



**REQUEST FOR PROPOSALS
(RFP #14/15-02)
To provide
INDEPENDENT AUDIT SERVICES
August 4, 2014**

**Rancho Santiago Community College District
Fiscal Services Department
2323 North Broadway, Santa Ana, CA 92706
Telephone (714) 480-7321 Fax (714) 480-7322**

**RESPONSES DUE BY EMAIL TO
Adam O'Connor
Assistant Vice Chancellor, Fiscal Services
oconnor_adam@rsccd.edu
by 1:00 September 26, 2014**

1. INTRODUCTION

- 1.1 This Request for Proposal (RFP) contains specifications and related documents covering independent audit services for the Rancho Santiago Community College District (“RSCCD” or “District”), Rancho Santiago Community College District Foundation, Santa Ana College Foundation, Santiago Canyon College Foundation, and two (2) Proposition 39 Financial and Performance audits.
- 1.2 This RFP and all subsequent modifications thereto are hereby designated as the sole reference and authority for the preparation of proposals. This release of the RFP supersedes all other documents related to the work to be done. The contents of this RFP and subsequent modifications thereto take precedence over any and all information related to audit services for the District obtained from any source, either by verbal or written communications.
- 1.3 This RFP shall not be construed to (1) create an obligation on the part of the Rancho Santiago Community College District to enter into a contract with any audit firm or (2) shall serve as the basis for a claim for reimbursement of expenditures related to the development of a proposal.
- 1.4 Notwithstanding other provisions of this RFP, auditors are hereby advised that this request for proposal is an informal solicitation of proposals only. It is not intended, nor is it to be construed as engaging in formal competitive bidding pursuant to any statute, ordinance, policy or regulation.

2. BACKGROUND INFORMATION

- 2.1 Rancho Santiago Community College District is located in central Orange County and maintains two comprehensive community colleges. Santa Ana College, founded in 1915, is located in Santa Ana, and Santiago Canyon College, founded in 1997, is located in Orange. The District also maintains and/or provides college and continuing education programs at the Centennial and Orange Continuing Education Centers, the Digital Media Center, the Orange County Regional Fire Training Center, the Orange County Sheriff's Regional Training Academy and the District Operations Center.
- 2.2 Encompassing 24 percent of Orange County's total area (193 square miles), the District is centered in a growing and dynamic area. The District serves a population of approximately 700,000 residents in the communities of Anaheim Hills, Garden Grove, Irvine, Orange, Santa Ana, Tustin, and Villa Park.
- 2.3 District programs are open to residents throughout Southern California and are not restricted by the geographic boundaries listed above. District full-time equivalent enrollment is approximately 28,952 students with 20,320 at Santa Ana College and 8,632 at Santiago Canyon College.
- 2.4 The District is governed by an independent seven member Governing Board who are elected at large to overlapping four year terms. The District's affairs are administered by the Chancellor, who is appointed by the Governing Board.
- 2.5 The District accounts for its financial transactions in accordance with the policies and procedures of the California Community Colleges Budget and Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as applicable to government agencies. Audits shall conform to the reporting requirements of the California Community Colleges Contracted District Audit Manual, the most recent version is at: <http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalAccountability/ContractedDistrictAuditManual.aspx#CDAM 2014 FY 2013-14> and OMB Circular A-133. Note that the District prior years' audit reports can be found on the District website at: <http://new.rsccd.edu/Departments/Fiscal-Services/Pages/Fiscal%20Services%20Department.aspx>.
- 2.6 The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, income and expenditures. Specific details relating to the District's funds and account groups may be found in the 2012/13 CCFS-311 Report found on the District website at:

<http://new.rsccd.edu/Departments/Fiscal-Services/Documents/2012-13-Annual-Financial-Budget-Report-CCFS-311.pdf>

