurement Offerors must indicate their acceptance of the Conditions Governing the Procurement section in the letter of transmittal. Submission of a proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.

- 27. Section II, Conditions Governing the Procurement, subsection C.15, does the Department have an example contract that can be reviewed for Terms and Conditions, or are there any specific Terms and Conditions for this RFP?**

The bidding firm needs to understand the New Mexico State Auditors requirements for contracting with an New Mexico agency for audit services. Please see the following as stated in the RFP. Contract Terms and Conditions The contract between the Department and a contractor will follow the format specified by the State Auditor's Office. The Offeror must be willing to sign and return Appendix A, Acknowledgment of Receipt Form, to participate. The contents of this RFP, as revised and/or supplemented, and the successful offeror's accepted proposal may be incorporated into and become part of the contract. Should negotiation of additional terms be required, State Auditor approval must first be obtained. In the event the offeror's accepted proposal conflicts with the RFP, the proposal governs, and, in the event the contract conflicts with the proposal, the contract governs. Should an offeror object to any of the Departments' terms and conditions, that offeror must propose specific alternate language. The Department may or may not accept the alternative language suggested by the offeror. General references to the offeror's terms and conditions or attempts at complete substitutions are not acceptable to the Department and will result in disqualification of the offeror's proposal. Offerors must provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

- 28. Section III, Response Format and Organization, subsection C.1, Binder #1.c, can the Department please clarify what is to be included in the Proposal Summary?**

Please follow as stated in the RFP.

PROPOSAL FORMAT All proposals must be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section. The size of the proposal is recommended not to exceed one hundred (100) single-sided pages. Exclusions to this limitation will be the Letter of Introduction; Table of Contents; Covers; Dividers; Resumes; Other attachments, such as letters of appreciation, etc; Acknowledgement of Amendments (if applicable). Electronic copies of Binders 1 and 2 must be in Word, PDF or Excel formats.

1. Proposal Organization The proposal must be organized in two (2) binders and indexed in the following format and must contain, as a minimum, all listed items in the sequence indicated.
Binder #1

- a. Letter of Transmittal
- b. Table of Contents
- c. Proposal Summary
- d. Response to Mandatory Specifications.

29. Section III, Response Format and Organization, subsection C.1, Binder #2.b, can you please provide the Terms and Conditions that we are to respond to?

Binder #2

- a. Completed Cost Response Form
- b. Response to Agency Terms and Conditions
- c. Other Supporting Material

Within each section of their proposal, offerors should address the items in the order in which they appear in this RFP. All forms provided in the RFP must be thoroughly completed and included in the appropriate section of the proposal. All discussion of proposed costs, rates or expenses must occur only in binder 2 with the cost response form.

30. Section IV, Specifications, subsection B.4, if we don't have any prior engagements with the State of New Mexico, does that disqualify us from bidding on this contract, or does our reply stating as such be scored as "pass"?

The Corrections Department is one of the largest agencies in the state of NM and it demands a lot of time from the auditing team. Depending on the overall score by the panel, the experience of the firm and size of the auditor's team is heavily considered.

31. Section IV, Specifications, subsection B.7, please clarify that the total proposed cost for performing the audit must be itemized for each of the four contract years, and not three as stated?

The RFP must cover four years. See answer #2 for an example of proposal.

32. Section IV, Specifications, subsection B.8, can you please clarify the request for a copy of "the firm profile" submitted to the State Auditor? The information in the Firm profiles is submitted individually on the State Auditor's portal. What specifically is the Department looking for?

As stated in the RFP the following are the requirements of the NM OSA State Audit Rule. Below is stated in the RFP.

Offeror Qualifications and Experience (Up to 250 points may be received) State the size of the firm, size of governmental audit staff, location of the office from which the work on this engagement is to be performed, number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis. If the offeror is a joint venture or consortium, the qualifications of each offeror comprising the joint venture or consortium should be separately identified and if the offeror is to serve as the principal auditor should be noted, if applicable. Offerors are also required to submit a copy of the report of its most recent external quality control review and a statement whether that quality control review included a review of specific government engagements. Provide the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years and disclose any circumstances and status of disciplinary action taken or pending with state regulatory bodies or professional organizations. Offerors should also provide a copy of the profile submitted to the State Auditor, in accordance with 2.2.2 NMAC (State Audit Rule); including qualifications and area(s) of responsibility; and a completed Campaign Contribution Disclosure form as required by Senate Bill 344, signed into law March 6, 2006.

33. Section IV, Specifications, subsection B.9, please clarify in the second paragraph that we are to provide information about relevant, individual CPE for the past three (3) years, and not CPA?

Provide all individual CPA's Professional Education (CPE) hours for the three years.