



**ADDENDUM #1**  
**Office of Financial Management**  
**County Payroll System Internal Control Review**  
**IRFP # 7462-23**

April 27, 2023

The attached addendum supersedes the original Information and Specifications regarding IRFP # 7462-23 where it adds to, deletes from, clarifies or otherwise modifies. All other conditions and any previous addendums shall remain unchanged.

**Please note: BIDS will only be accepted electronically by emailing [purchasing@bouldercounty.org](mailto:purchasing@bouldercounty.org).**

1. Question: Why is the County seeking a request for inquiry for internal controls and financial practices of the county's payroll function?

**ANSWER: The answer is twofold. We discovered in a yearend review of our trial balance that some of our withholding balance sheet accounts carried larger than expected balances. Upon investigation we discovered that our HR department did not submit Federal and State withholdings in the months of August and November of 2022. Although the error has been corrected, we are concerned that dual processes and internal controls are not adequately in place.**

**Secondly, we believe that some of our processes are very manual, and we can gain efficiency through new practices.**

2. Question: Has the County had a similar service of payroll performed in the past?  
If yes,
  - a. Who conducted the work? **N/A**
  - b. How long ago was the work performed? **N/A**
  - c. May we receive a copy of the results? **N/A**
  - d. What were the fees and hours expended for the service? **N/A**

3. Question: Was payroll audited as part of the County's 2022 annual financial report? Were there any payroll related issues identified from the external audit?

**ANSWER: No.**

4. Question: Have there been any deficiencies in internal control (material weaknesses, significant deficiencies, or control deficiencies) within payroll reported in the past two years? If yes, are there any unresolved as of now?

**ANSWER: We received no material weaknesses, significant deficiencies or control deficiencies within the area of payroll. We are trying to proactively look at our processes.**

5. Question: Have there been any known instances of fraud or illegal acts within payroll in the past two years?

**ANSWER: No known instances.**

6. Question: When was the last time the payroll policies, procedures, and process documents were updated?

**ANSWER: Boulder County reviews and makes updates as necessary to all policies and procedures annually. Process documents were last updated in approximately 2018, however work is being done this year to make updates again.**

7. Question: Is payroll processed in-house or through a third-party provider, such as ADP?
  - a. How often is payroll processed – weekly, bi-weekly, monthly?
  - b. Does the County use electronic timesheets?

**ANSWER: Payroll is processed in-house monthly. We use UKG software for timekeeping (timesheets) as well as for payroll functions.**

8. Question: Approximately how many FTEs and departments does the County have?
  - a. How many County staff are involved in the processing of payroll that would need to be included in the interviewing process?

**ANSWER: 2,654 employees; 20 departments and offices; a total of four staff in Human Resources and approximately two staff in the Office of Financial Management should be included in the interview process.**

9. Question: What is the county's human resources software and county's financial software?
- a. Were there any major system failures or issues noted during the timeframe under review: January 2021 to December 2022?

**ANSWER: Our timekeeping/payroll software is UKG. Our financial software is Oracle for our general ledger work and OpenGov for our budgeting needs. We did not have a system failure, but we were heavily impacted by the worldwide cyber security event that took down UKG's cloud functionality year end 2021 and early 2022.**

10. Question: Does the county have a preference or expectation for on-site versus remote work? Are there specific tasks the county expects the Consultant to perform onsite?

**ANSWER: We are open to both onsite and virtual work. Walking through a month end payroll cycle with staff may however be easier onsite.**

11. Question: Who will the Consultant be reporting to during the project timeframe? Who should the final delivery of the service product be addressed to?

**ANSWER: The consultant will report to our Financial Reporting Comptroller and the final delivery of the results should be addressed the county's Chief Financial Officer Ramona Farineau.**

12. Question: Please provide more details on what the desired final deliverable will be? i.e., internal audit report, summary of risks or findings with recommendations, power point presentation, etc.
- a. What is the intended outcome of the deliverable?

**ANSWER: Recommendations around internal controls as well as efficiency improvements are the deliverables.**

13. Question: Please provide additional expectations related to your desired time frame to complete the work and expected delivery due date (date range).

**ANSWER: We would like to have the review complete by end of third quarter with a negotiable start date.**

14. Question: Has the county determined a budget for this project? If so, can it be shared?

**ANSWER: The county has not yet determined a budget for this project.**

15. Question: When will your selection process be completed and successful bidder notified?

**ANSWER: With submittals due to Boulder County on May 5<sup>th</sup> we hope to have our review committee make a decision and award the work by the end of May 2023.**

16. Question: How many employees are in the Boulder County system?

**ANSWER: 2,654**

17. Question: When was the most recent payroll internal audit performed?

**ANSWER: We have not conducted a payroll internal control audit. The payroll function is audited as a part of our yearly audit – no significant deficiencies have been reported.**

18. Question: Will a Risk and Controls Matrix be made available to the selected provider?

**ANSWER: We would be happy to complete one for the selected provider, or we can provide a copy of our payroll internal control walkthrough which is created for our county auditors.**

