

## REQUEST FOR PROPOSALS (RFP) FOR INDEPENDENT AUDIT SOLICITED

### BY BERGEN COMMUNITY COLLEGE

Bergen Community College is a community college operating in the State of New Jersey as authorized under provision of N.J.S.A. 18A:64 et. seq. The Bergen Community College Foundation is a 501( c)(3) entity. In addition, the College is subject to regulations and guidelines established in the New Jersey Administrative Code 9:4 et seq.

The Board of Trustees of Bergen Community College is requesting proposals from accounting firms regarding the audit engagement for fiscal year 2012 for: Bergen Community College and Bergen Community College Foundation. Proposals must be submitted in writing by 2pm on January 27, 2012. Proposals should include a price quotation for fiscal year 2012, and an additional price for 2013 which will be awarded at the option of the College. The successful firm must be able to perform the audit for both the College and the Foundation. It is anticipated that the College's Board of Trustees will award a one-year contract at its regularly scheduled March meeting. Proposals must identify a contact person at the respondent's organization who will be available by phone or e-mail to address any questions the College may have regarding the submitted proposal.

Included with this Request for Proposals are the following documents:

- A. Audit Report for Bergen Community College for the Years Ended June 30, 2011 and 2010
- B. Schedule of Total Credit-Hour Enrollments for Bergen Community College for the Year Ended June 30, 2011
- C. Schedule of Base Chargeback Rate per Credit Hour for Bergen Community College for the Year Ended June 30, 2011
- D. Management Letter for Bergen Community College for FY 2011
- E. Audit Report for Bergen Community College Foundation for the Years Ended June 30, 2011 and 2010
- F. Management Letter for Bergen Community College Foundation for FY 2011

#### **SCOPE:**

##### **Bergen Community College**

It is the intent of the Board of Trustees of Bergen Community College that there be conducted an annual comprehensive audit of the financial statements of the College. This audit is to be conducted by a certified public accountant and should be made in accordance with auditing standards generally accepted in the United States of America as defined by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States and should include such tests of the accounting records and other auditing procedures as deemed necessary by that accountant in order to insure certification of the College's financial statements. The audit should include the following:

1. Audit of financial statements prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

2. Audit of Federal Financial Assistance in accordance with the requirements of Federal Government's OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

3. Audit of State of New Jersey Financial Assistance in accordance with the requirements of New Jersey Office of Management and Budget Circular 04-04.

4. Audit of the Colleges enrollments in accordance with NJ Council of County Colleges Guidelines for enrollment audit and Statement of Auditing and Accounting Standards for County Colleges.

It is expected that reports will be submitted on examination of the financial statements certifying to the fair representation of those statements. The reports should be submitted in sufficient detail as requested by the Board of Trustees and/or the Senior Financial Officer of the entity or their designee.

The report should include:

FINANCIAL STATEMENT AUDIT (Including Federal OMB A-133 and New Jersey OMB 04-04).

1. Management, Discussion and Analysis.
2. Independent Auditor's Report.
3. Comparative Statements of Net Assets.
4. Comparative Statements of Revenues, Expenses, and Changes in Net assets.
5. Comparative Statement of Cash Flows.
6. Notes on Financial Statements.
7. Schedule of Federal Awards.
8. Schedule of State of New Jersey Awards.
9. Independent auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Governmental Auditing Standards.
10. Independent auditor's report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Federal OMB Circular A-133 and New Jersey OMB Circular 04-04.
11. Schedule of Findings and Questioned Costs-Federal and State programs.
12. Management Letter.

13. Any other exhibits, letters, or financial statements that may be required to satisfy audit regulations.

### ENROLLMENT AUDIT

1. Independent Auditor's Report.
2. Schedule of Total Credit-Hour Enrollments.
3. Schedule of Base Chargeback Rate per Credit Hour.
4. Note to Schedule.
5. Results of Audit Procedures for total credit-hour enrollments.