- 2.7 The District administers specially funded projects under grants and contracts with various federal and state agencies. A summary of the District's federal and state programs is presented beginning on pages 54 of the District's 2012/13 audit report, which can be found on the District website at:
<http://new.rsccd.edu/Departments/Fiscal-Services/Documents/Rancho%20Santiago%20CCD%20Audit%20Rpt%2013.pdf>.
- 2.8 The basis of accounting generally requires the utilization of the modified accrual basis of accounting, wherein expenditures are recorded at the time of payment and income is recorded when received in cash, except for fiscal year end when goods and services received and revenue earned may be accrued to reflect appropriate expenditures and income of the current year. However, the information will need to be converted to full accrual at year-end in accordance with GASB 34/35 for financial reporting purposes.
- 2.9 Qualified employees are covered under contributory retirement plans maintained by agencies of the State of California State Teachers' Retirement System (STRS) for instructional employees and Public Employees Retirement System (PERS) for classified employees. District contributions to these plans are currently paid or accrued based upon qualified employees' salaries.
- 2.10 The long term portion of accumulated vacation and sick leave benefits are not recorded as liabilities on the books of the District. The current portion of the vacation liability is accrued in accordance with GASB 16.
- 2.11 The District is completely insured through ASCIP joint powers agreements (JPA) for workers' compensation and property and liability insurance. The District also participates in the SELF JPA to provide excess insurance coverage above the self-insured retention levels. The relationship between the District and the JPAs are such that none of the JPAs are component units of the District for financial reporting purposes. Premiums are paid by the District to the JPAs.
- 2.12 The District accounts for auxiliary operations at the campuses through the District Auxiliary Services. Auxiliary operations include Bookstore, Food Services, Associated Student Bodies, and Trust and Agency Funds. The colleges have contracted out portion(s) of the Food Service operations.
- 2.13 Non-management certificated personnel of the District are eligible to be members of the Faculty Association of Rancho Santiago Community College District. Continuing education faculty are eligible to be members of the Continuing Education Faculty Association. Classified employees, other than those in management, supervisory or confidential positions, are eligible to be members of an affiliate of the California School Employees Association.

- 2.14 The District is primarily financed by apportionments from the State, property taxes received, and enrollment fees. The District uses the services of the County of Orange for the assessment and collection of taxes. District taxes are collected at the same time and on the same tax rolls as are county, city and special district taxes.
- 2.15 The District utilizes an integrated information system called Datatel, which is the maker of Colleague that incorporates three key areas: Finance, Student and Human Resources.
- 2.16 In 2002, voters approved Measure E, a \$337 million general obligation bond to renovate existing campus buildings and construct new classrooms to alleviate overcrowding and expand the educational and training programs at Santa Ana College, Santiago Canyon College, the regional education centers and the district operations centers of RSCCD. In October 2006, the District issued the final series of the bonds. The District has refunded bonds in Measure E over the last several years.
- 2.17 In 2012, voters in the Santa Ana College Facilities Improvement District No. 1 approved Measure Q, a \$198 million general obligation bond for renovation, repair and construction at Santa Ana College. The first issuance is expected to be issued in early fiscal year 2014/15 at approximately \$70 million.
- 2.18 The District has a Board Fiscal Audit Review Committee which is comprised of appointed Board of Trustee members, the Chancellor, the Vice Chancellor, Business Operations and Fiscal Services, and the Assistant Vice Chancellor, Fiscal Services.
- 2.19 The District has three foundations: the Rancho Santiago Community College District Foundation, the Santa Ana College Foundation, and the Santiago Canyon College Foundation. These foundations are treated as component units of the District but also have separate audits issued.
- 2.20 The District is currently in the process of applying for Fiscal Accountability with the Orange County Department of Education and expects to begin operating in this status as of July 1, 2015.

3. INFORMATION AND GENERAL CONDITIONS

3.1 Definitions

The term "RSCCD" as used in these clauses shall be construed to include the RSCCD Board of Trustees, and all employees, officers, and agents of the District.

The Proposer/Auditor is named as such in the contract documents and is referred to in generic terms as if of singular number and masculine gender.

3.2 Preparation of Proposal Documents

An electronic copy of the proposal shall be submitted no later than 1:00 p.m., Friday, September 26, 2014. Proposals shall be emailed to the attention of Adam O'Connor, Assistant Vice Chancellor, Fiscal Services, at oconnor_adam@rsccd.edu with the subject "Proposal for Audit Services RFP #14/15-02". Each proposal shall not contain more than thirty (30) pages. Proposals containing more than thirty (30) pages will not be considered.

It is the sole responsibility of the person submitting the proposal to see that it is delivered on time. Any proposal submitted after 1:00 p.m. on Friday, September 26, 2014, will not be considered.

3.3 Signature

The proposal must be signed in the name of the Auditor and must bear the signature of the person authorized to sign proposals on behalf of the Auditor.

