



**MICHELLE LUJAN GRISHAM**  
GOVERNOR

## NEW MEXICO STATE INVESTMENT COUNCIL

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**JON CLARK**  
STATE INVESTMENT OFFICER

### **RFP No. 26-337-0001** **Questions and Answers**

1. *Why is SIC going out for proposal?*
  - a. The current contract has been exhausted.
2. *Is the current auditor allowed to propose on the request for proposal?*
  - a. Yes, the current auditor has completed only one year of services under Baker Tilly per guidance from OSA.
3. *What changes to the audit process would SIC like to see in future audits?*
  - a. The audit process, over the past 4 years, has been extremely smooth.
4. *What were the audit fees for FY 2025 and 2024 for: annual audit, agreed-upon procedures, and as needed services?*
  - a. Annual Year Audit - \$109,000.00, Agreed-upon procedures (AUP)- \$40,000.00
5. *When was interim fieldwork performed and how many auditors for how many days working during the interim fieldwork?*
  - a. For the FY 25 audit, work for both interim and final fieldwork was performed both in-person and remotely. A field estimate for interim would be 2 weeks for 3-4 people and final would be 4 weeks for 3-4 people. AUP procedures would be additional time.
6. *When was final fieldwork performed and how many auditors for how many days working during final fieldwork?*
  - a. Over the past several years, 75% of the audit, or more, has been done remotely. We are expecting more in-person work in the future.
7. *Does SIC prepare the financial statements? If so, when will the first draft be available to the auditors for review?*
  - a. Yes, Typically the Financial Statements are ready for review around Nov. 1. The audit firm has typically provided an Excel and Word template, based upon the prior year FS, which is populated and expanded as is necessary for the current year.
8. *What is the preferred audit timeline for the following segments: Entrance conference and planning; interim fieldwork; final fieldwork; first report draft from SIC; Exit conference; final auditor report comments to SIC; Board presentation; issuance of annual audit?*
  - a. The due date is the Wednesday before Thanksgiving. Until the valuation lags are caught up nothing can be finalized. This causes the last several weeks of the audit to be fairly intense.
9. *How long does SIC keep its books open at year end to capture all the final fair market adjustments for the alternative investments?*
  - a. Audit adjustments are made in period 998.

10. *What are some of the key areas SIC is looking for in their auditors? Great support and turnaround on the draft financials, ability to work well with an audit committee, and process improvement suggestions. Were there any audit adjustments for FY 2025 and 2024?*
  - a. Yes. Adjustments were client provided and related to valuations catch ups.
11. *What were the fee and hour breakouts for the last 2 audit cycles of FY24 and FY25?*
  - a. Annual Year Audit - \$109,000.00, Agreed-upon procedures (AUP)- \$40,000.00
  - b. Annual Year Audit Hours – 700, Agreed-upon procedures (AUP) Hours – 120
12. *Are there any significant changes in operations in the current year vs. the prior year including changes in policies and procedures, personnel, or the reporting entity?*
  - a. No
13. *Are there any improvements you would like to see in the audit process?*
  - a. The audit process, over the past 4 years, has been extremely smooth. Suggestions for improvement in processes or those that might strengthen internal controls or add value to the organization are respected.
14. *What were the fees for the prior year's audits, broken down by Financial Statements, Single Audit, Report Preparation, Agreed Upon Procedures and New Mexico Gross Receipts Tax?*
  - a. Annual Year Audit - \$109,000.00, Agreed-upon procedures (AUP)- \$40,000.00 GRT \$11,360.00
  - b. Annual Year Audit Hours – 700, Agreed-upon procedures (AUP) Hours - 120
15. *How many hours did the prior audit firm propose for each service for their previous proposal?*
  - a. Annual Year Audit Hours – 700, Agreed-upon procedures (AUP) Hours - 120
16. *Can you provide examples of prior year Agreed Upon Procedures reports?*
  - a. Yes
17. *Can you clarify "the term of the contract shall be one year with the option to extend for three successive one-year terms 'at the same price, terms, and conditions'." Is this saying prices can't increase each year for inflation, etc.?*
  - a. Office of the State Auditor (OSA) requires that a new contract be signed each year over the 4 year proposal time. Within the proposal a comprehensive fee schedule over the 4 year proposal, pricing would be indicated for each of the 4 years.
18. *Could you provide the breakdown per OSA contract for the audit services for fiscal 2025?*
  - a. Fiscal Year Audit - \$109,000.00 Quarterly AUP's (4) - \$40,000.00
19. *Are the AUP costs included in the OSA contract?*
  - a. Yes
20. *Should the AUP costs be included in the Cost Proposal? Or will this be negotiated separately?*
  - a. The AUP costs should be included in the Cost Proposal
21. *Could you provide the cost(s) of the AUP services for fiscal year 2025?*
  - a. The AUP Service costs for Fiscal Year 2025 were a total of \$40,000.00 (\$10,000.00) per quarterly report.