### INTERNAL CONTROL

The examination should include a review and evaluation of the College's internal control system. This review and evaluation should encompass all business operations within the College including, but not limited to cash receipts and disbursements, purchasing, payroll, assets, liabilities, investments, student activities, financial aid and the verification of student full-time equated enrollment.

A management letter of suggestions for improvements in internal controls, accounting procedures and other matters should be submitted by the firm. Management's response to recommendations shall be included in the final management letter presentation. The firm should be available to discuss the contents of this letter with management at the designated exit conference.

The required audit reports and their corresponding due dates to the State and Federal Agencies are as follows:

|                                                               |               |
|---------------------------------------------------------------|---------------|
| Enrollment Audit Report                                       | November 1st  |
| Financial Audit Report                                        | December 31st |
| Federal and State of Jersey Financial Assistance Audit Report | December 31st |

The Financial Audit Report is to be presented to the Audit and Finance Committee of the Board of Trustees at their meeting in preparation for the November Board of Trustees meeting and to the Board of Trustees at their November meeting.

It is expected that the audits will be completed on time and that sufficient lead time will be provided to allow for review by the Audit and Finance Committee of the Board of Trustees. The accounting firm will be required to submit the audit report directly to all the appropriate governmental agencies. The College generally requires approximately 25 copies of the enrollment audit report and 25 copies of the financial audit report.

## **SCOPE:**

### **Bergen Community College Foundation**

It is the intent of the Board of Trustees of Bergen Community College that there be conducted an annual comprehensive audit of the financial statements of the Foundation. This audit is to be conducted by a certified public accountant and should be made in accordance with auditing standards generally accepted in the United State of America as defined by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Generally Accepted Accounting Principles and should include such tests of the accounting records and other auditing procedures as deemed necessary by that accountant in order to insure certification of the Foundation's financial statements. The audit should include the following:

1. Audit of financial statements prepared in conformity with generally accepted accounting principles as prescribed by Generally Accepted Accounting Principles (GAAP).
2. Preparation and filing of Form 990 and Forms CRI-400 and CRI-300.

It is expected that reports will be submitted on examination of the financial statements certifying to the fair representation of those statements. The reports should be submitted in sufficient detail as requested by the College's Board of Trustees and/or the College's Senior Financial Officer or their designee.

The report should include:

### **FINANCIAL STATEMENT AUDIT**

1. Independent Auditor's Report.
2. Statements of Financial Position
3. Statements of Activities.
4. Statements of Cash Flows.
5. Statements of Functional Expenses.
6. Notes to Financial Statements.
7. Supplementary Information:
  - a. Schedule of Special Events
  - b. Schedule of Changes in Temporarily Restricted Net Assets – Purpose Restricted
  - c. Schedule of Changes in Permanently Restricted Net Assets – Historical Corpus and Changes in Temporarily Restricted Net Assts – Restricted Earned Corpus

8. Management Letter.

9. Any other exhibits, letters or financial statements that may be required to satisfy audit regulations.

#### INTERNAL CONTROL

The examination should include a review and evaluation of the Foundation's internal control system. This review and evaluation should encompass all business operations within the Foundation including, but not limited to cash receipts and disbursements, purchasing, payroll, assets, liabilities and investments.

A management letter of suggestions for improvements in internal controls, accounting procedures and other matters should be submitted by the firm. Management's response to recommendations shall be included in the final management letter presentation. The firm should be available to discuss the contents of this letter with management at the designated exit conference.

The Financial Audit Report for the Foundation is to be presented to the Finance Committee of the Foundation at their January meeting.

It is expected that the audit will be completed on time and that sufficient lead time will be provided to allow for review by the Audit and Finance Committee of the College's Board of Trustees and the Finance Committee of the Foundation's Board of Trustees. The accounting firm will be required to submit the audit report directly to all the appropriate governmental agencies. The Foundation generally requires approximately 100 copies of the financial audit report.

