



ADMINISTRATION & FINANCE DEPARTMENT

REQUEST FOR PROPOSAL (RFP) RFP NO. PCC-2019-001

Date of Issue: January 23, 2019

Palau Community College is soliciting Proposals for the Performance of Financial Audit as a component of the Single Audit of the National Government, Republic of Palau, for the Fiscal Years ended September 30, 2019, 2020 and 2021. Bid specifications and information contained in the Request for Proposal (RFP) may be picked-up at the Office of Administration, Palau Community College during working hours (8:00 a.m. – 12:00 noon and 1:00 p.m. – 5:00 p.m.), Monday thru Friday excluding holidays.

Interested CPA Firms are requested to submit a detailed proposal in accordance with the Request for Proposal to the following address:

Uroi N. Salii, MBA
Director of Finance
Palau Community College
PO Box 9
Koror, Republic of Palau 96940

Submission deadline is no later than 4:30 p.m. (Palau time), February 18, 2019. Proposals arriving later than this time will not be considered. All proposals and attendant bids will be opened on February 19, 2019 at 10:00 a.m. at the Office of Administration-Business Office, Palau Community College. Palau Community College reserves the right to cancel RFP and to reject any or all proposals in its interest and to reissue an amended RFP.

Uroi N. Salii, MBA
Director of Finance



REQUEST FOR PROPOSAL

Financial Audit of Palau Community College

For Fiscal Years 2019, 2020 and 2021

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I. Description of the Entity and Records to be Audited

Palau Community College (PCC) is located in Koror, the provisional capital of the Republic of Palau. Palau constitutes the western boundary of Micronesia. Palau is a group of islands situated about 500 miles east of the Philippines, about 800 miles southwest of Guam, and 10,000 miles west of Washington, D.C.

Palau Community College was established on March 19, 1993. Prior to 1993, PCC was part of the College of Micronesia (COM) system, which consisted of three distinct campuses: Micronesian Occupational College, the College of the Marshall Islands, and the Community College of Micronesia. Although the COM system was decentralized, it retained a Board of Regents to administer the Land Grant programs at each of the former COM campuses.

Most PCC students are Micronesians though the college has a number of non-Micronesian students. Approximately eighty five percent (85%) of the college staff is Palauan, and the remaining 15% is comprised of Americans, Filipinos, and other Micronesians. Current spring enrollment is approximately 672.

The engagement will include the audit of Palau Community College and its component units. The College uses Governmental Fund types (Current Fund, Endowment Fund, and Plant Fund). The College uses accrual accounting. Some vital information regarding Palau Community College is as follows:

Fund/Account Group
Current Fund
Unrestricted
Restricted
Endowment Fund
Plant Fund
Building and improvements
Furniture, vehicles, and equipment

The audit will be conducted separately for Palau Community College, and must meet National Government standards and be conducted on time to be combined with the audit of the National Government.

Palau Community College maintains a centralized business office into which all revenue is deposited and disbursed in accordance with the policies and procedures of the College. The College is composed of the Office of the President, plus three departments (Education and Training, Administration, and Cooperative Research and Extension).

Palau Community College uses an automated accounting system.

II. Nature of Services Required

1. The audit is to be performed in accordance with the Single Audit Act Amendments of 1996 which require that Grantees that expend \$750,000 or more in a year in federal awards must have a Circular A-133 single audit (or program-specific audit) performed for that year. The single audit must be performed in accordance with Government Auditing Standards (GASB 34) and cover the entire operations of the College, specifically the financial statements and Schedule of Expenditures of Federal Awards, both of which must be for the same fiscal year.

A. Scope of the Audit

- 1) An independent auditor shall make the audit. An “independent auditor” means (1) a State or local government auditor who meets the independence standards specified in the generally accepted government auditing standards, or (2) a public accountant who meets such independence standards.
- 2) The audit shall be made in accordance with generally accepted government audit standards covering financial and compliance audits. These standards mean the Standards for Audit of Government Organizations, Programs, Activities, and Functions, developed by the Comptroller General (GAO). The most current edition should be used as reference.
- 3) The audit shall cover the entire operations of Palau Community College and its departments and divisions.

