



# Lehigh Carbon COMMUNITY COLLEGE

## REQUEST FOR PROPOSAL

### AUDITING SERVICES

Lehigh Carbon Community College is requesting proposals for auditing services for three (3) fiscal years: 2023-2024, 2024-2025 and 2025-2026 (July 1 to June 30), for the College and the Lehigh Carbon Community College Foundation.

Four (4) sealed, written proposal copies are to be received no later than **3:00 PM, EDT on January 15, 2024** at the office of the Purchasing & Contracts Manager, Lehigh Carbon Community College, 4525 Education Park Drive, Schnecksville, PA 18078, (Attention: Mr. Joseph Hardenberg)

#### Timeline

Date of Issue:	December 8, 2023
Reply Due Date:	January 15, 2024
Interviews with Finalists:	Week of February 5, 2024
Finance Committee Review:	February 19, 2024
Board Meeting:	March 7, 2024

(Please note: Final official bid results will be released this date upon request)

Any questions concerning the submission or evaluation of proposals should be directed to:

Stacey Betz, Controller  
sbetz1@lccc.edu  
Phone: 610-799-1737  
Fax: 610-799-1566

or

Stefanie Nester, Vice President for Finance & Administrative Services  
snester2@lccc.edu  
Phone: 610-799-1740  
Fax: 610-799-1566

## **Introduction**

Lehigh Carbon Community College (LCCC) is initiating a process for selection of Accounting Firms to conduct the audit engagement for fiscal years 2023-2024, 2024-2025 and 2025-2026 for the College and the LCCC Foundation. As part of this process, the College is requesting written responses to this proposal. Sealed proposals are due by 3:00 PM, EDT on January 15, 2024. No proposals will be accepted after the proposal date.

The Request for Proposal (RFP) is part of a competitive process which will be undertaken in order to serve the College's best interests and provide the accounting firms with a fair opportunity for their professional services to be considered. Representatives from the College will evaluate the firms' proposals based upon a number of factors including, but not limited to fees, services, and qualifications. The College is not required to accept the proposal offering the lowest price. The final determination will be based on the proposal which, in the opinion of the selection committee and the College Board of Trustees, best serves the interest of the College and the Foundation.

The College plans to conduct an interview with the finalists the week of February 5, 2024. College management will discuss the finalists with the Finance and Insurance Committee of the Board of Trustees at the February 19<sup>th</sup> meeting. The Committee will then recommend to the full Board of Trustees for approval at the March 7, 2024 meeting.

All parties interested in providing services requested in this proposal must meet the requirements defined herein and accept the terms and conditions. The College may recommend a change in service providers, prior to contract completion, based on reviews made by the Finance Committee of the Board of Trustees concerning issues of performance and responsiveness of the firm's representative.

## **The College**

Founded in 1966, Lehigh Carbon Community College (LCCC) serves more than 8,900 students from Lehigh, Carbon, Schuylkill and surrounding counties offering more than 90 programs of study including healthcare, information technology, criminal justice, education and business administration.

From the main campus in Schnecksville and modern satellite sites in Allentown, Tamaqua, and the Lehigh Valley International Airport, LCCC offers two-year associate degrees, certificate and specialized diploma programs, and workforce training for students studying either full-time, part-time or online.

The College receives the majority of its funding support from student tuition and fees, the state, and its local Sponsors, 13 school districts in Lehigh and Carbon Counties.

You may view information about the college at [www.lccc.edu](http://www.lccc.edu)

A copy of the College's fiscal year 2022-2023 Financial Statements, the 2022-2023 Agreed Upon Procedure report for the Pennsylvania Department of Education, and the 2022-2023 Single Audit Report is provided for your information.

### **The Foundation**

Lehigh Carbon Community College Foundation is a 501 (c) (3) tax exempt organization established to support the educational functions of Lehigh Carbon Community College and is the major fundraising unit for the College. Fundraising efforts include an annual campaign and special events.

A copy of the Foundation's fiscal year 2022-2023 Financial Statement is also provided for your information.