3.4 Completion of Proposals

Proposals shall be completed in all respects as required by the instructions herein. A proposal may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. A proposal will be rejected if, in the opinion of the District, the information contained therein was intended to erroneously or improperly mislead the District in the evaluation of the proposal.

3.5 Erasures

The proposal submitted must not contain erasures, interlineations, or other corrections unless each correction is authenticated by signing in the margin, immediately opposite the correction, the name of the person signing the proposal.

3.6 Examination of Contract Documents

Auditors shall thoroughly examine the contents of this RFP. The failure or omission of any Auditor to receive or examine any contract document, form, instrument, addendum, or other document shall in no way relieve the Auditor from obligations with respect to this RFP or to the contract to be awarded. The submission of a proposal shall be taken as *prima facie* evidence of compliance with this section.

If the Auditor discovers any ambiguity, conflict, discrepancy, omission or other errors on the RFP, he shall notify the District by email of the error and request modification or clarification of the document no later than September 2, 2014. Clarifications shall be emailed to all Auditors participating in the RFP, without divulging the source of the request for same. Modifications shall be made by addendum issued pursuant to Section 3.9.

If an Auditor fails to notify RSCCD of an error in the RFP before the date scheduled for submission of proposals, or of an error which reasonably should have been known to him, he shall submit the proposal at his own risk. If the contract is awarded to the Auditor, he shall not be entitled to additional compensation or time by reason of the error or its subsequent correction.

3.7 Right to Negotiate Proposals

RSCCD reserves the right to negotiate any price or provision, accept any part or all of any proposals, and to reject any and all, or parts of any and all proposals, whenever, in the sole opinion of RSCCD, such action shall serve its best interests and those of the tax-paying public. Proposers are encouraged to submit their best prices in their proposals, and the RSCCD intends to negotiate only with the proposer(s) whose proposal most closely meets RSCCD's requirements. The Contract, if any is awarded, will go to the auditor whose proposal best meets RSCCD's requirements.

3.8 Confidential and Proprietary Information

All materials received relative to this RFP will be kept confidential until such time an award is made or the RFP is canceled. At such time, all materials received must be made available to the public. If any part of any proposer's proposal is proprietary or confidential, the proposer must so identify and so state. However, any information that must be used by RSCCD to aid in proposal selection must not be restricted from the public. RSCCD reserves the right to retain all proposals submitted. Any restrictions on the use of hardware or software proposed, arising from the use or incorporation of confidential and/or proprietary information or materials, must be clearly stated in the proposal.

3.9 **Addenda**

RSCCD may modify this RFP before the date scheduled for submission of proposals by issuance of addenda to all parties who received the RFP for the purpose of submitting a proposal. Addenda shall be numbered consecutively as a suffix by the RFP reference number. (For example, the first addenda would be RFP A-1.)

3.10 **Modification of RFP Response**

The audit proposal may be modified after its submission by written notice to the District of withdrawal and resubmission before the date and time specified for receipt of proposals. Modifications will not be considered if offered in any other manner.

3.11 **Withdrawal of Proposals**

The audit proposal may be withdrawn by submitting a written request to the District at any time before the date scheduled for proposal submission. The Auditor may thereafter submit a new proposal before the proposal submission date. Proposals may not be withdrawn after the proposal submission deadline for a period of four (4) months.

3.12 **Rejection of Proposals**

The District reserves the right to reject any or all proposals received in response to the RFP or to negotiate separately with any Auditor when it is determined to be in the best interest of the District to do so.

3.13 **Misunderstandings**

The RFP documents will be clarified by RSCCD upon written request from a proposer. RSCCD's decision shall be final for all matters of interpretation of the RFP documents.

3.14 **Cost of Preparation of Proposals**

Costs for developing responses to this RFP are entirely the responsibility of the proposer and shall not be chargeable to RSCCD.

3.15 **Evaluation Process**

Upon receipt, the District Selection Committee will review and score the Proposals. Strongly qualified firms will be invited to interview with the District Fiscal Audit Review Committee. During the evaluation, validation and selection process, RSCCD may request meetings with a proposer's representative to

request answers to specific questions or may request that the auditor answer specific questions in writing. RSCCD may require that the auditor make presentations that are pertinent to the proposal and the contract to be awarded, the question(s) and the answer(s) will be sent to the proposer in writing for verification before they are included in the contract documents. After the evaluation process, the District will submit the recommended firm to the Board of Trustees for approval.