19. Question: What is the driver behind the two-year period under review?

**ANSWER: The answer is twofold. We discovered in a year-end review of our trial balance that some of our withholding balance sheet accounts carried larger than expected balances. Upon investigation we discovered that our HR department did not submit Federal and State withholdings in the months of August and November of 2022. Although the error has been corrected, we are concerned that dual processes and internal controls are not adequately in place.**

**Secondly, we believe that some of our processes are very manual, and we can gain efficiency through new practices.**

20. Question: What HR/payroll systems are in-scope?

**ANSWER: The county processes timesheets and payroll using UKG software.**

21. Question: Do you anticipate fieldwork or reporting to be performed remotely or on-site?

**ANSWER: We are open to both onsite and virtual work. Walking through a month end payroll cycle with staff may however be easier onsite.**

22. Question: How many agencies/departments does HR/payroll currently support?

**ANSWER: 20 departments and offices**

23. Question: Please provide approximate number of employees on payroll cycle.

**ANSWER: 2,654 employees**

24. Question: Please provide the approximate count of new employees and termed` employees annually.

**ANSWER: Varies greatly from year-to-year dependent upon county projects funded. The 2022 budget included 30 new employees.**

25. Question: What is the annual dollar amount and transaction volume of payroll?

**ANSWER: 2022 payroll \$172M; 5K checks issued, 35K efts issued.**

26. Question: How many pay periods annually?

**ANSWER: 12**

27. Question: Do you have more than one payroll cycle? If so, please explain.

**ANSWER: No.**

28. Question: Are expense reimbursements included in the payroll process? If yes, please provide details.

**ANSWER: No. Expense reimbursements run through the AP process in Finance**

29. Question: Please provide a break-out by employee count of the following pay types:

- a. Hourly – **1,267**
- b. Salaried – **1,134**
- c. Commissioned - **n/a**
- d. Contractor - **not available**
- e. Temporary - **253**

30. Question: Please provide the breakouts (both - percentage and dollars) of the following:

- a. Checks – **4,784 – 12%**
- b. Direct deposit – **34,914 – 88%**
- c. Pay cards - **n/a**
- d. Manual checks (off-cycle) – provide an annual average – **will provide; number not pulled by addendum date. Checks listed above include both in and out of cycle checks.**

31. Question: Is payroll distributed in any other manner than what was listed in question above?

**ANSWER: No.**

32. Question: Are any vendors or service providers used in payroll processing or HR onboarding/offboarding? Please provide details of any vendors and their roles.

**ANSWER: Payroll and onboarding/offboarding done in house. The county uses UKG as its software.**

33. Question: Please provide a listing of all IT systems and applications used (please include the application name and versions) for the following processes for each agency, if different:

- a. Employee Master File
- b. Time keeping systems
- c. Wage calculations
- d. Pay distribution
- e. Expense reporting (if expenses are paid as part of the payroll process)

**ANSWER: a - d all processed using UKG; expense reporting not part of the payroll process. Expenses process in Finance in its Oracle ERP system.**

34. Question: Are the above processes centrally located or disbursed to various locations? If they are not centrally located, please provide details as to the physical locations where each function is performed.

**ANSWER: All processes are centrally located in our HR office.**

35. Question: Is there a preference for this work to be performed onsite, remotely or hybrid?

**ANSWER: We are open to both onsite or virtual work. Walking through a month end payroll cycle with staff may however be easier onsite.**

36. Question: Can you provide an organizational chart of the payroll/HR areas or provide details on the size of each?

**ANSWER: Attached.**

37. Question: Is “the size of the firm’s Colorado practice” defined as the number of projects we have in the state, the number of clients, or the number of employees?

**ANSWER: Number of employees.**

38. Question: What is the expected length of the contract?

**ANSWER: Estimated 3 months with option to extend based upon discussion around the scope of work.**

39. Question: How many County personnel will be included in the scope of the review?

**ANSWER: A total of four staff in Human Resources and approximately two staff in the Office of Financial Management should be included in interviews.**

40. Question: Which County departments are included?

**ANSWER: Payroll resides in Human Resources. There may be questions for the Finance staff but there would be no inclusion of finance’s procedures in the process recommendation.**

41. Question: What is the estimated start date?

**ANSWER: June 15<sup>th</sup>, dependent upon firm availability.**

42. Question: What is the estimated date the County would like all work to be completed?

**ANSWER: We would like to have the review complete by end of third quarter with a negotiable start date.**

43. Question: What is the budget for this project?

**ANSWER: Not yet determined.**

44. Question: What are the expectations for services to be performed onsite vs. virtually/offsite?

**ANSWER: We are open to both onsite and virtual work. Walking through a month end payroll cycle with staff may however be easier onsite.**

45. Question: What precipitated the need for this engagement?

**ANSWER: The answer is twofold. We discovered in a year-end review of our trial balance that some of our withholding balance sheet accounts carried larger than expected balances. Upon investigation we discovered that our HR department did not submit Federal and State withholdings in the months of August and November of 2022. Although the error has been corrected, we are concerned that dual processes and internal controls are not adequately in place.**

**Secondly, we believe that some of our processes are very manual, and we can gain efficiency through new practices.**

46. Question: Do you already have an established risk and control matrix? If so, please answer the following.

- a. How many payroll controls are there currently at the county?
- b. Are you willing to provide the payroll risk and control matrix?