B. Requirements of the Auditor

OMB Circular A-128 specifies that the auditor shall determine whether:

- 1) The financial statements for the government, department, agency or establishment present fairly its financial position and results of its financial operations in accordance with generally accepted accounting principles.
- 2) The organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal Financial Assistance programs in compliance with applicable laws and regulations.
- 3) The Organization has complied with laws and regulations that may have material effect on its financial statements and on each major Federal Assistance Program.

2. Mandatory Qualifications of the Auditor

All respondents must submit the following information:

- A. An affirmation that the proposer is properly licensed for public practice as a certified public accountant or a public accountant. According to generally accepted governmental auditing standards (GAGAS), public accountants must be licensed on or before December 31, 1990, or working for a CPA firm to be eligible for engagement.
- B. An affirmation that the proposer meets the independence requirements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, 1981 revision, published by the U.S. General Accounting Office.
- C. An affirmation that the respondent does not have a record of substandard audit work.
- D. The respondent must submit a copy of most recent peer review report.
- E. An affirmation that the respondent meets any other specific qualification requirements imposed by the Republic of Palau's Public Accountancy Act.

3. Period of Audit

The audit will cover fiscal years 2019, 2020 and 2021 beginning October 1st to September 30th of each of the three fiscal years.

4. Exit Conference Requirements

The proposer shall meet from time to time with the Vice President of Administration and Finance and the Director of Finance to discuss the progress of the audit and other related matters and concerns. Upon issuing a draft audit report, the proposer shall hold an exit conference with the President, Vice President of Administration and Finance and the Director of Finance to discuss the report and related issues.

III. Assistance Available to Proposers.

- 1. The Accounting Firm of Burger, Comer & Magliari, CPA conducted the most recent audit of Palau Community College for fiscal year 2017. The firm issued an unmodified opinion.

2. The Vice President of Administration and Finance and/or the Director of Finance will assign staff to be available to assist the proposer.
 - A. The staff can prepare schedules, reproduce documents, pull documents, etc.
 - B. Palau Community College uses an Abila MIP Fund Accounting Software and is available for auditing purposes.
3. All interfund, interdepartmental, bank statements will have been reconciled at the end of the fiscal year.
4. The requester will provide adequate working space for the proposer which working space will be within the vicinity of the records.
5. The U.S. Department of the Interior is the cognizant Federal Agency for the Single Audit.

IV. Reports Required

At the conclusion of the audit, the proposer is required to submit the following audit reports: (1) Report on the audit of Financial Statements in accordance with OMB Circular A-133, (2) Independent Auditors' Report on the Internal Control Structure, (3) Independent Auditors' Report on Compliance with Laws and Regulations.

In addition, the audit reports should meet the following minimum requirements:

1. The audit report shall state that the audit was made in accordance with the provisions of OMB Circular A-133 and GASB 34.
2. The audit report shall include at least:
 - A. The auditor's opinion report on the financial statements and on a schedule of Federal Assistance, showing the total expenditures for each Federal Assistance Program as identified in the Catalog of Federal Domestic Assistance, and all other Federal Programs and grants which have not been assigned catalog numbers.
 - B. The auditor's report on the study and evaluation of internal control systems and it must identify the College's significant internal accounting controls, and those controls designed to provide reasonable assurance that Federal Programs are being managed in compliance with laws and regulations. This report must identify the controls which were not evaluated, and the material weaknesses identified as a result of the evaluation.

C. The auditor's report on compliance containing:

- 1) A statement of positive assurance with respect to those items tested for compliance including compliance with laws, rules and regulations pertaining to non-major programs and other items which could have a material effect on financial reports and claims for advances and reimbursements. In addition, the auditors' report must disclose whether the organization has complied with laws and regulations that may have a material effect on each major federal assistance programs.
- 2) A statement of negative assurance on those items not tested.
- 3) A summary of all instances of noncompliance, and
- 4) An identification of total amounts of costs questioned, if any, for each Federal Assistance Award as a result of noncompliance.
- 5) Other statements or reports to satisfy State and local government requirements.

