

LOS ANGELES COMMUNITY COLLEGE DISTRICT

770 Wilshire Boulevard, Los Angeles, California 90017

REQUEST FOR PROPOSAL

INDEPENDENT FINANCIAL AUDIT SERVICES

RFP No. 11-12

Proposal Issued on: March 4, 2011

REQUEST FOR PROPOSAL

NOTICE TO CONTRACTORS CALLING FOR PROPOSALS

INDEPENDENT FINANCIAL AUDIT SERVICES

NOTICE IS HEREBY GIVEN that Los Angeles Community College District, hereinafter referred to as the District, will receive up to, but not later than 3:00 p.m. on the 28th day of March, 2011, sealed proposals for award of a contract for independent financial audit services.

All proposals shall be made in the format specified by the District. Proposals shall be sent to:

Jeanette L. Gordon, Chief Financial Officer/Treasurer  
Los Angeles Community College District  
770 Wilshire Boulevard, 8th floor  
Los Angeles, California 90017

All questions concerning this proposal shall be made to:

Jeanette L. Gordon, Chief Financial Officer/Treasurer  
(213) 891-2090 (phone)  
or  
Harry Ziogas, Director of Accounting  
(213) 891-2102 (phone)

Each proposal must conform and be responsive to the contract documents, copies of which are on file and may be obtained from the Contracts Office at the address specified above.

No Contractor may withdraw his proposal for a period of sixty (60) days after the date scheduled for receipt of proposals.

Qualified small businesses and minority firms are encouraged to submit proposals.

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Jeanette L. Gordon  
Chief Financial Officer/Treasurer

## 1. INTRODUCTION

This Request for Proposal (RFP) contains specifications and related documents covering independent audit services for the Los Angeles Community College District.

This RFP and all subsequent modifications thereto are hereby designated as the sole reference and authority for the preparation of proposals. This release of this RFP supersedes all other documents related to independent audit services obtained from any source, either by written or verbal communications.

This RFP shall not be construed (1) to create an obligation on the part of the District to enter into a contract with any firm or (2) to serve as the basis of a claim for reimbursement of expenditures related to the development of a proposal.

Notwithstanding other provisions of this RFP, Contractors 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.

### **BACKGROUND INFORMATION**

The Los Angeles Community College District is one of 72 community college districts in the State of California. The community college movement had its beginnings in California in 1907 when the state legislature permitted high schools to offer postgraduate courses. Subsequently, the Ballard Act of 1917 included provisions for state aid and early regulations governing districts. The Deering Act of 1929 assured financial support for the junior colleges of the State.

In 1929, our own Los Angeles City College held its first classes. There were only 35 junior colleges of one kind or another operating in California at that time. During the '20s and '30s enrollment in junior colleges doubled. The post-war years were also a time of dramatic expansion. Finally, in 1959, the Legislature mandated the development of a master plan and study of the State's junior colleges. This effort moved the two-year colleges away from the secondary (K-12) system and into higher education.

In 1967, Governor Ronald Reagan authorized the establishment of a Board of Governors for the California Colleges and changed the official designation of the institution from "junior" to "community" colleges. On July 1, 1969, the Los Angeles Community College District legally separated from the Los Angeles Unified School District becoming its own entity with a separate Board of Trustees and administration.

Since 1929, our District has grown from one to nine colleges serving a population of 4.8 million citizens and a student population of approximately 125,000 in a geographic area more than 800 square miles.

The District employs approximately 3,500 full-time and 5,900 part-time personnel. The following nine colleges make up the Los Angeles Community College District. All of the colleges are accredited by the Western Association of Schools and Colleges and fully approved under the regulations of the California Community Colleges.

| <b>COLLEGE</b>                      | <b>DATE ESTABLISHED</b> | <b>COLLEGE WEBSITE</b>   |
|-------------------------------------|-------------------------|--|
| Los Angeles City College            | 1929                    | <a href="http://www.lacitycollege.edu">www.lacitycollege.edu</a> |
| East Los Angeles College            | 1945                    | <a href="http://www.elac.edu">www.elac.edu</a>                   |
| Pierce College                      | 1947                    | <a href="http://www.piercecollege.edu">www.piercecollege.edu</a> |
| Los Angeles Harbor College          | 1949                    | <a href="http://www.lahc.edu">www.lahc.edu</a>                   |
| Los Angeles Trade-Technical College | 1949                    | <a href="http://www.lattc.edu">www.lattc.edu</a>                 |
| Los Angeles Valley College          | 1949                    | <a href="http://www.lavc.edu">www.lavc.edu</a>                   |
| Los Angeles Southwest College       | 1967                    | <a href="http://www.lasc.edu">www.lasc.edu</a>                   |
| West Los Angeles College            | 1969                    | <a href="http://www.wlac.edu">www.wlac.edu</a>                   |
| Los Angeles Mission College         | 1975                    | <a href="http://www.lamission.edu">www.lamission.edu</a>         |

