



RFP # 2122-20
AUDIT SERVICES

RFP DUE DATE:

January 6, 2022 @ 2:00 p.m.

REQUEST FOR CLARIFICATION:

December 20, 2021 @ 5:00 p.m.

1. INTRODUCTION

- 1.1 This request for proposal (RFP) contains specifications and related documents covering independent audit services for the North Orange County Community College District (NOCCCD), Cypress College Foundation, Friends of Fullerton College Foundation, North Orange County Community College District Foundation, and Proposition 39 Financial and Performance audits.
- 1.2 This RFP and all subsequent modifications 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 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 North Orange County Community College District to enter into a contract with any audit firm or (2) 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 In general, the District includes the following communities: Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Los Alamitos, Placentia, Rossmoor, and Yorba Linda. Portions of the following communities are also included: Garden Grove, La Habra Heights, La Mirada, Orange, Seal Beach, Stanton, Whittier, and unincorporated territory in both Los Angeles and Orange Counties.
- 2.2 School Districts served are portions of the Garden Grove Unified; all of Anaheim City, Anaheim Union High, Brea Olinda Unified, Buena Park, Centralia, Cypress, Fullerton (elementary), Fullerton Union High, La Habra City, Los Alamitos Unified, Lowell Joint, Magnolia, Placentia-Yorba Linda Unified, and Savanna.
- 2.3 District programs are open to residents throughout Orange County and are not restricted by the geographic boundaries listed above. District headcount in college courses for FY 2020/21 is approximately 51,100 students; 20,700 at Cypress College, 30,400 at Fullerton. North Orange Continuing Education enrolls approximately 20,700 at in a wide variety of non-college credit programs per term. FTEs for 2020/21 was 27,160 credit and 4,683 non-credit.
- 2.4 The District encompasses approximately 155 square miles and has a population of nearly one million. District facilities include Cypress College, Fullerton College, Cypress College Continuing Education Center, Wilshire Continuing Education center (Fullerton), and the Anaheim Campus.
- 2.5 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.
- 2.6 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 and Omni Circular.
- 2.7 The accounts of the District are organized on the basis of funds, 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, revenues, and expenditures. Specific details relating to the District's funds may be found in the 2020/21 CCFS-311 Report (see link).
- 2.8 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 on pages 77 - 78 of the enclosed 2019/20 audit report (see link).
- 2.9 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 revenue 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 revenue of the current year. However, this information will need to be converted to full accrual at year-end in accordance with GASB 34/35 for financial reporting purposes.
- 2.10 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.
- 2.11 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.
- 2.12 The District is self-insured for property and liability insurance and participates in two joint powers of authorities (JPAs): One for property liability (ASCIP-Alliance of Schools for Cooperative Insurance Programs, (ASCIP), and one for excess liability (SELF-Schools Excess Liability Fund). Through ASCIP, the District is fully insured for Workers Compensation coverage. 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.
- 2.13 Both Fullerton and Cypress Colleges account for auxiliary operations at their respective Bursar's Office. Auxiliary operations include Bookstore, Food Services, Associated Student Bodies, and Trust and Agency Funds. Both colleges have contracted out the Food Service operations and Bookstore operations.
- 2.14 Non-management certificated personnel of the District are eligible to be members of an affiliate of the California Teachers Association. Classified employees, other than those in management or confidential positions, are eligible to be members of an affiliate of the California School Employees Association.
- 2.15 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.

- 2.16 The District utilizes a District-wide information system (Banner) that joins the Finance, Human Resources, Student, and Student Financial Aid Systems into a single, interrelated database.
- 2.17 On November 4, 2014, the voters of the District authorized the issuance and sale of general obligation bonds totaling \$574,000,000 under Measure J. On June 2, 2016, \$100,000,000 of North Orange County Community College District, Election of 2014, Series 2016A Bonds were issued with a final maturity date of August 1, 2040. The outstanding principal balance of these bonds on June 30, 2020, was \$37,095,000. On May 29, 2019, \$150,000,000 North Orange County Community College District, Election of 2014, Series 2019B Bonds were issued with a final maturity date of August 1, 2044. The outstanding principal balance of these bonds on June 30, 2020, was \$150,000,000.
- 2.18 The District has both, an internal auditor, and an audit committee. The audit committee is comprised of 3 Board of Trustee members, the Chancellor, the Vice Chancellor, Finance and Facilities, the District Director, Fiscal Affairs, and the District Manager, Fiscal Affairs.