3.16 Award of the Contract

If the contract is awarded, it will be to the responsible auditor whose proposal is deemed to be the best proposal and whose proposal best meets the requirements of the RFP and RSCCD, cost and all other factors considered. It is anticipated that award of the contract will be made within ninety (90) working days after the submission of proposals. If award cannot be made within this time period, the auditors will be requested, in writing, to extend the time period during which the proposer agrees to be bound by his proposal. Written notification will be made to unsuccessful proposals.

3.17 Errors in Proposal

Proposals shall be bound by the terms and conditions of the proposal, notwithstanding the fact that errors are contained therein. However, if material errors are found in a proposal, RSCCD may notify the proposer that the proposal, as submitted, appears to contain errors and require the proposer to correct the errors.

3.18 Workers' Compensation

In accordance with the provision of Section 3700 of the Labor Code of the State of California, each proposer shall sign and file with RSCCD the following certificate before performing the work under the contract:

"I am aware of the provisions of Sections 3700 of the labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code before commencing the performance of the work of the contract."

3.19 Contract Documents

Documents included in this RFP are complementary. Work called for by one shall be binding as if called for by all. The intent of the documents is to include all labor, materials, equipment and supplies required to perform the work to be done.

3.20 Related Experience

All Auditors must submit information that indicates specific qualifications to perform the financial and compliance audit services as specified herein. Each Auditor shall submit with the proposal a list of clients for whom such services have been provided during the past two (2) years. The reference list shall include the names and addresses of each client; the names, titles, and telephone numbers of each client's cognizant manager, and the dates the work was performed. During the evaluation and selection process, the District may contact each of the referenced clients. Auditors are hereby advised that the District maintains the sole and exclusive right to determine whether or not the Auditor can perform the work to be done. This determination will specifically address the level, background, and experience of individuals to be assigned to perform the audit services.

3.21 Tentative Schedule of Events

Issue Request for Proposal	August 4, 2014
Last day for Auditor to request additional information	September 2, 2014
Receive Proposals No Later Than 1:00 p.m.	September 26, 2014
Complete Evaluation of Proposals	October 24, 2014
Interviews with prospective Auditor(s) at the discretion of the District during the week of	November 10, 2014
Begin Contract Negotiations with Apparent Acceptable Bidder	November 17, 2014
Recommend Auditor to the Governing Board	January, 2015
Award Contract No Later Than	January 26, 2015

3.22 Covenant Against Contingent Fees

The proposer warrants that no person or selling agency has been employed or retained to solicit or secure the contract to be executed as a result of the RFP upon an agreement of understanding for a commission, percentage, brokerage or contingent fee, except bona fide established commercial or selling agencies, which are so declared and maintained by the proposer for the purpose of securing business.

For breach or violation of this warranty, the District shall have the right to terminate any contract that may be entered into with the Auditor and, in its sole discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fees.

3.23 Compensation

RSCCD shall pay the Auditor an amount not to exceed the maximum cost

proposed for each year the contract is in effect. Payments shall be made upon receipt of itemized invoices delivered to the attention of the Assistant Vice Chancellor, Fiscal Services. Payments shall be made at the rates specified in the Auditor's response to this RFP for each of the three (3) years.

Proposers may indicate an annual escalator in their annual fees as a cost-of-living adjustment. However, RSCCD will accept no annual adjustment in excess of the annual consumer price index for the Los Angeles-Long Beach-Santa Ana metropolitan area as published by the U.S. Department of Labor, Bureau of Labor Statistics.

3.24 Supplemental Compensation and Additional Services

If during the course of the audit examination, the Auditor finds any unusual item or circumstance which, in the Auditor's opinion, warrants an immediate detailed investigation, the same will be reported in writing to the District Office, to the attention of the Assistant Vice Chancellor, Fiscal Services. If the District determines that a more detailed verification is required than that which would be required under ordinary circumstances, a written authorization will be provided to the Auditor by the District.