## Enrollment

The Los Angeles Community College District's enrollment for the fiscal year ended June 30, 2009 increased by 12.5% from the previous year. The enrollment figures (credit student headcounts) by campus for the 2008-2009 fiscal years were as follows:

|                                     | <u>Fall</u>    | <u>Spring</u>  |
|-------------------------------------|----------------|----------------|
| East Los Angeles College            | 24,892         | 26,049         |
| Los Angeles City College            | 17,478         | 18,714         |
| Los Angeles Harbor College          | 8,739          | 9,055          |
| Los Angeles Mission College         | 10,239         | 9,779          |
| Pierce College                      | 22,164         | 22,566         |
| Los Angeles Southwest College       | 7,284          | 7,091          |
| Los Angeles Trade-Technical College | 14,503         | 14,755         |
| Los Angeles Valley College          | 18,436         | 19,229         |
| West Los Angeles College            | 10,780         | 10,685         |
| Instructional Television            | 588            | 487            |
| Total districtwide                  | <u>135,103</u> | <u>138,410</u> |

The Los Angeles Community College District's FTES (Full time equivalent student) figures for the fiscal year ended June 30, 2009, the measure by which the State of California funds Community Colleges, increased by 5.1% from the previous year as follows:

|                                     | <u>Credit</u>  | <u>Noncredit</u> |
|-------------------------------------|----------------|------------------|
| East Los Angeles College            | 21,330         | 1,828            |
| Los Angeles City College            | 13,183         | 2,001            |
| Los Angeles Harbor College          | 7,273          | 193              |
| Los Angeles Mission College         | 6,395          | 315              |
| Pierce College                      | 15,730         | 349              |
| Los Angeles Southwest College       | 5,288          | 435              |
| Los Angeles Trade-Technical College | 12,398         | 779              |
| Los Angeles Valley College          | 13,033         | 766              |
| West Los Angeles College            | 7,875          | 334              |
| Instructional Television            | 425            | —                |
| Total districtwide                  | <u>102,930</u> | <u>7,000</u>     |

## Finance

The District's Budget for fiscal year 2010-11 is \$2.79 billion, which includes \$696.5 million budget for General Fund purposes, of which \$601 million is for general operations of the District in its Unrestricted General Fund. The budget also included \$1.67 billion of Proposition A and AA and Measure J construction bond funds.

As of June 30, 2010, the District's net asset (unaudited) is \$624.7 million. The District is in nine years of Proposition A and AA bond construction projects and has an additional \$3.5 billion in authorization from Measure J passed in November 2008 for bond construction.

The District's computer center uses HP/UX Alpha and Digital VMS/VAX servers. The District is using the SAP/ERP modules for its Financial and Human Resource systems.

## Educational Services Center (District Offices)

The Education Services Center is comprised of the following offices:

1. Board of Trustees
2. Office of the Chancellor
3. Office of the Deputy Chancellor
4. General Counsel
5. Chief Financial Officer/Treasurer
6. Educational Support Services

7. Institutional Effectiveness
8. Economic and Workforce Development
9. Personnel Commission

The Educational Services Center provides district-wide support services that mandated by law and regulations to the nine colleges and to facilitate the consistent and efficient delivery of public educational services on a district-wide basis.

These offices provide centralized business services required by law and regulations, legal support services, leadership and assistance to colleges, and ensure that compliance, legal, and fiscal integrity of the District are in place and insuring that appropriate internal control necessary for providing quality education services on a long-term basic

Copies of the Organizational Structure are provided for information (attached)

With implementation of GASB 45 in FY 2007-2008, additional guidance will be needed for the accounting and financial reporting of Other Post Employment Benefits (OPEB) over total pension costs incurred by the District.

### 3. INFORMATION AND GENERAL CONDITIONS

#### 3.1 Preparation of Proposal Documents

Five (5) sealed copies of the proposal shall be submitted no later than 3:00 p.m., March 28, 2011. Proposals shall be delivered or mailed to the attention of Jeanette L. Gordon, Chief Financial Officer, Los Angeles Community College District, 770 Wilshire Boulevard, Los Angeles, California 90017.

