

**ADMINISTRATIVE SERVICES DIVISION
OF THE
GENERAL SERVICES DEPARTMENT**

REQUEST FOR PROPOSALS (RFP)

GSD ANNUAL FINANCIAL AUDIT SERVICES



**RFP#
25-350-0050-02
Questions & Answers**

RFP Release Date: April 21, 2025

Proposal Due Date: May 15, 2025

New Mexico General Services Department (GSD) RFP#25-350-0050-02 QUESTIONS

1. Section III, Response Format and Organization, item C, Proposal Format, Cost Proposal, what were the fees for the prior year's audits and other services?

a. Financial Statement Audit \$124,000

Federal Single Audit \$25,000

Financial Statement Preparation \$15,000

Gross Receipts Tax \$12,505

Total \$176,505

GASB 87 and 96 Services:

Professional Services \$15,510

Software and Technical Fees \$91,720

2. Section III, Response Format and Organization, item C, Proposal Format, Cost Proposal, what was the New Mexico Gross Receipts Tax (NMGRT) in the prior year's audits?

a. See 1 above.

3. Section III, Response Format and Organization, item C, Proposal Format, Cost Proposal, how many hours did the prior audit firm propose for each service in their previous proposal?

a. Audit and Financial Statement Preparation – Unavailable

GASB 87 and 96 Services:

Quoted as a dollar range. Actual Hours billed: 66 hours

4. Section IV, Specifications, item B.2, Technical Specifications, Firms Strengths and Weaknesses, what do you like about your current auditing experience? What do you wish you could change about your current auditing experience?

a. Strengths: Firm expertise, knowledge, and availability.

Weaknesses: None Material

Like the ease in uploading schedules electronically to secure portal.

5. Section IV, Specifications, item B.2, Technical Specifications, Firms Strengths and Weaknesses, is there anything specifically that you are looking for in a potential new professional services firm?
 - a. Continued expertise in Governmental Accounting, especially regarding capital assets, long-term debt, insurance claims payable, compensated absences, and GASB 87/96, including implementation of new GASB standards.
6. Section IV, Specifications, item B.2, Technical Specifications, Firms Strengths and Weaknesses, what engagement process would the GSD like to improve?
 - a. See 4 Above.
7. Appendix D, Cost Response Form, does GSD expect to incur over \$1 million in federal grant expenditures in any year during the contract period?
 - a. No
8. Appendix D, Cost Response Form, can you please confirm that GSD is requesting the IPA to prepare the financial statements?
 - a. Yes, GSD is requesting IPA to prepare financial statements.
9. Appendix D, Cost Response Form, who are the individuals to oversee the preparation of the financial statements and GASB 87/96 consulting services? What is their level of experience and knowledge?
 - a. Further clarification requested but was not provided.
10. Section IV, Specifications, item A, Detailed Scope of Work, are the audits conducted remotely, using a hybrid model, or in-person full-time? Is the GSD open to audits performed remotely?
 - a. Remotely only. Continue audits remotely only.
11. Section IV, Specifications, item A, Detailed Scope of Work, can you provide the number of auditors and the time periods of when interim and final fieldwork were performed?
 - a.
 - i. Four auditors: Principal, Director/Manager, Senior Associate, Associate
 - ii. Planning/Assessment – July/August
 - iii. Internal Control Test Work/Compliance Testing – July/August
 - iv. Substantive Fieldwork – September/October
 - v. Financial Statement Drafting – October
 - vi. Draft Financial Statements to Agency – October 15
 - vii. Exit Conference with Management – November

viii. Deliver Financial Statements to Office of the State Auditor – November 15 or sooner

12. Section IV, Specifications, item A, Detailed Scope of Work, 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)?

a. Further clarification requested but was not provided.

13. Section IV, Specifications, item A, Detailed Scope of Work, does the GSD expect any significant changes in the accounting system or other systems relevant to financial reporting during the contract term?

a. No

14. Section IV, Specifications, item A, Detailed Scope of Work, Is the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files?

a. System of Record

15. Section IV, Specifications, item A, Detailed Scope of Work, does the GSD 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?

a. Further clarification requested but was not provided.

16. Section IV, Specifications, item A, Detailed Scope of Work, are there any significant changes in operations expected for the contract term?

a. No

17. Section IV, Specifications, item A, Detailed Scope of Work, how many adjusting entries were there in the prior year? And if applicable, what was the nature of those adjusting entries?

a. Auditor proposed entries: Modified Accrual - Six Journal Entries; Full Accrual – Six Journal Entries.

Nature of adjusting entries:

- Small rounding errors for financial statements \$10 max
- Move non-capital outlay to capital outlay
- Reclass missed invoices

- Capitalize maintenance and repair costs
- Adjust Accounts Receivable for one fund for payments received 90-days after year-end close
- Reclass payroll liabilities from one fund to another that recorded the expense
- Back out fund to sub-fund transfers
- Record transfer of capital outlays identified above
- Record capital assets from maintenance and repair costs identified above
- Reverse one entry from buildings to maintenance for an insurance claim

18. Section IV, Specifications, item A, Detailed Scope of Work, do you allow auditor's read-only access to your financial accounting system?

a. Yes

19. Section III.B.1. Number of copies page 18 of RFP. Offerors shall submit one (1) electronic original version (referred to as Binder 1) and one (1) electronic REDACTED version (referred to as Binder 1 REDACTED). Please confirm a "REDACTED" electronic version will still need to be submitted even if there isn't any REDACTED (Blacked-out text) in the proposal. Or if any documents watermarked as "CONFIDENTIAL" (Without any blacked-out information) would still be considered "REDACTED"?

a. No, offeror would not need to submit a redacted version for Binder 1.

20. In RFP section titled, *III.C. 1. Technical Proposal (Binder #1)*, it states a section titled *Desirable Specifications* under the header *7. Response to Specifications*. Can you please clarify how you would like firms to respond to this specific item, since there is no sub header under section IV of the RFP.

a. No desirable specifications required in this RFP