Additional services are not within the scope of services to be performed pursuant to this Agreement. However, if additional services are required and authorized, the Agreement will be amended to reflect the additional services and supplemental compensation shall be at the hourly rates provided with the proposal response applicable for the then-current audit year. If the additional work is not authorized by the District, the audit report may be qualified according to the circumstances involved. The District may also request the Auditor to perform work or render services in addition to those which are usual and customary in making an examination of books and accounts. If such work is performed by the Auditor, the Agreement will be amended to reflect the scope of the work to be done. Compensation for such work shall be at the hourly rates applicable to the then-current audit year.

3.25 Auditor's Obligation to perform Work in Accordance with Standards

If the work performed by the Auditor is not in accordance with the standards as specified herein or if the reports submitted by the Auditor are not complete or if the reports are rejected by the California State Department of Finance, and/or Community Colleges Chancellor's Office and/or federal government as incomplete, then the Auditor shall be obligated to do whatever is required to correct the reports to meet the requirements as specified in the standards, or as specified by the Department of Finance, and/or Community Colleges Chancellor's Office, and/or federal government.

3.26 Insurance and Indemnification

The Auditor shall take out, and maintain during the term of the Agreement, such general liability and property damage insurance as is required to protect the Auditor and the District from any and all actions, suits, or other proceedings which may arise as a result of the work performed by the Auditor pursuant to the Agreement with the District. Such insurance shall include an endorsement naming the District as additional insured pursuant to contract.

The Auditor shall hold harmless and indemnify the District, its officers, agents, employees, and from and against any such actions, suits or other proceedings.

3.27 **Independent Contractor Status**

While performing services pursuant to this Agreement, the Auditor is an independent contractor and not an officer, agent, or employee of RSCCD.

3.28 **Assignment of Contract**

The Auditor shall not assign or transfer, by operation of law or otherwise, any or all of the Auditor's rights, burdens, duties, or obligations with regard to this Agreement, without the prior written consent of the District.

3.29 **Insurance**

Auditor shall maintain public liability and property damage insurance in the amount of no less than One Million Dollars (\$1,000,000) combined single limit which shall be primary over any other insurance carried by RSCCD. The Auditor shall also maintain Errors and Omissions coverage of no less than One Million Dollars (\$1,000,000). Auditor shall not commence work under the Contract until he has obtained all required insurance and certificates of insurance have been delivered to, and approved by, RSCCD. Certificates of insurance shall include the following clause:

"This policy shall not be canceled or reduced in required limits of liability until written notice has been given to Rancho Santiago Community College District of such cancellation or reduction. The date of cancellation or reduction shall not be less than sixty (60) days after the date the notice is given."

Certificates of insurance shall name RSCCD and the RSCCD Board of Trustees as additional insureds. In addition, said certificates shall state the extent of insurance, the locations and operations to which insurance applies, and the expiration date of the insurance.

3.30 **Hold Harmless and Indemnification**

Auditor shall hold harmless and indemnify RSCCD, its officers, agents and employees from and against any and all actions, suits or other proceedings as may arise as a result of performing work hereunder, except such actions, suits or other proceedings as may arise as a result of the gross negligence or willful misconduct of RSCCD, its officers, agents or employees.

3.31 **Subcontracting**

Auditor may subcontract with other qualified firms or individuals as required to complete all or a portion of the work to be done. In the event this subcontracting option is exercised, submit all information requested in Section 4 for each subcontractor in identical form and content as that prescribed for the proposer's response. In addition, the reason for using subcontractors shall be clearly described, including the role each will play in the project and the relationship between the proposer and his subcontractor(s) which will be maintained during the term of the contract. All proposed subcontracts shall be approved by RSCCD prior to award of the subcontractor by the proposer. No subcontract will be approved unless the proposer provides a written guarantee that his firm will be contractually obligated to assume all project responsibilities. Said guarantee shall be incorporated into the written agreement with the successful proposer.

3.32 **Permits and Licenses**

The Auditor, its employees and agents, shall secure and maintain valid certifications and licenses as required by law for the execution of services pursuant to contractual terms.

3.33 **Termination of Agreement**

RSCCD may terminate the Agreement at any time without penalties by providing Auditor with 30 days written notification.

3.34 **Termination for Nonperformance**

If the Auditor fails to perform services as required including furnishing properly trained personnel, or if he should be adjudged bankrupt, or if a receiver should be appointed on account of his insolvency, or he should fail to provide services as required, then RSCCD may, without prejudice to any other right or remedy, or penalties, serve written notification of intention to terminate the Agreement. Such notice shall contain the reasons for such intention to terminate.