It is the sole responsibility of the person submitting the proposal to see that it is delivered on time. Any proposal submitted after 3:00 p.m. on Monday, March 28, 2011 will be returned to the Auditor unopened.

#### 3.2 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.

#### 3.3 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 erroneously and fallaciously mislead the District in the evaluation of the proposal.

#### 3.4 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.

#### 3.5 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 any Auditor from obligation with respect to this RFP or to the contract. The submission of a proposal shall be taken as prima facie evidence of compliance with this Section.

If an Auditor discovers any ambiguity, conflict, discrepancy, omission, or other errors in the RFP, the Auditor shall immediately notify the District or the error in writing and request modification or clarification of the document.

Modifications shall be made by addenda issued pursuant to Section 3.6 below. Clarifications shall be given by written notice to all Auditors participating in the RFP, without divulging the source of the request for same.

If an Auditor fails to notify the District of an error in the RFP before the date scheduled for receipt of proposals, or of an error that reasonably should have been known to the Auditor, 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.

### 3.6 Addenda

The District may modify this RFP before the date scheduled for submission of proposals by issuance of an addendum to all parties who have been furnished the RFP for the purpose of submitting a proposal. Addenda shall be numbered consecutively as a suffix to the RFP reference number.

### 3.7 Modification of RFP Response

Auditor may modify his/her proposal after its submission by written notice of withdrawal and resubmission before the time and the date specified for submission of proposals. Modifications will not be considered if offered in any other manner.

### 3.8 Withdrawal of Proposals

Auditor may withdraw his proposal by submitting a written request for its withdrawal 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.

### 3.9 Rejection of Proposals

The District reserves the right to reject any or all proposals received as a result of this RFP or to negotiate separately with any Auditor when it is determined to be in the best interest of the District.

### 3.10 Misunderstandings and Questions

The RFP documents will be clarified by the District upon written request from an Auditor. The District's decision shall be final in any matter of interpretation of the documents. All questions regarding the RFP must be directed to Ms. Jeanette L. Gordon, Chief Financial Officer.

### 3.11 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 the District.

### 3.12 Evaluation Process

Proposals will be evaluated by staff of the Chief Financial Officer's Office. During the evaluation, validation and selection process, the District may request meetings with an Auditor's representative to request answers to specific questions or may request that the Auditor answer specific questions in writing. The District may require that the Auditor make presentations that are pertinent to the evaluation process. If a question and/or questions are asked by the District in a meeting and these questions and the answers thereto are pertinent to the proposal and the contract to be awarded, the question(s) and the answer(s) will be sent to the Auditors in writing for verification before they are included in the contract documents.

### 3.13 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, cost and all other factors considered. It is anticipated that award of the contract will be made within sixty (60) 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 Auditor agrees to be bound by his/her proposal. Written notification will be made to Auditors not selected.

### 3.14 Errors in Proposal

Auditor 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, the District will notify the Auditor that the proposal, as submitted, appears to contain errors and require the Auditor to correct the errors.

### 3.15 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.

### 3.16 Related Experience

All Auditors must submit information that indicates specific qualification 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 performed during the past two (2) years. The reference list shall include the names and addresses of the clients, the name, title and telephone number 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 or individuals to be assigned to perform the audit services.

### 3.17 Tentative Schedule of Events

|   |                           |
|---|---------------------------|
| . Issue RFP   | March 4, 2011             |
| . Receive and Open Written Proposals ("3 p.m.")                   | March 28, 2011            |
| . Complete Evaluation   | April 8, 2011             |
| . Interviews (if necessary) with representatives of Invited Firms | April 11 – April 15, 2011 |
| . Begin Contract Negotiations with Apparent Successful Auditor    | April 25, 2011            |
| . Board Acceptance of Contract                                    | May 11, 2011              |
| . Award Contract  | May, 18, 2011             |

### 3.18 Definitions

The term "District" as used in these clauses shall be construed to include the Los Angeles Community College District, and all employees, officers, and agents of the District and the Personnel Commission.

The Auditor is named as such in the contract documents and is referred to in generic terms as if Auditor were of singular number.

### 3.19 Covenant Against Contingent Fees

The Auditor 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 this RFP upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide established commercial or selling agencies maintained by the Auditor 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 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 fee.

