

Maine Community College System

Request for Proposals for Auditing Services

INTRODUCTION

The Maine Community College System is issuing this Request for Proposals (RFP) from certified public accounting firms licensed in Maine. In addition to the issuance of general-purpose financial statements, tax reporting and compliance with federal and other sources of support (Uniform Guidance Report), MCCS is seeking a working partnership with a comprehensive regional public accounting firm experienced in higher education and having appropriate personnel and resources available to support MCCS management.

GENERAL INFORMATION

Respondents to this RFP *may* serve three distinct entities:

The Maine Community College System (MCCS).

MCCS is established by Maine law as a public instrumentality of the State of Maine. There are eight reporting locations - seven colleges and the System Office. MCCS issues two reports that are audited annually: the general-purpose financial statements (GASB) and the Uniform Guidance Report. For more information on MCCS, please visit www.mccs.me.edu.

The Foundation for Maine's Community Colleges (FMCC).

FMCC was established as a development arm for MCCS. FMCC issues one report that is audited annually; the general-purpose financial statements (FASB) in addition to the IRS Form 990 which is prepared with the support of the certified public accounting firm that audits FMCC's financial statements.

Six of the seven colleges also maintain foundations that support financial and community relations needs of the individual colleges. While Component Units under GASB accounting standards, financial reporting, auditing, and tax reporting required of the college foundations are not part of this RFP.

The Other Post-Retirement Benefits Trust (OPEB Trust).

The OPEB Trust was established to provide for funding for MCCS's financial obligations under certain non-pension post-employment benefits provided to employees upon their retirement and to hold those funds in trust to be used only for that purpose. The OPEB Trust does not issue any routine statements, but the Trust's trustees do require the support of MCCS's auditors to appropriately manage the OPEB Trust and the OPEB Trust is a Component Unit of MCCS under GASB accounting standards.

General Information about the Maine Community College System

MCCS is Maine's comprehensive two-year college system offering nearly 300 program options in a variety of technical and career fields. The colleges also offer continuing education and customized training for business and industry.

Maine's Community Colleges began in 1946 as the Maine Vocational Technical Institute, an agency within the Maine Department of Education. In 1986 Maine law created and established the Maine Vocational Technical Institute System as a quasi-governmental organization and autonomous public instrumentality. In 1989 the name was changed to the Maine Technical College System, and on July 1, 2003, Maine's State Legislature expanded the mission and

changed the name of the System to the Maine Community College System (MCCS or the System).

The seven-college system consists of Central Maine Community College in Auburn (CMCC), Eastern Maine Community College in Bangor (EMCC), Kennebec Valley Community College in Fairfield/Hinckley (KVCC), Northern Maine Community College in Presque Isle (NMCC), Southern Maine Community College in South Portland/Brunswick (SMCC), Washington County Community College in Calais (WCCC), and York County Community College in Wells (YCCC). The System's central office, located in Augusta, Maine, was established by legislation to provide statewide coordination and leadership to the seven colleges.

The **System Office** administers system-wide policies and procedures established by the Board of Trustees. The System Office also centrally coordinates the central general ledger and related accounting system, financial reporting, payroll processing, human resources and labor relations, and coordination of system-wide computer systems. The System Office also supports certain system-wide purchasing and supports the accounting services for the FMCC and the OPEB Trust.

The day-to-day administrative functions accomplished by the individual colleges include daily financial management of payments for payroll, goods, services, and equipment; disbursement of petty cash; deposit of revenues; billing of students and purchasing. The colleges do not conduct independent of college-based audits.

FINANCIAL DATA

The financial information provided with the MCCS proposal is expected to remain confidential. In the appendix and/or attachments of the request for proposal document are the following:

- [June 30, 2021 Financial Statements](#)
- [June 30, 2021 Uniform Guidance Report](#)
- [June 30, 2021 Required Communication Report](#)
- [State of Maine Reporting Requirements](#)
- [Sample Contract](#)
- [Notice to Bidders](#)
- Selection Criteria – Appendix
- [Final Question and Answer Responses](#)

AUDIT REQUIREMENTS

Audits shall be performed in accordance with the Generally Accepted Auditing Standards, Generally Accepted Governmental Auditing Standards, the Governmental Accounting Standards Board (GASB) – where applicable, the Financial Accounting Standards Board (FASB) – where applicable, the AICPA Industry Audit Guide for the Audits of Colleges and Universities – where applicable and all appropriate accounting and financial reporting practices and procedures currently adopted by the National Association of College and University Business Officers. The audit shall also use the General Accounting Office "Standards for the Audit of Governmental Organizations, Programs, Activities and Functions," the U.S. Department of Education Audit Guide, and the Office of Management and Budget Circulars A-21, A-110, and A-133, as appropriate.

Prior to the beginning of each fiscal year audit, the audit scope and objectives will be established during an entrance conference with MCCS management. The audit work plan negotiated during this meeting will specify major audit tasks, responsible person(s), timelines and milestones.

During the engagement the auditors shall schedule regular briefings with MCCS management to discuss the audit status and progress in relation to the established work plan and milestones.

