

MIDDLESEX COUNTY COLLEGE

Specification and Request for Proposal For Independent Auditing Services

Middlesex County College (the "College") was established in 1966 as a unit of the New Jersey Master Plan for Higher Education and became part of a statewide network of 19 county colleges.

The main campus is situated on 200 suburban acres in Edison. Urban outreach centers in New Brunswick and Perth Amboy serve the people of those communities. During 2013, the College enrolled approximately 19,500 credit students and 12,500 noncredit students.

The College offers associate in arts (A.A.), associate in science (A.S.), and applied associate in science (A.A.S.) degree programs designed specifically for transfer to four-year colleges and universities in the fields of business, education, arts, sciences and engineering technology. The Department of Community Education offers non-credit courses that reflect the needs, interests and activities of the community at large. The College's Institute for Management and Technical Development is designed to tailor programs for employees and employers who seek training and retraining in technological and management areas.

There are approximately 600 full time employees and 1,000 W-2's issued annually.

Middlesex County College is a community college operating in the State of New Jersey as authorized under provision of N.J.S.A. 18A:64A et seq. In addition, the College is subject to regulations and guidelines established in the New Jersey Administrative Code 9:4 et seq.

Middlesex County College is an Equal Opportunity Employer and Affirmative Action Institution.

It is the intent of the Board of Trustees of Middlesex County College, and as a result of the Higher Education Reorganization Act of 1994, that there be conducted a comprehensive audit of the financial condition of the College. This audit is to be conducted by a Certified Public Accounting firm, and should be performed in accordance with generally accepted auditing standards as defined by the Government Accountability Office (GAO). It should include tests of the accounting records and other auditing procedures as deemed necessary by that firm, in order to ensure certification of the College's financial statements. The audit should determine that the College's financial records and procedures are in accordance with the following:

1. Auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
2. Requirements of U.S. Office of Management and budget circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

3. State of New Jersey, Department of Treasury, Office of Management and Budget, Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.
4. NJAC 9A:1-1.7 as included in the statement of auditing and accounting standards for County Colleges (recommended by Council of County Colleges for use by Department of Treasury)

The auditors must also review management's crossover financial statements, prepared to bridge the gap between fund accounting and required GASB financial statements.

In addition to the financial statement audit, an A-133 Single Audit will be conducted at the College as mandated by the GAO. This audit requires an independent audit report on our internal control structure, specifically as used in administering Federal and State awards; on compliance with laws, regulations, contracts and grants; and on compliance with both general and specific requirements applicable to major programs.

The audit includes the College and its two component units. The first component unit is the Middlesex County College Foundation. The Middlesex County College Foundation was organized in 1966 to raise private funds on behalf of students and programs at Middlesex County College. It is a corporation pursuant to N.J.S.A. 15:27 et seq. and is authorized as a 501 (c)3 corporation by the Internal Revenue Service.

The College will require a separate certified audit of its Foundation. The organization is incorporated and has its own Board of Trustees. The Foundation has assets of approximately \$13,000,000 and generated approximately \$2,100,000 in revenue in FY14.

The second component unit is the Retail Services Corporation. The Retail Services Corporation (RSC) provides retail services to the College community for educational supplies (books, etc.) and for food services. The RSC operates pursuant to N.J.S.A. 18A:64A and the College Auxiliary Organizations Act 18A:64 26 to 44. It is further subject to procedures established by the New Jersey Administrative Code.

Finally, the College will also require a separate certified audit of the RSC. The RSC is also incorporated as a 501 (c) 3 organization and has its own Board of Directors. The RSC has approximately \$7,600,000 in assets and generated approximately \$6,200,000 in revenue in FY14.

In order to meet filing due dates to the State and Federal Agencies, the required audit completion dates as requested by the College are as follows:

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| Enrollment Audit | October 1 |
| Foundation and RSC Audits | November 1 |
| Financial Statements Audit Report | November 1 |
| A-133 Audit Report | December 31 |

NOTE: THIS DOCUMENT IS FOR INFORMATIONAL PURPOSES ONLY. THIS IS NOT AN OFFICIAL BID DOCUMENT.

All audits must be completed in a timely fashion and completion must allow sufficient lead time to allow for review by Administration and the Finance Committee of the Board of Trustees. In addition, the accounting firm will be required to submit all audit reports directly to the appropriate government agency. The College generally requires approximately 25 copies each of the enrollment and financial statement audit reports, and 30 copies each of the Foundation, and RSC reports for purpose of presentation to the respective Boards.

The firm must have national experience in auditing community colleges, including New Jersey community colleges. This experience should be a minimum of five audits of community colleges within the last seven years with budgets in excess of \$110,000,000.00. Auditing a community college with Ellucian Colleague software is required.

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

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

David Fricke, Director of Purchasing
Middlesex County College
2600 Woodbridge Avenue
Edison, NJ 08818

Your written proposal should include the following:

1. Identification of the office and engagement team who will perform the audit. This will include name(s) of the partner(s) and manager(s) who would be assigned to the audit, with a resume of their professional background and accomplishments, as well as the number and composition of the field staff on the audit, and their respective years of experience.
2. Firm's experience in the field of public higher education, specifically recent New Jersey community colleges with budgets exceeding \$110,000,000.00 also include a list of three relevant clients, past and present, to be used as references.
3. A general discussion of the scope of the audit sufficient to indicate your basic approach and timeliness for interim and year-end audit work.
4. An indication of any problems, if any, your firm sees on the part of the College in making the transition to a new audit firm.
5. A brief summary on why your firm is most qualified, and therefore should be selected as the college's external auditors.

6. Specify the total bid amount for the audits. This should be a not-to-exceed price for services, and should separately identify out-of-pocket expenses. A Proposal sheet is provided for your response. The fee should include the completion of the Enrollment, Foundation, RSC, A-133 and Financial Statement audits.

7. Other information as deemed appropriate.

The College will select the firm that they feel best serves its interests. A committee will evaluate the proposals, and a recommendation will be made to the Finance Committee of the Board of Trustees for appointment at the Board's Public Meeting.

Please contact Maxy Santana at (732) 548-6000 ext. 3513 with any questions.

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