### 3.20 Affirmative Action

Auditor shall take affirmative action to ensure that applications are received and that employees are treated during employment without regard to their race, color, religion, age, sex, ancestry, handicap, or national origin. Such action shall include, but may not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

Auditor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the State setting forth the provisions of the Fair Employment Practices Act.

### 3.21 Compliance with Civil Rights Act

Auditor hereby assures that he will comply with Subchapter VI of the Civil Rights Act of 1964, USC Section 2000e through 2000e (17) to the end that no person shall, on the grounds of race, creed, color or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Agreement or under any project, program, or activity supported by the Agreement.

### 3.22 Assurance of Compliance with Section 504 of the Rehabilitation Act

Auditor hereby assures that he will comply with Section 504 of the Rehabilitation Act of 1973, 20 USC 706, with regard to federal financial assistance administered by the Department of Health and Human Services.

### 3.23 Assignment

The Agreement, or any interest therein, may not be assigned without the prior written consent of the District.

### 3.24 Compliance with Laws

Auditor agrees to comply with all applicable Federal, State and local laws, rules, regulations, ordinances, policies and procedures in the conduct of the program as specified herein.

### 3.25 Independent Contractor

While performing services hereunder, Auditor is an independent contractor and not an officer, agent or employee of the District.

### 3.26 Insurance

Auditor shall take out and maintain during the period of this Agreement such general liability, property damage, workers' compensation and vehicle insurance as may be required to protect Auditor and the District as their interest may appear.

### 3.27 Hold Harmless and Indemnification

Auditor shall hold harmless and indemnify the District, its officers, agents and employees from and against any and all actions, suits or other proceedings as may arise as a result of performing the work hereunder, except such actions, suits or other proceedings as may arise as a result of the negligent or willful misconduct of the District, its officers, agents and employees.

### 3.28 Subcontracting

Auditors may subcontract with other qualified firms or individuals as required to complete all or a portion of the work to be done. The audit firm is expected to exercise good faith effort towards meeting statewide participation goals as specified in Title 5 for minority, women, and disabled veteran business enterprises. In the event an Auditor exercises this subcontracting option, the Auditor must provide all information requested in Section 4 for each subcontractor in identical form and content as that prescribed for Auditor's response. In addition, the Auditor shall clearly describe the reason for using subcontractors, the specific role each subcontractor will play in the project, and the relationship between the Auditor and his subcontractor, which will be maintained during the term of the agreement. All proposed subcontracts shall be approved by the District prior to award of the subcontract by the Auditor. No subcontract will be approved unless the Auditor 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 Auditor.

### 3.29 Terms of Agreement

The agreement shall cover the period necessary to make the required audits and examinations for the fiscal years of 2010-2011, 2011-2012, and 2012-2013 inclusive; with an option to extend for another two fiscal years.

The Auditor shall commence their work for each fiscal year at such time as may be mutually agreed upon by the parties hereto but not sooner than December 31st of the fiscal year being audited.

Following the initial audit year, the agreement may be terminated for the audit of any subsequent fiscal year by the District or the Auditor, by giving written notice, with the reason thereof, to the other party not later than December 31st of any fiscal year for the audit of that fiscal year.

### 3.30 Compensation and Payments

The District shall pay the Auditor an amount not to exceed the maximum cost proposed by Auditor for each audit year this agreement is in effect. The service fee provided herein shall cover all costs incurred by Auditor including any and all anticipated out-of-pocket expenses.

Progress payment from the District shall be made to the Auditor for services rendered, except that in any audit year, the total amount of progress payments shall not exceed eighty percent (80%) of the annual fees. The remaining twenty percent (20%) shall be paid by the District upon satisfactory completion of the audit services for that audit year. Invoices presented by the Auditor shall be in duplicate and in a form acceptable to the District subject to approval by the Chief Financial Officer.

### 3.31 Additional Services

The Auditor shall also be prepared to perform work or render additional services in addition to the financial audit, in the areas of systems and procedures, electronic data processing, and operational reviews in the area of operations, physical assets, security, purchasing and contracting, maintenance and operations, facilities utilization and other areas of resource management.

If the District requests Auditor to perform work or render services in addition to those which are usual and customary in making an audit and examination of the books and accounts of the District, the Auditor shall receive payment at a mutually agreed fee for such additional service.

The Auditor shall employ only personnel who are qualified and experienced in the above tasks.