3. INFORMATION AND GENERAL CONDITIONS

3.1 Definitions.

The term "NOCCCD" as used in these clauses shall be construed to include the NOCCCD 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.

Interested Auditor submitting a proposal shall submit a proposal electronically via email prominently marked with the Request for Proposal number, the title, the due date and time, and the name of the entity submitting the proposal.

Proposals must be submitted electronically via email no later than **2:00 p.m., January 6, 2022** to:

Jenney Ho, District Director, Purchasing
jho@nocccd.edu

Proposals submittals received after the specified time and date will not be considered and will be returned unopened to the sender.

Responses to this RFP must follow the format described in this RFP, Auditors are encouraged to submit concise responses that fully provide the information requested. Elaborate responses or the inclusion of extensive marketing materials is discouraged.

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 mislead the District erroneously and fallaciously 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 immediately notify the District of the error in writing and request modification or clarification of the document. Clarifications shall be given by written notice 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 the NOCCCD 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.

NOCCCD 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 NOCCCD, 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 NOCCCD intends to negotiate only with the proposer(s) whose proposal most closely meets NOCCCD's requirements at the lowest estimated cost. The Contract, if any is awarded, will go to the auditor whose proposal best meets NOCCCD'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 NOCCCD to aid in proposal selection must not be restricted from the public. NOCCCD 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.

NOCCCD may modify this RFP before the date scheduled for submission of proposals by issuance of an addendum 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.

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 date for a period of ninety (90) days.

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 NOCCCD upon written request from a proposer. NOCCCD's decision shall be final in any matter of interpretation of the documents.

3.14 Cost of Preparation of Proposals.

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

3.15 Evaluation Process.

Proposals will be evaluated by staff of the NOCCCD. During the evaluation, validation, and selection process, NOCCCD 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. NOCCCD 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.

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 NOCCCD, 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, NOCCCD will 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 NOCCCD 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 | December 6, 2021 |
| Last day for Auditor to request for additional information | December 20, 2021 |
| No Later Than 5:00 p.m. | |
| (All RFI will be emailed to jho@nocccd.edu) | |
| Proposal Due No Later Than 2:00 p.m. email to jho@nocccd.edu | January 14, 2022 |

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.

NOCCCD 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 District Director, Fiscal Affairs. Payments shall be made at the rates specified in the Auditor's response to this RFP for each of the five (5) years.

Proposers may indicate an annual escalator in their annual fees as a cost-of-living adjustment. However, NOCCCD will accept no annual adjustment in excess of the annual consumer price index for the Los Angeles-Anaheim-Riverside 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 District Director, Fiscal Affairs. 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. (See attached form for coverage)

The Auditor shall hold harmless and indemnify the District and all officers, agents, employees, and members of the District 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 the NOCCCD.

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 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 Three Million Dollars (\$3,000,000) combined single limit which shall be primary over any other insurance carried by NOCCCD. The Auditor shall also maintain Errors and Omissions coverage of no less than Three Million Dollars (\$3,000,000). 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, NOCCCD. 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 North Orange County 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 the NOCCCD and the NOCCCD 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 NOCCCD, 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 negligence or willful misconduct of NOCCCD, 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 NOCCCD 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.

NOCCCD 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 NOCCCD 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, 2021, and ending on June 30, 2022, and a period not to exceed four (4) 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 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 awarded on a year-to-year basis, renewing annually at the rates specified in the proposal, at the sole discretion of the district.

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", shall conform to generally accepted auditing standards as specified in "Statements on Auditing Standards" published by the American Institute of Certified Public Accountants, and Omni Circular.

