

**Gogebic Community College
REQUEST FOR PROPOSAL
FOR AUDIT SERVICES**

I. **GENERAL INFORMATION**

A. **Purpose**

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the years ending June 30, 2019, 2020, 2021.

B. **Who May Respond**

Only Licensed Certified Public Accountants may respond to this RFP.

C. **Instructions on Proposal Submission**

1. **Closing Submission Date**

Proposals must be submitted no later than 1:00 p.m. on March 14, 2019.

2. **Inquiries**

Inquiries concerning this RFP should be directed to Erik Guenard, (906) 932-4231 ext 204

3. **Conditions on Proposal**

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by Gogebic Community College.

4. **Instructions to Prospective Contractors**

Your proposal should be addressed as follows:

Name: Erik Guenard

Title: Dean of Business Services

Entity: Gogebic Community College

Address: E4946 Jackson Rd, Ironwood, MI 49938

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

**Request for Proposal
Audit Services**

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to ensure that the proposal is received by Gogebic Community College by the date and time specified above.

Late Proposals will not be considered.

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5. Right to Reject
Gogebic Community College reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Notification of Award
It is expected that a decision selecting the successful audit firm will be made within four weeks of the closing date for receipt for the proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

It is expected that the contract shall be a three-year price contract.

D. Description of Entity and Records to be Audited

Gogebic Community College is a public two-year community college that serves a student body of 1400. The college was established in 1932 and has an elected Board of Directors. Gogebic Community College is accredited by the North Central Association of Colleges and Schools and offers 55 associate degree and certificate programs.

Gogebic Community College has an automated set of financial records and utilizes Jenzabar EX, as its accounting software platform. GCC has a general fund, designated fund, restricted fund, plant fund, auxiliary fund, and foundation/endowed fund. Each aforementioned fund has its own set of financial statements. Gogebic Community College has eight (8) bank accounts. However, GCC's main general fund checking account represents 90% of all agency activity. Payroll is done internally; the maximum number of employees working for GCC has been around 100-125. If needed, GCC will make available for review previous audits prior to the offeror's proposal submission.

II. Specification Schedule

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial, internal controls, and compliance audit of Gogebic Community College.

Government Audit Standards (1994 revision) states on page 2-1:

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and

regulations for those transactions and events that may have a material effect on the financial statements.

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B. Description of Programs/Contracts/Grants

Federal

- Pell Grant
- Supplemental Education Opportunity Grant
- Federal Loan Program
- College Work-Study Program
- Academic Competitiveness Grant
- TRiO Support Services Grant

State

- Carl D. Perkins Voc. Ed. Grants
 - Program Improvement
 - Local Administration
 - Career Guidance

C. Performance

Gogebic Community College's records should be audited from July 1, 2018 through June 30, 2019 and continued for two (2) additional years.

The Offeror is required to prepare audit reports in accordance with the Government Audit Standards (1994 Revision), and Offeror is responsible for preparing IRS form 990 Return of Organization Exempt from Income Tax.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to GCC's Dean of Business Services. The draft audit report is due by the third week of October.

The final audit should be completed, IRS Form 990 filed by November 15, 2019. The Offeror shall personally deliver 20 final audit reports and report on the content of the audit report at a board meeting yet to be determined, along with a PDF file.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, Gogebic Community College may, by written notice default to the Offeror, terminate the whole or any part of this contract. Under certain circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

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E. Price

The Offeror's proposed price should include a price per year for three years of audit services. Any incidental and out of pocket expenses should be included in the price.

F. Payment

Payment will be made when Gogebic Community College has determined that the total work effort has been satisfactorily completed. Should GCC reject a report, GCC's authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that GCC can determine that satisfactory progress is being made.

Upon delivery and presentation to Gogebic Community College's board members the 20 copies of the final audit reports, and the board's acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract are expected to be internally reviewed within the successful audit firm from a representative unassociated with the audit of GCC.

H. Exit Conference

An exit conference with GCC's representatives and the Offeror's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with GCC. It should include internal control and program compliance observations and recommendations.

I. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the appropriate federal or state audit agency, the General Accounting Office, and Gogebic Community College.

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J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Gogebic Community College the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, without express written consent of Gogebic Community College.

K. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, governments units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he/she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his/her report the fact that such requirements were not followed and the reasons therefore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing nonprofit organizations.
2. Prior experience auditing Michigan Community Colleges.
3. Prior experience auditing programs funded by the Federal and State Government.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of most recent Peer Review, if Offeror has had a Peer Review.

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C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits.

Description should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members with community college audits.

Only include resumes of staff to be assigned to the audits. The audit staff's education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered in this proposal.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP.

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include two copies of the Offeror's and staff technical qualifications, two copies of the pricing information, and two copies of the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP
2. The proposal does not follow the specified format.
3. The proposal does not include Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the Government Audit Standards of the U.S. Comptroller General (1994 Revision).

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D. Review Process

Gogebic Community College may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offeror's proposals.

However, GCC reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

Gogebic Community College contemplates award of the contract to the responsible Offeror with the best qualifications and lowest price.

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CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices quoted in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant.
- G. The individual signing certifies that the Offeror meets the independence standards of the Government Auditing Standards (1994 Revision).
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands all GASB, State of Michigan, and AICPA publications relative to the proposed audit at the college.

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CERTIFICATIONS

1. Audits of Certain Nonprofit Organizations (AICPA Audit Guide)
 2. Michigan Community College Act of 1966
 3. All other enacted or pending GASB statements or MI Public Acts
- K. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work with any federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)