After completion of the audit and the receipt and acceptance of all deliverables, an exit conference will be held to critique all aspects of the audit and to discuss recommendations for streamlining and expediting the subsequent year's audit process. The briefing should cover recommendations to strengthen any internal control weaknesses or findings deemed appropriate.

CONTRACT TERM

MCCS will enter into a two-year contract with three one-year options to renew at the discretion of MCCS upon successful completion of the initial contract. The MCCS standard Contract for Special Services is available on our website.

MCCS reserves the right to accept or reject any or all proposals or parts of the Proposals; to waive irregularities and technicalities; and to request re-proposals. MCCS also reserves the right to award the contract on such items MCCS deems will best serve the interest of the MCCS. If MCCS deems any or all proposals to be insufficient, for any reason, MCCS may not issue any contract as a result of this RFP.

SUBMISSION OF PROPOSAL

Response to the RFP shall follow the outline format as described in the attached evaluation form. The selection criteria will be based upon information provided regarding the organization of the firm, the description of the audit approach, the qualifications and experience of the firm and the fees.

For the cost portion of the proposal, the bidder will submit for year ending June 30, 2022, and 2023 itemized schedules of the hourly rate(s) of compensation, estimated hours, and indicate not-to-exceed fees for out-of-pocket expenses and deliverables. Reimbursable for items of a personal nature including but not limited to laundry, valet services, video movies, alcoholic beverages, etc. will not be allowed.

Proposals should be received no later than 3:00 p.m., Friday, February 25, 2022. Electronic proposals are the preferred method of transmission and highly recommended. Bidders are required to submit three (3) copies (if electronic, one copy is sufficient as long as it can be forwarded) of their proposal to the following RFP Coordinator:

Dirk DeHaan
Senior Financial Analyst
Maine Community College System
323 State Street
Augusta, Maine 04330
ddehaan@mccs.me.edu

MCCS reserves the right to amend the RFP at any time prior to the proposal deadline and to make any changes to the schedule of events as deemed necessary. Requests for additional information may be made in writing or e-mail to the above address prior to **February 8, 2022**, at 3:00 p.m. Any amendments will be mailed to all prospective bidders of record. MCCS also reserves the right to refuse any and all proposals.

DURATION OF PROPOSAL OFFER

The bidder's proposal shall remain in effect for at least 90 days from the submission deadline and thereafter until the bidder withdraws it, or a contract is executed, or the procurement is canceled, whichever occurs first.

BID SCHEDULE OF EVENTS

January 26, 2022.....Request for Proposal Issued
February 8, 2022, 3:00 p.m. Deadline for requests for
.....additional information
February 15, 2022.....Response to additional information
February 25, 2022, 3:00 p.m. Proposal Receipt Deadline
February 28-March 11, 2022Proposal Evaluation
March 14- 25, 2022 Interview with Finalists and Selection
By or before April 1, 2022..... Final Selection Made

Maine Community College System

EVALUATION OF AUDITING SERVICES BIDDER: _____
(Name)

<u>SELECTION CRITERIA</u>	<u>MAX PTS.</u>
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A. Organization of the Firm:	<u>10 points</u>
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- 1) Brief history
- 2) Internal structure (include # employees by service office, by function, by industry group)
- 3) Scope of practice (range of client activities)
- 4) Office location from which MCCS will be served (include commitment to State of Maine)
- 5) Procedures to assure quality of service to MCCS
- 6) Reference material & training for key financial/mgt. personnel

B. Qualification and Experience of the Firm:	<u>35 points</u>
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- 1) Info on senior partner/mgr(s); primary audit contact people
- 2) Recent experiences with staff turnover and impact on clients
- 3) Experience w/higher education clients (firm and individuals)
- 4) Experience w/higher education foundation clients (firm and individuals)
- 5) Experience with OPEB Trust clients (firm and individuals)
- 6) Relevant client list with names of reference contacts
- 7) Advisory capabilities re: tax & other related questions/issues
- 8) Capacity to suggest improvements to financial & other systems (list tangible examples)

C. Description of Audit Approach:	<u>30 points</u>
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- 1) Responsibility/level of effort for other engagement staff
- 2) Method of evaluating internal accounting controls within audit
- 3) Approach to financial statement audit (detailed testing procedures)
- 4) Approach to A-133 (compliance testing, fieldwork, etc.)
- 5) Approach to foundation audit (detailed testing procedures)
- 6) Approach to OPEB Trust audit (detailed testing procedures)
- 7) Audit timing/prelim work expected/provided to meet deadlines
- 8) Software/electronic means used to support audit work
- 9) Resources available to enhance subsequent audits

D. Fees:	<u>25 points</u>
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- 1) Cost per hour, estimated hours
- 2) Other costs, out of pocket and deliverables
- 3) Specification of any possible deviation from set fees
- 4) Cost per hour for any additional work above and beyond the scope of the audit

Summary for This Bidder:

Awarded Pts.

A. Organization of the Firm

B. Qualifications and Experience of the Firm

C. Description of Audit Approach

D. Fees

Total Points Awarded