4. STATEMENT OF WORK

4.1 Scope of the Audit Services

The Auditor shall submit a proposal to provide the District with audit services for the fiscal year beginning July 1, 2014, and ending on June 30, 2015, and a period not to exceed two (2) years thereafter. Said audit shall include all funds and accounts under the jurisdiction and control of the District. Foundations that support the Colleges and the District and two (2) Proposition 39 Performance and Financial audits will be included in the RFP but will require a separate proposal from each audit firm. The District reserves the right to award the Foundation and/or Proposition 39 audits to any responder regardless of the award of the District audit. The contract will be on a year to year basis, renewing annually at the rates specified in the proposal, at the sole discretion of the district, for the three year period. Upon mutual agreement, the contract may be extended on a year to year basis for an additional two (2) years, beyond the initial three (3) years.

4.2 Technical Standards

Examination of financial records and audits for compliance shall be made in accordance with the provisions of Section 84040 of the Education Code of the State of California.

The annual audit shall include minimum requirements of those prescribed by the Community College Chancellor's Office, State of California, as outlined in their publication entitled "California Community Colleges Contracted District Audit Manual" found at <http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalAccountability/ContractedDistrictAuditManual.aspx#CDAM 2014 FY 2013-14>, shall conform to generally accepted auditing standards as specified in "Statements on Auditing Standards" published by the American Institute of Certified Public Accountants, and OMB Circular A-133.

4.3 Work to be Done

- a. A comprehensive financial and compliance audit shall be conducted of all funds, books, and accounts under the jurisdiction and control of the District. Student Financial Assistance Programs shall be audited annually.
- b. A comprehensive financial and compliance audit of the below listed 501(c)(3) Foundations and related tax returns:
 1. Rancho Santiago Community College District Foundation
 2. Santa Ana College Foundation
 3. Santiago Canyon College Foundation

- c. A comprehensive financial and performance audit of Measure E bond funds as required by Proposition 39.
- d. A comprehensive financial and performance audit of Measure Q bond funds as required by Proposition 39.
- e. Preparation of the Data Collection Form in accordance with OMB Circular A-133.
- f. Preparation of required GASB Statements 34 and 35 adjustments to and preparation of appropriate draft financial statements as outlined in GASB Statements 34 and 35 for management's review.
- g. Preparation of required entry for District input based on the District's independent actuarial study for GASB 45 compliance.
- h. Other services performed outside the scope of the audit as requested by the District.
- i. Copies of a preliminary audit draft shall be prepared and submitted to the District prior to conducting exit conferences for the audit.

4.4 Staffing

The Auditor shall assign professional staff as appropriate to the conduct of the audits. A partner of the audit firm will participate during the District audit and a manager shall be assigned to coordinate the activities of all Auditor staff and shall be the liaison between the Auditor and the District. An in-charge accountant with at least two years experience with audits of California Community Colleges should be assigned to supervise fieldwork. Any auditor assigned to audit student financial aid must have specific previous audit experience in this area.

4.5 Audit Reports

The audit shall be completed and submitted to RSCCD and the State Chancellor's Office and the Partner and Manager will first meet with the District Fiscal Audit Review Committee and also with the Board of Trustees to present the audit no later than December 31 following the fiscal year under examination. Copies will be filed by the Auditor with all applicable reporting agencies and an additional forty (40) bound copies, one (1) unbound copy, and one (1) PDF copy of the final audit report will be provided to the District.

4.6 Statements and Reports

Reports of examination of financial statements must state the scope of the examination and that the audit was performed in accordance with generally accepted accounting principles.

Reports of compliance must include a statement that the examination was conducted in accordance with applicable auditing standards. The audit report must state whether the examination disclosed instances of significant noncompliance with laws and regulations. Findings of noncompliance or ineligible expenditures must be presented in sufficient detail for members of the District to understand the findings and implement corrective action.

4.7 **Working Papers**

Working papers shall be retained by the Auditor for a period of five (5) years, unless otherwise specified in writing by the District. Such working papers shall be available for review and audit by the District, representatives of the federal and/or state governments, subsequent audit firm and other individuals designated by the District.

4.8 **Resources to be Provided by the District**

Staff Assistance - The District shall have available appropriate staff to assist the Auditor by providing required information and explanation.