### **The Scope**

It is the intent of the College and the Foundation that the accounting firm conducts a comprehensive audit of the financial condition of the named entities. These audits are to be conducted by a certified public accountant and should be made in accordance with generally accepted auditing standards as defined by the American Institute of Certified Public Accountants, The Governmental Accounting Standards Board and Financial Accounting Standards Board. The audits should include tests of the accounting records and other auditing procedures as deemed necessary by that accountant in order to insure certification of the entities' financial statements. The examination should determine that the entities' financial records and procedures are in accordance with, but not limited to:

1. American Institute of Certified Public Accountants (AICPA) Industry Audit Guide, Audits of Colleges and Universities.
2. College and University Business Administration, published by the National Association of College and University Business Officers (NACUBO).
3. US Department of Education, Office of Inspector General, Office of Audit, Audit Guide for Student Financial Assistance Programs.
4. US Department of Education, Office of Postsecondary Education, Office of Student Financial Accounting, Record-keeping and Reporting by Postsecondary Educational Institutions for Federally Funded Student Financial Aid Programs.
5. Single Audit Requirements pursuant to OMB's Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards and

OMB Compliance Supplement, Audits of States, Local Governments and non-profit organizations.

6. Pennsylvania School Code, Act 484, as amended.

7. Chapter 35: Community Colleges PA Code Title Education

### **Reporting**

The College and the Foundation will prepare the statements listed below and submit them to the accounting firm for their examination as to certifying to the fair representation of those statements.

The reports should include, but are not limited to:

1. Financial Statements:
  - a. College Statement of Net Assets
  - b. College Statement of Revenues, Expenses and Changes in Net Assets
  - c. College Statement of Changes in Fund Balance
  - d. College Notes to Financial Statements
  - e. College Agreed Upon Procedures Report for Department of Education
  - f. Foundation Statement of Financial Position
  - g. Foundation Statement of Activities
  - h. Foundation Statement of Cash Flows
  - i. Foundation Notes to Financial Statements

The accounting firm will prepare the following reports and letters:

2. Single Audit Report
  - a. Schedule of Federal Awards
  - b. Notes to the Schedule of Awards
  - c. Schedule of Findings and Questioned Costs
3. Letters/Reports
  - a. Report of Opinion on Audited Financial Statements
  - b. Report of Independent Auditors on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and the Uniform Guidance.
  - c. Report of Independent Auditors on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
  - d. Report of findings in the review of the Agreed Upon Procedures Report
  - e. Management Letter
4. Any other exhibits, letters or financial statements that may be required to satisfy audit regulations.

The applicable reports noted above may vary with each of the two entities referenced above.

## **Scheduled Audit Timeframe**

In an effort to present the fiscal year end audited reports to the Board of Trustees of the College and the Board of Directors of the Foundation, the firm selected must be able to perform interim work during May and/or June, with follow-up analysis in September. We will also schedule a meeting in April for planning purposes.

Foundation Financial Statements and the Management Letter are requested to be completed for review by Foundation management no later than two weeks before for the September Board of Directors meeting which meets September 18, 2024.

College Financial Statements and the Management Letter are requested to be completed for review by College management no later than two weeks before for the November Finance Committee meeting which meets November 18, 2024. The Single Audit and the Agreed Upon Procedures reports are requested to be completed and reviewed by College management by the end of November.

The College will make every effort to ensure requested information is available for your review and analysis in a timely manner to realize this timeframe.

## **Internal Control**

The audit examination should be made after a review and evaluation of the internal control system of each entity. This review should encompass all business operations within the entities including, but not limited to: cash receipts and disbursements, payroll, purchasing, auxiliary operations, assets, liabilities, and overall operations.

A Management Letter of suggestions for improvements in internal controls, accounting procedures, computerized systems and other matters should be submitted by the accounting firm. Management's response to the recommendations will be presented at the Foundation Board meeting and the College Finance and Insurance Committee meeting. The accounting firm should be available to discuss the contents of this letter at any time with the designated individuals of the College or the associated Boards.

## **Auditor Responsibilities**

The following responsibilities should be recognized by the accounting firm:

1. A partner of the firm shall be assigned the primary responsibility for the audit.
2. Copies of the audited financial statements will be furnished to the College and Foundation prior to the presentation to the Boards.
3. There will be an exit conference with appropriate College personnel to review the draft audit reports prior to the printing of the final reports.

