



## **Rowan College of South Jersey**

Administrative Procedure: 6101  
**ANNUAL AUDIT**

The College will review the selection of its independent auditor every two years.

### **Selecting an Auditor**

The following factors will be considered by the College in selecting an accounting firm:

1. The firm's reputation in the nonprofit community;
2. The depth of the firm's understanding of and experience with colleges and universities, and federal reporting requirements under OMB Circular A-133;
3. The firm's demonstrated ability to provide the services requested in a timely manner; and
4. The ability of the firm's staff to communicate with the College's personnel in a professional and congenial manner.

If the College decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information will be included:

1. Period of services required;
2. Type of contract to be awarded (fixed fee, cost basis, etc.);
3. Complete description of the services requested (audit, management letter, tax returns, etc.);
4. Identification of meetings requiring their attendance, such as staff or Board of Trustees meetings;
5. Chart of account information;
6. Copy of prior year reports (financial statements, management letters, etc.);
7. Other information considered appropriate;
8. Due date of proposals;
9. Overview of selection process; and
10. Identification of criteria for selection.

The following proposal requirements from prospective CPA firms will be considered the minimum:

1. Firm background;
2. Biographical information (resumes) of key firm members who will serve the College;
3. Client references;
4. Information about the firm's capabilities;
5. Firm's approach to performing the audit;
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings;
7. Other resources available within the firm;
8. Expected timing and completion of the audit;
9. Expected delivery of reports;
10. Cost estimate including estimated number of hours per staff member;
11. Rate per hour for each auditor; and
12. Other information as appropriate.

In order to narrow down the proposals to the top selections, the Vice President and Chief Operating Officer (VP/COO) along with the Executive Director, Financial Services ("Executive Director") will meet with the prospective engagement teams from each firm to discuss their proposal.

### **Preparation for the Annual Audit**

The College will be actively involved in planning and assisting the College's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. The Executive Director is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments will be based on the list of requested schedules and information provided by the independent accounting firm.

In that regard, the accounting department will provide assistance to the independent auditors in the following areas:

1. Provide requested schedules and documents to auditors during any interim fieldwork that is performed; and
2. Provide schedules, documents, and information requested by the auditors in a timely manner.

### **Concluding the Audit**

Upon receipt of a draft of the audited financial statements, the Executive Director will perform a detailed review of the draft consisting of the following procedures:

1. Carefully read the entire report for typographical errors;

2. Ensure that each number in the financial statements and accompanying footnotes agree with the accounting records and/or internal financial statements of the College; and
3. Review each footnote for accuracy and completeness.

Any questions or errors noted as part of this review will be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the VP/COO.

It will be the responsibility of the Executive Director to review all department's responses relating to internal control and compliance findings and recommendations made by the independent auditor.

Area: Finance  
Approved: 07/01/19

President's Authorization:

A handwritten signature in black ink, appearing to read "James Kealey". The signature is written in a cursive style with a large initial "J".

References:

Rowan College of South Jersey Board of Trustees Policy Manual, *6101 Annual Audit*

Administrative Procedure: 6101 Annual Audit