Working Space - The District shall provide the Auditor with the necessary working space. Requests for working space should be directed to the attention of the Assistant Vice Chancellor, Fiscal Services two months prior to the time needed.

Worksheets and Supplementary Schedules - Worksheets and Supplementary Schedules prepared by District staff shall be identified and agreed upon as described in Section 5.

5. PROPOSAL RESPONSE REQUIREMENTS

5.1 General Requirements

Each proposer shall complete this portion of the RFP by discussing each item in the order presented. Responses to this Section will be analyzed by RSCCD to determine the recommendation of the successful Auditor. Responses to this Section must be legible, clear, accurate, complete, and must be signed by an authorized representative.

5.2 Letter of Transmittal

Summarize your understanding of the work to be done. Indicate the names of the persons who will be authorized to make representations on the part of your firm, their titles, addresses and telephone numbers. The person and/or persons who are authorized to execute the contract on the part of your firm shall sign the transmittal letter.

5.3 Profile of Auditor

State whether your firm is local, regional, national, or international. State the location of the office from which the work will be done if your firm is awarded the contract, and include the number of partners, managers, seniors, supervisors, and other professional staff employed at that office. Describe the range of activities performed by staff at the office from which the work will be done (i.e., auditing, accounting, tax service, management service, etc.). Discuss the staff's experience in auditing school districts, with special emphasis on community colleges, including the number and classifications of personnel.

5.4 Auditor's Staffing and Qualifications

Indicate the name of the person who will manage and supervise the audit services as specified in the RFP. Provide a resume of the partner's, manager's and supervisor's background, training, and experience. Specifically discuss the experience in managing audits of the nature and scope of the audit as specified herein, paying particular attention to any community college experience. Also provide resumes of other staff that are expected to work on the audit. Any auditor assigned to audit student financial aid must have specific previous audit experience in this area.

5.5 References

Provide a list of community college and school district clients for whom your firm has provided auditing services in the past two (2) years. Indicate the scope of the audits performed for each of the referred clients and include the client's name, address, telephone number, and manager. The auditor has the option of

including all or a representative sample of clients.

5.6 **Cost of the Services**

State the maximum annual cost for the audit, as specified in Section 4.3 for the first year for which services will be provided and for each of the two (2) years thereafter. Costs as specified in this Section shall be based upon the scope of the work for each element as defined in Section 4.3, Subsections a. through h.

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
1) Maximum Annual Cost of the District Audit, including Data Collection Form Preparation and Submittal (a) Anticipated Hours			
2) Maximum Annual Cost of Foundation Audit and Tax Return			
- Rancho Santiago Community College District Foundation (a) Anticipated Hours			
- Santa Ana College Foundation (a) Anticipated Hours			
- Santiago Canyon College Foundation (a) Anticipated Hours			
3) Maximum Annual Cost of Proposition 39 Measure E Audits - Performance (a) Anticipated Hours - Financial (a) Anticipated Hours			
4) Maximum Annual Cost of Proposition 39 Measure Q Audits - Performance (a) Anticipated Hours - Financial (a) Anticipated Hours			
5) Hourly Rates for Additional Work by Level of Staff - Partner			

- Manager			
- Senior Staff			
- Junior Staff			
- Other			
6) Travel, mileage, other reimbursable expenses (not to exceed)			

No extended services will be performed unless they are authorized in advance and in writing by the District and the Agreement covering the work to be done has been amended to reflect such extended services.

5.7 Anticipated Schedule

Provide a work plan detailing out the anticipated dates and amount of time expected to be at the District. The District would prefer to schedule interim field work in late May and final field work during early to mid-September. The District requires presentation of the draft audit report to the Fiscal Audit Review Committee and the final report to the Board of Trustees at the December board meeting.

5.8 Supplemental Schedules

Supplemental worksheets and schedules which staff of RSCCD are expected to complete must be separately identified.

5.9 Assurances

Include a certification that the Auditor is a properly licensed certified public accountant in good standing with the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

State whether the auditor understands that the primary purpose of the examinations specified herein is to express an opinion on the financial statements and that such an examination is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist or if any other circumstances are encountered that require extended services, the Auditor will promptly advise the District.

State whether the Auditor shall certify that, in accordance with auditing standards and other applicable guidelines and regulations, the Auditor will select the necessary procedures to test compliance and to disclose non-compliance with specified laws, regulations, and contracts.