4. There will be a presentation to the members of the Boards of each representative organization(s).
5. The college or other authorized representatives of the college, the appropriate Federal/ State agency or its designees, and the Finance Office or its designees shall have free and unrestricted access to the report, work-papers, records, and other supportive documentation. Free and unrestricted access to and the right to require submittal of the documentation to the college shall exist throughout the contract period and shall continue for seven (7) years from the date of submission of the final invoice or until litigation, audit or claim have been fully resolved, if later.
6. If it is determined that the auditor's work was unacceptable because it did not meet the college's standards of State or Federal regulatory agencies, the auditor may, at the college's written request, be required to re-audit at its own expense and submit a revised audit report. In the event of the failure of the auditor to remedy any material defect or deficiency within 30 days after notice thereof, the College shall be entitled to terminate the agreement.

### **Proposed Format of Response**

A formal written proposal (4 sealed copies), addressing each of the items requested in the RFP must be received by 3:00 PM on January 15, 2024.

#### **Mail or deliver to:**

Joseph Hardenberg  
Purchasing & Contract Manager  
Lehigh Carbon Community College  
4525 Education Park Dr.  
Schnecksville, PA 18078

### **Information Guidelines for Proposal**

Your written proposal should:

1. Identify the office and engagement team that will be assigned to perform the audit, include resumes.
2. Identify support for these professionals both on the local and regional levels, if applicable.
3. Description of the firm's presence in the higher education industry including:
  - a. Other colleges and universities audited by the firm, specifically the office responsible for the audit. Please note clients selecting your firm in the last two years. The list should include Community Colleges if available.

- b. Publications of the firm relative to higher education.
  - c. Firm's knowledge and experience in audits involving financial aid, federal grants, and single audits.
  - d. Firm's knowledge of audit requirements as a result of Act 46.
4. Indicate how you will provide assurance of staff continuity.
  5. Contain a general discussion of the scope of the audit sufficient to indicate your basic approach, including a proposed time schedule to meet the College's requirement.
  6. Indicate ways in which the institution's resources might be used to contain the audit costs.
  7. Comment on the impact on the entities of the transition to a new firm (if appropriate), indicating the approach to be taken, time involved, extra costs, etc.
  8. Provide an executive summary indicating why your firm should be selected and the understanding of the service to be provided.
  9. Specify total quotation amount (three-year period) for completion of audits for each entity. This should be a not-to-exceed price for these services (yearly and three-year amount) and should include out-of-pocket expenses. Proposal sheet is provided.
  10. Other information as deemed appropriate.

**Auditing Service Fees**

Amounts should be final (not-to-exceed) dollar figures for each fiscal year:

**Lehigh Carbon Community College-Basic Financials**

Fiscal Year Ending June 30, 2024 \_\_\_\_\_  
Fiscal Year Ending June 30, 2025 \_\_\_\_\_  
Fiscal Year Ending June 30, 2026 \_\_\_\_\_  
Total \_\_\_\_\_

**Lehigh Carbon Community College-Single Audit**

Fiscal Year Ending June 30, 2024 \_\_\_\_\_  
Fiscal Year Ending June 30, 2025 \_\_\_\_\_  
Fiscal Year Ending June 30, 2026 \_\_\_\_\_  
Total \_\_\_\_\_

**Lehigh Carbon Community College-Agreed Upon Procedures Audit**

Fiscal Year Ending June 30, 2024 \_\_\_\_\_  
Fiscal Year Ending June 30, 2025 \_\_\_\_\_  
Fiscal Year Ending June 30, 2026 \_\_\_\_\_  
Total \_\_\_\_\_

**Lehigh Carbon Community College Foundation-Basic Financials**

Fiscal Year Ending June 30, 2024 \_\_\_\_\_  
Fiscal Year Ending June 30, 2025 \_\_\_\_\_  
Fiscal Year Ending June 30, 2026 \_\_\_\_\_  
Total \_\_\_\_\_

Firm Name \_\_\_\_\_

Firm Signature \_\_\_\_\_

Date \_\_\_\_\_