Audit Services
Questions and Answers

Q: Did you receive a management letter from the prior audit firm last year?
   A: We did not receive any management comments last year.

Q: What is the reason for soliciting proposals for audit and tax services?
   A: Our board policy dictates that we perform an RFP at least every six years.

Q: Were you satisfied with the services you received from your prior audit firm?
   A: We are satisfied with the services received by the prior audit firm.

Q: Do you anticipate the current firm will submit a proposal for the current RFP?
   A: We anticipate that the current firm will submit a proposal.

Q: The RFP indicates that the proposal should include an opinion on the discretely presented component unit, the Illinois Valley Community College Foundation. Can you provide a copy of the 2011 financial statements for the Foundation?
   A: A scanned copy of the Foundation’s financials will be sent separately.

Q: Should our proposal also include the preparation of the Form 990 for the Foundation?
   A: Your proposal should not include the preparation of the Form 990 for the Foundation.

Q: How many adjusting entries were proposed by the prior auditors, if any, and, what was the nature of those entries?
   A: All adjusting entries were proposed by the College.
Q: Please provide the approximate number of weeks the auditors spent in the field during the previous engagement.

A: The auditors spent 2-3 days for preliminary fieldwork on site and then a week on site for the actual audit.

Q: Has the College and audit firm been able to meet the timeline included in the RFP in recent years? If not, please describe the circumstances.

A: Yes

Q: Have there been any significant changes in personnel, internal control or operations since the previous audit? If so, please describe.

A: No

Q: Have there been any significant changes in account balances since the previous year’s audit? For instance, declines in investment values, changes in funding levels from ICCB or other state agencies, new debt issued, etc.?

A: We have issued $5,000,000 of bonds to partially fund the College’s share for the new Community Instructional Center project.

We have discontinued our contract with the Department of Corrections at the Sheridan facility.

We have discontinued our relationship with Ace Hardware for the Learning Ladder Center.

Q: Please describe the process for coordinating fieldwork with the various personnel within the College (i.e., is there an assigned “point person” for the audit?)

A: The Controller is the assigned point person.

Q: Have the auditors historically met with the Audit/Finance Committee during the planning phase?

A: The only time the auditors have met with the Audit/Finance Committee is to present the audit upon completion.
Q: How will the level of federal expenditures change in 2012 and will there be more or less major programs that will require auditing?
   A: One of the NSF grants has effectively ended; which we anticipate will bring those expenditures under the threshold of a major program.

Q: Is the College the defendant in any lawsuits that have been filed against the College in 2012?
   A: The College is the defendant in an EEOC claim filed in 2011.

Q: Have there been any settlements of lawsuits in the current year?
   A: No

Q: Have there been any known/suspected frauds or defalcations perpetrated against the College in the past 12 months?
   A: No

Q: Have there been any audits performed by state or federal agencies re: IVCC?
   A: We recently had our annual BEST audit of our Dislocated Workers Program.

Q: Have there been any investigations by any regulatory agencies?
   A: No

Q: Who prepares the financial statements…management or the auditors?
   A: Management prepares the schedules and narratives and the auditors add their opinions and print and publish the report.

Q: Is there any assistance with the preparation of the financial statements (statements, ICCB statements, notes, footnotes, stat schedules, etc.) provided by the auditor?
   A: The College prepares all statements, schedules, notes, and narratives. The auditors review the statements for accuracy and proper presentation. The auditors insert their opinions, print and publish the CAFR.
Q: Any significant changes in personnel – in key financial positions?
   A: No

Q: Any changes to what will be included as supplemental financial information?
   A: None anticipated

Q: Will the foundation be audited by separate auditors, similar to what was done for the 2011?
   A: Yes

Q: Any issues with the timing of the issuance of the Foundation’s audited financial statements?
   A: The foundation audit is normally available by mid to late August.

Q: The audit for fiscal year 2011 included opinion for State of Illinois Literacy Grant Project. Is this opinion needed again?
   A: We did receive this grant again in FY2012.

Q: Any new opinions or separate audits needed different from fiscal year 2011?
   A: No

Q: Any new debt issues for the current year?
   A: We issued $5,000,000 in debt certificates which were paid off by a $5,000,000 bond issuance in FY2012.

Q: Any new issues that are refundings?
   A: No refundings
Q: Any areas where the College is self-insured? From 2011 report, it looks like no areas but wanted to check for any changes with this. If there are areas that are self-insured, does the third party administrator issue a SSAE 16 report?

A: We are partially self-funded on our health insurance plans. The College is part of an insurance consortium that hires a TPA to administer the plan. The TPA does not issue a SSAE 16 report.

Q: Any significant ARRA funding different from fiscal year 2011?

A: Our ARRA funding ceased as of 6/30/11.

Q: Page 56, 59, 61 of the 2011 report does not appear to be updated for GASB54 (shows balance sheet for governmental fund types) – any assistance needed relating to this?

A: We report as a Business Type Activity entity, therefore we do not need to report according to GASB 54.

Q: Any known/expected prior period adjustments?

A: None anticipated

Q: Any outsourcing of food vendors or the bookstore?

A: We contract a local catering company to sell food on campus and provide catering for college events.

We have a contract with Pepsi for the vending machines.

We run our bookstore internally.

Q: Regarding the bookstore, does the College participate in ‘renting’ programs with students?

A: We do have a rental book program.
Q: What significant systems are used (for financial and for student financial aid)?
   A: Our main operating system is Datatel Colleague.

Q: Any significant conversions/changes in the IT system compared to fiscal year 2011?
   A: No

Q: Any known significant information technology issues?
   A: No

Q: Any known, new student financial aid issues?
   A: No

Q: Any known issues resulting from any grantor onsite reviews?
   A: No

Q: Any new ICCB grants different from fiscal year 2011 that would need to be part of the ICCB opinion?
   A: No

Q: Who prepares confirmations?
   A: The College

Q: Does the College prepare and record all accruals?
   A: Yes

Q: Any waived journal entries from 2011 audit?
   A: No
Q: There were 3 major programs in 2011. Is this the amount expected for FY12?

A: One of the NSF grants has effectively ended; which we anticipate will bring those expenditures under the threshold of a major program.

Q: What was the prior year audit fee?

A: $32,500

Q: Are the prior year auditors invited to bid?

A: Yes

Q: Were there any audit entries in the prior year? If yes, what accounts did they pertain to?

A: There were several college-requested entries that were not posted prior to the audit. This is not expected to happen in FY12.