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. North Orange County Community College District Foundation
 2. Cypress College Foundation

3. The Friends of Fullerton College Foundation

- c. A comprehensive financial and performance audit of bond funds as required by Proposition 39 and in conformity with Section 1 of Article XIAA of the California Constitution and Senate Bill 1473.
- d. Preparation of the Data Collection Form in accordance with Omni Circular.
- e. Preparation of entity-wide financial statements in accordance with GASB Statements 34 and 35.
- f. Preparation of supplementary information on an individual fund basis including the balance sheet and statements of revenues, expenditures, and changes in fund balance.
- g. Preparation of any required entries regarding the recognition of liabilities for pensions (PERS and STRS) and Other Postemployment Benefits (OPEB) for GASB 75 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 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.

4.5 Audit Reports.

The audit shall be completed and submitted to NOCCCD and the State Chancellor's Office. The Partner and Manager will first meet with the audit committee and also with the Board of Trustees to present the audit no later than December 31st following the year under examination. In addition, the auditor will also meet with the Citizens Bond Oversight Committee to present the Proposition 39 audits. The audit firm will submit a PDF copy of the audit report to the Chancellor's office and as required by the California Community Colleges Contracted District Accounting Manual. 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 reports 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 District Director, Fiscal Affairs one month 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 NOCCCD 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 manager's and supervisor's background, training, and experience. Specifically discuss the manager's and supervisor's 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.

5.5 References.

Provide a list of 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 four (4) 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>2021-22</u> | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</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 for | | | | | |
| - North Orange County Community College District Foundation (a) Anticipated Hours | | | | | |
| - Cypress College Foundation (a) Anticipated Hours | | | | | |
| - Friends of Fullerton College Foundation (a) Anticipated Hours | | | | | |
| 3) Maximum Annual Cost of Proposition 39 Audits | | | | | |
| - Performance (a) Anticipated Hours | | | | | |
| - Financial (a) Anticipated Hours | | | | | |
| 4) Hourly Rates for Additional Work by Level of Staff | | | | | |
| - Partner | | | | | |
| - Manager | | | | | |
| - Senior Staff | | | | | |
| - Junior Staff | | | | | |
| - Other | | | | | |

No extended services will be performed unless they are authorized 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 requires presentation of the audit report to the audit committee and to the Board of Trustees.

5.8 Supplemental Schedules.

Supplemental worksheets and schedules which staff of NOCCCD 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.

REFERENCE INFORMATION

Websites for entities

NOCCCD: <https://www.nocccd.edu/>

Measure J: <https://www.nocccd.edu/bond-measure-j>

NOCCCD Foundation (previously named “Community College Foundation of North Orange County”):

<https://www.nocccd.edu/nocccd-foundation>

Cypress College Foundation: <https://www.cypresscollege.edu/foundation/>

Friends of Fullerton College Foundation: <https://www.hornetscholars.com/> (see attachment 1&2)

This foundation is newly established. Previously, Fullerton College had a foundation which operated independently of the college. Enclosed are related documents to assist you with regards to this foundation’s activity:

Provided:

- Fullerton College Foundation audit report for the fiscal year ended June 30, 2019
- February 23, 2021, Board agenda item 3.e.1 and attachment for “NOCCCD, Fullerton College & Friends of Fullerton College Foundation Master Agreement”

Audit reports: <https://www.nocccd.edu/audit-reports>

Includes:

- District’s annual audit
- Measure J audit
- NOCCCD Foundation audit (previously named “Community College Foundation of North Orange County”)
- Cypress College Foundation audit
- Friends of Fullerton College Foundation: Please refer to information provided above

CCFS-311: <https://www.nocccd.edu/ccfs-311-reports>

California Community Colleges Chancellor’s Office manuals: <https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Fiscal-Standards-and-Accountability-Unit/Manuals>

Includes:

- California Community Colleges Contracted District Accounting Manual:
- Budget & Accounting Manual