#### ADDITIONAL INFORMATION

1. The books and records are in "Audit Ready" condition upon the auditor's arrival.
2. College and Foundation staff prepare the financial statements and related notes to financial statements.
3. The audit fees for the year ended June 30, 2011 were as follows:

|                                             |          |
|---------------------------------------------|----------|
| a. Financial Statements & Management Letter | \$36,000 |
| b. Federal OMB-133 and NJ OMB 04-04         | 18,600   |
| c. Enrollment Audit                         | 5,460    |
| d. Foundation Audit                         | 17,425   |
4. There were no additional accounting and/or auditing services performed by the external auditors during the year outside of what is contained in this request for proposal.
5. The Audit Timetable for the College for FY 2011 was as follows:
  - a. Control Testing – beginning Monday June 13<sup>th</sup> for up to two weeks
  - b. Enrollment Audit – beginning Monday August 8<sup>th</sup> for one week
  - c. Remaining Fieldwork – beginning Monday September 12<sup>th</sup> for up to four weeks
6. The Audit Timetable for the Foundation for FY 2011 was as follows:
  - a. Control Testing – beginning Monday June 13<sup>th</sup> for up to one week

- b. Remaining Fieldwork – beginning Monday September 12<sup>th</sup> for up to two weeks
7. There have been no significant changes to the College and/or Foundation since the issuance of the FY 2011 Financial Statements.
8. Neither the College nor Foundation has an Internal Auditor.
9. The College will prepare student confirmations for the Enrollment Audit.

### CRITERIA FOR SELECTION

In determining the firm best suited to perform the necessary auditing and examination services for the College and Foundation, the reputation, size, experience, cost, and proximity to the College will be considered of utmost importance.

### FORMAT OF RESPONSE

A written proposal addressing each of the aforementioned areas of the audit should be forwarded to:

Ms Barbara Golden  
Director of Purchasing and Services  
Bergen Community College  
400 Paramus Road  
Paramus, NJ 07652

Your written proposal should include the following:

1. Identify the office and engagement team to perform the audit. Identify the partners and managers that would be assigned to the audit, and a list of their background and accomplishments.
2. Identify the number and composition of the field staff on the audit, and their years of experience.
3. Identify the firm's experience in the field of higher education, specifically community college experience, and a list of relevant clients past and present to be used as reference.
4. Contain a general discussion of the scope of the audit sufficient to indicate your basic approach and timeliness of interim and year-end audit work.
5. Indicate any problems, if any, your firm sees on the part of the Colleges in making the transition to a new audit firm.
6. Contain a brief summary on why your firm is most qualified, and therefore should be selected as the College's outside auditors.
7. Specify total "flat fee" quotation amount for each of the two (2) years for completion of the audit for the entities. This should be a not-to exceed price for

these services (yearly for each of two years). The fee should include the completion of the Audits.

8. Other information as deemed appropriate.

The College will select the firm that they feel best serves its interests. If deemed necessary, interviews will be conducted by the Interim Chief of Administrative Services and Senior Financial Officer, after which a recommendation will be made to the Audit and Finance Committee of the College's Board of Trustees for appointment at the Board's Public Meeting.

NOT AN OFFICIAL RFP DOCUMENT. FOR REFERENCE ONLY.

**PROPOSAL**  
**THE BOARD OF TRUSTEES**  
**OF**  
**BERGEN COMMUNITY COLLEGE**

The accounting firm is requested to submit a final dollar figure for each fiscal year.

|                                            | At the Option<br>of the College |             |
|--------------------------------------------|---------------------------------|-------------|
|                                            | <u>2012</u>                     | <u>2013</u> |
| Financial Statements & Management Letter   | \$ _____                        | \$ _____    |
| Federal OMB A-133 and New Jersey OMB 04-04 | \$ _____                        | \$ _____    |
| Enrollment Audit                           | \$ _____                        | \$ _____    |
| Foundation Audit                           | \$ _____                        | \$ _____    |

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

Address \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Represented by (please print name) \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Date \_\_\_\_\_

Witness \_\_\_\_\_

Corporate Seal