**ANSWER: We would be happy to complete one for the selected provider, or we can provide a copy of our payroll internal control walkthrough which is created for our county auditors.**

47. Question: How many key human resources and payroll personnel do you have at the county? Do you anticipate all being involved in this assessment?

**ANSWER: A total of four staff in Human Resources and approximately two staff in the Office of Financial Management should be included in interviews.**



48. Question: What ERP, payroll, people management, and timekeeping system(s) is the county running? Are these systems hosted by a third party or on premises?

**ANSWER: The county processes its payroll using UKG Cloud system. NeoGov is used for hiring employee review practices.**

49. Question: Are IT application and IT general controls contemplated in scope?

**ANSWER: Yes.**

50. Question: If so, how many IT applications are contemplated in scope?

**ANSWER: UKG Kronos consists of the major system modules of HR records, timekeeping and payroll. Benefits open enrollment is handled via a subcontractor and the resulting data goes into HR records. IT has 1.5 staff members dedicated to the payroll process.**

51. Question: Do you have an established budget? If so, can you share established budget?

**ANSWER: We have not set a budget for this project yet.**

52. Question: When was the last time existing internal control documentation and relevant policies/procedures were reviewed and/or updated?

**ANSWER: No recent reviews other than our annual audit.**

53. Question: Do you have a preference related to onsite or remote procedures?

**ANSWER: We are open to both onsite or virtual work. Walking through a month end payroll cycle with staff may however be easier onsite.**

54. Question: For the purpose of onsite visits (if applicable), are all control owners that would be interviewed located in one location? If no, how many locations are anticipated to be visited?

**ANSWER: Staff work remotely and from home but for purposes of an on-site review all staff would be available to come into our central Boulder HR location.**

55. Question: For tests of controls, do you have a preferred sampling methodology that you would like used? If so, are you willing to provide a copy?

**ANSWER: We do not have a preferred methodology. This can be proposed by the respondent.**

56. Question: Do you have a timeline in which you would like this assessment to be started and/or completed?

**ANSWER: Preferred start time June 15<sup>th</sup>; preferred end date, end of 3<sup>rd</sup> quarter but negotiable.**

**Submittal Instructions:**

Submittals are due at the email box only, listed below, for time and date recording on or before **2:00 p.m. Mountain Time on May 5, 2023.**

**Please note that email responses to this solicitation are limited to a maximum of 50MB capacity.**

**NO ZIP FILES OR LINKS TO EXTERNAL SITES WILL BE ACCEPTED. THIS INCLUDES GOOGLE DOCS AND SIMILAR SITES. ALL SUBMITTALS MUST BE RECEIVED AS AN ATTACHMENT (E.G. PDF, WORD, EXCEL).**

**Electronic submittals must be received in the email box listed below. Submittals sent to any other box will NOT be forwarded or accepted. This email box is only accessed on the due date of your questions or proposals. Please use the Delivery Receipt option to verify receipt of your email. It is the sole responsibility of the proposer to ensure their documents are received before the deadline specified above. Boulder County does not accept responsibility under any circumstance for delayed or failed email or mailed submittals.**

Email [purchasing@bouldercounty.org](mailto:purchasing@bouldercounty.org); identified as **IRFP # 7462-23** in the subject line.

All proposals must be received and time and date recorded at the purchasing email by the above due date and time. Sole responsibility rests with the Offeror to see that their bid is received on time at the stated location(s). Any bid received after due date and time will be returned to the bidder. No exceptions will be made.

The Board of County Commissioners reserve the right to reject any and all bids, to waive any informalities or irregularities therein, and to accept the bid that, in the opinion of the Board, is in the best interest of the Board and of the County of Boulder, State of Colorado.



**RECEIPT OF LETTER  
ACKNOWLEDGMENT**

April 27, 2023

Dear Vendor:

This is an acknowledgment of receipt of Addendum #1 for IRFP #7462-23, County Payroll System Internal Control Review.

In an effort to keep you informed, we would appreciate your acknowledgment of receipt of the preceding addendum. Please sign this acknowledgment and email it back to [purchasing@bouldercounty.org](mailto:purchasing@bouldercounty.org) as soon as possible. If you have any questions, or problems with transmittal, please call us at 303-441-3525. This is also an acknowledgement that the vendor understands that **BIDS will only be accepted electronically by emailing [purchasing@bouldercounty.org](mailto:purchasing@bouldercounty.org).**

Thank you for your cooperation in this matter. This information is time and date sensitive; an immediate response is requested.

Sincerely,

Boulder County Purchasing

**Signed by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name of Company** \_\_\_\_\_

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