

## Addendum No. 1



# JOLIET JUNIOR COLLEGE

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1901

## Request for Proposal Fair Labor Standard Act Risk Assessment

DATE: August 21, 2009

*Response to questions pertaining to the Joliet Junior College Request for Proposal for Fair Labor Standards Act Risk Assessment*

1. *We have experience doing this type of work across multiple industries and in the education space. Given that all of the work identified does not require a CPA to complete, there must be a good reason for making this a minimum requirement. Can you tell me what the reason is for making this a requirement?*

**Answer: Part of the audit deals with the financial/payroll part of the audit which means to assess the adequacy and effectiveness of internal controls related to the administration of leave and overtime. Specifically, the audit should assess the extent to which the control framework ensured the effective and efficient processing of leave and overtime. This audit is primarily a compliance audit, focused on the appropriateness and effectiveness of the existing management framework in place to support leave and overtime activities and compliance with relevant regulations and departmental policies. This audit is part of the Three Year Risk Assessment Audit Plan and must meet all applicable internal and external audit standard practices.**

2. *The RFP mentions the word "audit" several times. Are there specific standards that you would expect this audit to be conducted? For example, the standards promulgated by the AICPA?*

**Answer: the audit should be completed in accordance with generally accepted government auditing standards. Those standards require that the auditors plan and perform the audit to afford a reasonable basis for the auditor judgments and conclusions regarding the organization, program, activity, or function under the audit as required by AICPA.**

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3. *What type of report / opinion are you expecting to receive at the conclusion of the "audit"?*

**Answer: The types of reports and opinions we want to receive are:**

**The full cost and impact of employee overtime**

**Review of exempt and non exempt positions ( using the short and/or long exemption test analysis)**

**Policy interpretation and compliance with FLSA Act**

**New policy or procedure recommendations**

**Expenditure Authorization review**

**Development and implementation of a formal risk management and monitoring process for leave and overtime**

**Review of reasons for overtime**

4. *Under the requested proposal information, points #2 and #3 request the number of audits performed by the firm and the names of the institutions audited. What type of audits are eligible to be referenced in this section? For example, are financial/compliance audits performed in accordance with GAAS / GAS as promulgated by the AICPA eligible?*

**Answer: Financial, Compensation and Fair Labor Standard Audits.**

5. *What are the record keeping issues that need to be addressed by the RFP?*

**Answer: To look at the collective bargaining agreements and overtime procedures; accountabilities, roles and responsibilities for the administration of leaves and overtime; overtime payments are properly authorized, earned and taken in accordance with agreements , contracts and all applicable laws.**

6. *What are the issues with Salary Leave that need to be addressed by the RFP?*

**Answer: Leave entitlements under collective bargaining agreements and procedures.**

7. *What are the issues with Salary Basis that need to be addressed by the RFP?*

**Answer: Salaries are consistent with like and similar job classifications internal and externally. Review the compensation internal equity issues. To do market analysis to see if salaries are competitive with our peer institutions.**

8. *What are the issues with Job Duties that need to be addressed by the RFP?*

**Answer: Whether certain job duties are in the right job descriptions. From the job descriptions employees are classified as exempt or non-exempt employees. Whether the College needs to adopt another job classification system. There are exempt employees receiving overtime pay.**

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9. *What type of report are you expecting about the policies, information reporting capabilities, procedures, hiring, termination, grievances and payroll changes at the conclusion of the audit?*

**Answer: Recommendations on Best Practices, medium and high recommendations regarding policies, procedures, salary administration, hiring and terminations.**

**Develop internal guidelines for completion of overtime forms**

10. *What is the objective around monitoring that you would like to accomplish?*

**Answer: Develop tools to monitor negative leave balances on a monthly basis.**

11. *What is the objective around the Policy and Supervision review that you would like to accomplish?*

**Answer: Policy consistency; accountability framework; accurate assignment job classifications, grade levels, consistent job title hierarchy.**

12. *The RFP notes that you have 855 full and part time staff, how many full time and how many part time positions are to be included in the audit?*

**Answer: We have 540 full time and 315 part-time employees.**

13. *The RFP notes that the audit can begin on December 1, do you have a specific date that the audit is to be complete?*

**Answer: 1-2 months.**

14. *For the positions that are to be included in the study do you have reasonably up to date job descriptions? If not, are you going to be gathering up to date job descriptions or is that a function of the consultant to complete as part of the audit process?*

**Answer: Most of the positions have up to date job descriptions. This is also a part of the audit.**

15. *What will be included in the audit preparation work and work papers that you are going to complete and provide to consultant at start of project?*

**Answer: Job Classifications, overtime policy and procedures, contract agreements, budget book, overtime and leaves expenditures, overtime and leave reports and copy of job descriptions.**

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16. Page 3, under Minimum Qualifications, **Item #4...We are removing this qualification from our requirements.**

**Please acknowledge receipt of this addendum by emailing to [purchasing@jjc.edu](mailto:purchasing@jjc.edu)  
Include your name, title and company name in your acknowledgement email. Failure to so could result in disqualification of your bid.**

**Additional information regarding this bid can be found at:  
[www.jjc.edu/info/purchasing](http://www.jjc.edu/info/purchasing)**

Issued by:

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