### 3.32 Administration of the Contract Duties and Obligations

The activities of the Auditor in the discharge of his obligations under the agreement shall be administered by a partner of Auditor who shall furnish the required coordination with the District each fiscal year.

The District shall be represented by the Chief Financial Officer/Treasurer.

### 3.33 Scope of Audit Services

Auditor shall assist in preparing the basic financial statements and notes to the basic financial statements and test the District's on going compliance with GASB 34/35. This shall include Statement of Net Assets, Revenue, Expense and Changes in Net Assets and Cashflow (See Exhibit A).

Auditor shall make audits and examinations for each fiscal year specified above of the books, accounts, records and financial statements of the District and Associated Student Organizations, which shall include all funds of the District, including General, Special Revenue, Debt Service, Student Financial Aid, Long-term Account Groups (see Exhibit B); and any other funds under the control or jurisdiction of the District. Auditor shall also audit and examine the propriety of all personnel assignments to assure legal conformity with applicable statutes, and ascertain that all assignments are properly reported in the payroll system to assure that only accurate, authorized, legally valid payments are made to personnel entitled to payment. In addition, compliance audits of the VTEA, Student Financial Aid programs and other Federal and State programs shall be performed in accordance with applicable federal and state audit guidelines.

The audits and examinations shall be conducted by Auditor in accordance with generally accepted auditing standards applicable in the circumstances and shall include such tests of the accounting records and such other auditing procedures to be conducted at each of the nine (9) college campuses as will enable Auditor to express his opinion on the financial statements and the Schedule of Federal and State Financial Assistance presented (see Exhibit C).

### 3.34 Technical Standards

The single audit of the District shall be performed in accordance with the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the Single Audit Act Amendments of 1996, the State Controller's Standards and Procedures for Audits of California Community Colleges, and generally accepted auditing standards.

### 3.35 Reports by Auditors

Since time is of the essence in the performance of each annual financial audit, the Auditor shall devote such diligence, skills and time necessary to complete the audits by November 15 for each preceding fiscal year this agreement is in effect, in accordance with Education Code Section 84040. A report of each audit shall be timely filed with the Los Angeles County Clerk, the Los Angeles County Office of Education, the California State Board of Governors for the Community Colleges and the State Department of Finance. Two hundred (200) copies shall also be made available for the District.

The Auditor shall be prepared to make a public presentation of the final reports to the District's Audit Committee and to the Board of Trustees for acceptance prior to or on the last meeting in December, 2011 and at comparable meetings in the years 2012 and 2013.

The Auditor shall render periodic reports on the progress of their audits and examinations as specified in Paragraph 3.33 above whenever requested by the District.

The Auditor shall be prepared to meet with representatives of the District, upon request, whenever the need arises.

Reports of the audits and examinations shall include, but shall not be limited to, such statements and other information as shall be prescribed by the California State Department of Finance in cooperation with the Auditor General and the Board of Governors, in accordance with the provisions of the California Education Code Sections 84040 and 84040.5 with reference to the District's fiscal independence.

### 3.36 Management Letter

A management letter shall be prepared by the Auditor in conjunction with each audit. The management letter shall include a statement of findings and recommendations affecting the financial statements, internal control, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material information.

Prior to the submission of the final draft of the management letter, the Auditor shall meet with appropriate District management staff to discuss its content.

### 3.37 Exit Conference

At the end of each campus audit, the Auditor shall conduct an exit conference with appropriate personnel of the college and/or of the District.

### 3.38 Auditor Staffing

The Auditor shall assign professional staff with appropriate knowledge, skills and disciplines for the conduct of a local education agency single audit, financial and compliance audits of all federal and State programs.

In-charge auditors shall be certified public accountants, currently licensed in the State of California. Managers shall coordinate the activities of the audit staff and shall be the liaison between the Auditor and the District. The manager shall be readily accessible and respond in a timely basis to the District at all times.

The Auditor shall keep a current Project Organization Chart indicating the specific personnel assigned to each aspect of the audits. The Auditor shall also prepare, throughout the course of the audits, periodic status reports for each of the audit areas completed, in progress, and to be completed, including dates of completion, expected start dates, and expected completion dates.

These scheduling and status reports shall be filed periodically, or upon request, with the Chief Financial Officer.

### 3.39 Working Papers

Working papers shall be retained by the Auditor for a minimum of three (3) years unless notified otherwise in writing by the District or the State Controller. The audits are subject to review by the State Controllers' Office, the Department of Education, the Office of the Auditor General, and other individuals designated by the District. Accordingly, the audit working papers shall be made available upon request.