The three parts of the audit report shall be presented as a consolidated reports. Separate management reports shall be submitted with and attached as part of the above reports. Reports on fraud, abuse, or illegal acts or indication of such acts including all questioned costs found as the results of these acts should be covered by a separate written report to the Vice President of Administration and Finance/Director of Finance.

V. Submission of Proposal

Proposal must be post-marked before February 18, 2019 and received by the Office of Administration Palau Community College no later than 4:30 p.m., local time. Proposals arriving later than this time will not be considered.

Each proposal must be delivered with an original and five (5) copies. The fee proposal should not be disclosed in the main proposal but should be submitted in a separate sealed envelope. The proposal must respond to all the structured criteria as contained in the Request For Proposal (RFP).

Palau Community College reserves the right to:

1. Reject all proposals and reissue an amended RFP.
2. Request additional information from proposer.
3. Waive any non-material violation of rules contained in this RFP.

4. Negotiate a contract with the firm selected for the engagement.

Palau Community College will not reimburse or pay for any costs incurred in preparing and submitting a proposal in response to this RFP.

VI. Fee Proposal

The fee proposal should be submitted in a separate sealed envelope and the fee amount should not be disclosed anywhere in the proposal.

The proposer will be expected to provide transportation, temporary housing and meals while performing the audits. State the fee proposal giving the firm not-to-exceed amounts to complete all the work. Give your best estimate of all reimbursable (overhead) costs and give not-to-exceed amount for the same.

VII. Time Requirements

The following dates and times shall be adhered to and remain unless waived in writing by the Vice President of Administration and Finance/Director of Finance:

- A. All proposals must be received by the Vice President of Administration and Finance/Director of Finance by February 18, 2019 at 4:30 p.m. Proposals received after this date and time will not be considered.
- B. Proposals and bid opening and evaluation will be conducted on February 19, 2019 at 10:00 a.m. at the Office of Administration, Palau Community College.
- C. Contract will be awarded on March 4, 2019.
- D. Preliminary audit work and related fiscal-year-end cut-off procedures can commence on the third Monday of October of each audit year.
- E. Preliminary (Draft) audit report shall be completed by January 31st each fiscal year.
- F. Final audit reports shall be delivered in time to meet the deadline requirements of A-133 and the National Government deadline. These will be established during negotiation with the firm awarded the contract.

VIII. Contractual Arrangements

The contract shall be for a period of three (3) years. Billing and payments shall be in accordance with progress of work. A schedule of work will be prepared as an addendum to the contract.

IX. Report Review, Timing, and Number of Copies

The following conditions shall be adhered to concerning procedures of reporting, frequency, number of copies, special reporting, etc.

- A. A draft audit report shall be submitted to Vice President of Administration and Finance/Director of Finance, Palau Community College, for his review and response. According to the Public Auditing Act, the auditee shall have 30 days to respond to the report and contents of the response shall be incorporated in the final report.
- B. A copy of the draft report may be submitted to the Office of the Public Auditor, P.O. Box 850, Koror, Palau for its review.
- C. During the course of the audit, any instances or indications of fraud, waste and illegal acts must be covered by a separate written report to the Vice President of Administration and Finance/Director of Finance, Palau Community College, P.O. Box 9, Koror, Palau 96940.
- D. Management & Discussion Analysis reports should be submitted as part of the audit report.
- E. Fifty (50) copies of the audit are to be submitted to the Vice President of Administration and Finance/Director of Finance.

X. Working Papers

- A. Working papers will be retained for at least three years.
- B. Working papers will be available for examination by the Office of the Public Auditor, Republic of Palau, representatives of the cognizant Federal audit agency, and the General Accounting Office.