### 3.40 District's Prior Year Records and Staff Assistance

The prior year audits were performed by the Los Angeles office of KPMG, L.L.P. Copies of these reports are available in the office of the Director of Accounting, Operations Division.

The Director of Accounting and the Internal Audit staff will provide assistance and act as liaison between the Auditor and the various District offices and campus staff in their audits. It is not the intent of the District to furnish staff assistance for the purpose of pulling documents or preparing new schedules.

Since existing working space is limited for District office staff, any requests for space will have to be made in advance to the Chief Financial Officer in order to be accommodated.

## 4. PROPOSAL RESPONSE REQUIREMENTS

### 4.1 General

All proposals shall be submitted in the format as specified. Provide a complete response to each request for information. Responses to this Section of the RFP will be used by the District's evaluation committee to determine the successful Auditor.

### 4.2 Letter of Transmittal

Summarize your understanding of the work to be done. Indicate the names of the person who will be authorized to make representations on the part of your firm, their titles, addresses and telephone numbers. The person and/or persons authorized to execute the contract on the part of your firm shall sign the transmittal letter.

### 4.3 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, the number of partners, managers, seniors, supervisors, and other professional staff employed at this office.

Describe the range of activities performed by the office from which the work will be done (i.e., auditing, accounting, tax service, management advisory service).

Describe this office's experience in auditing computerized systems, including the number and classifications of personnel skilled in computer related audit services.

### 4.4 Auditor's Staffing and Qualifications

Indicate the name of the person who will manage the audit services as specified in this RFP. Provide a brief resume of the manager's experience in managing audits of the size and scope as specified herein.

### 4.5 Affirmative Action Program

Discuss your firm's affirmative action program with emphasis on the requirements as specified in Section 3.20 of this RFP.

Does your firm plan to subcontract with a small and/or minority audit firm in order to meet the objectives of the affirmative action program as specified herein? If yes,

indicate the name of the firm and provide all information requested in Section 4.3 through 4.6 and 4.8 and 4.9 of this RFP.

#### 4.6 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 referenced clients. Include the name of the client, address, telephone number and the name of each client's cognizant manager.

#### 4.7 Auditor's Approach to the Examinations

Prepare a work plan to accomplish the auditing services as specified in this RFP. The work plan shall include time estimates for each significant segment of the work; the number of staff to be assigned, including supervisors where appropriate; the level of each of the staff members to be assigned; and any specialists who will be assigned during any portion of the audit.

#### 4.8 Cost of Services

Provide a summary of anticipated hours and maximum contract amount for each of the three years included in the audit. Also provide hourly rates by level of professional for any additional work the District may request.

#### 4.9 Additional Information

The preceding sections shall contain only the information requested. If Auditor desires to present additional information, such additional information shall be presented in this Section of the RFP. If there is no additional information to present, indicate "There is no additional information to present."

#### 4.9 Assurances

Auditor certifies that Auditor is a properly licensed certified public accountant in the State of California on or before January 1, 2011.

Auditor understands that the primary purpose of the examinations as 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 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. No extended services will be performed unless they are authorized by the District and the agreement covering the work to be done has been amended to reflect such extended services.

Auditor shall certify that in accordance with generally accepted auditing standards and other applicable guidelines and regulations, the Auditor will select the necessary procedures to test compliance and to disclose noncompliance with specified laws, regulations and contracts.

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(Name of Firm Submitting this Proposal)

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(Signature of Authorized Agent)

---

(Date)

EXHIBIT A

Basic Financial Statements  
Los Angeles Community College District

- . Statement of Net Assets
- . Statement of Revenue, Expense and Change in Net Assets
- . Statement of Cash Flows
- . Notes to Basic Financial Statements
- . Management's Discussion and Analysis

## EXHIBIT B

### Supplemental Financial Information Los Angeles Community College District

#### Governmental Fund Types

- . General
- . Special Revenue: Including Special Reserve, Child Development, Bookstore and Cafeteria Funds.
- . Debt Service
- . Building

#### Fiduciary Fund Types

- . Trust and Agency: Including Associated Student Organizations and Other Trust Funds.
- . Student Financial Aid

#### Account Groups

- . General Fixed Assets
- . General Long-Term Debt

EXHIBIT C

. Schedule of Federal and State Financial Assistance

Attached for your information is the Report on Audited Basic Financial  
Statements June 30, 2009