



State of Rhode Island and Providence Plantations  
RHODE ISLAND BOARD OF EDUCATION  
Office of the Postsecondary Commissioner  
80 Washington Street  
Providence, Rhode Island 02903-3400

Enclosure 9b.  
May 6, 2015

May 1, 2015

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Chair

**Council on Elementary and  
Secondary Education**

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Colleen A. Callahan, Ed.D.

Karin Forbes

Jo Eva Gaines

Marta V. Martinez

Lawrence Purtill

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Joyce L. Stevos, Ph.D.

**Council on Postsecondary  
Education**

**Michael Bernstein**  
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Dennis Duffy, Esq.

The Honorable Thomas Izzo

Judy Ouellette

Kerry I. Rafanelli, Esq.

John J. Smith, Jr.

Dr. Jeffery A. Williams

TO: Members of the Council on Postsecondary Education

FROM: Jim Purcell, Commissioner 

RE: **Recommendation for on three-year External Audit Contract  
for independent Certified Public Accountants**

The Rhode Island Council on Postsecondary Education plans to engage a firm of Certified Public Accountants to audit the financial statements of each of the three institutions in the system of public higher education. The certified public accountants will also perform A-133 Single Audits at each of the three institutions as well as other accounting services as delineated in the bidding process.

State Purchasing has informed us that five Certified Public Accounting Firms responded to our Request for Proposal (RFP). Those firms include BerryDunn, Blum Shapiro, CBI Tofias – Mayer Hoffman McCaffrey, McGladrey, and O'Connor & Drew P.C. A technical review committee consisting of the Controllers and the Associate Commissioner for Finance & Management has reviewed the five responses, scoring proposals based upon certain criteria and have made a recommendation as to which firm should be awarded the three-year contract. The audit contract will cover the three fiscal years ending June 30, 2015, 2016, and 2017.

The technical review committee unanimously recommends the selection of O'Connor & Drew, P.C. after reviewing the written proposals.

The review criteria included:

1. The basic financial statements and required supplementary information will be completed and the final audit reports (inclusive of all audit communications) will be delivered to the Council on Postsecondary Education, the institutions of higher education, the State Controller, the Director of Administration, and the Auditor General (2 copies) by September 30<sup>th</sup> of each year for inclusion in the State's Annual Financial Report.
2. Management letters and the A-133 Single Audit Reports will be completed and the final reports (inclusive of all audit communications)

will be delivered to the Council on Postsecondary Education, the institutions of higher education, the State Controller, the Director of Administration, and the Auditor General (2 copies) by November 30<sup>th</sup> of each year.

3. HUD Audit Reports will be completed and the reports will be delivered to the Council on Postsecondary Education and the institutions of higher education by September 30<sup>th</sup> of each year as required.
4. The NCAA Athletic Report will be completed and delivered to the University of Rhode Island and the Council on Postsecondary Education by January 15<sup>th</sup> of each year.

Also, the standards that must be met included:

1. The audit will be conducted in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants.
2. The audit will be conducted in accordance with generally accepted auditing standards for financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. The standards contained in the amended (July 1996) Single Audit Act of 1984 and the provisions of revised OMB Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*, must also be followed.
3. The review of Athletic Department Revenues and Expenditures (University of Rhode Island only) will be conducted in accordance with the Financial Audit Guidelines as established by the national Collegiate Athletic Association and any amendments or revisions thereto. The review will be for the division classification appropriate to the University as established by the NCAA.

Based upon the recommendation of the technical review committee and the approval of both the RFP and the selection of the auditor by the Office of the Auditor General and State Accounts and Controls,

I recommend:

***THAT the Council on Postsecondary Education approves this recommendation that a three-year audit contract be awarded to O'Connor and Drew, P.C. for the fiscal years ending June 30, 2015, 2016, and 2017.***

***AND further, acknowledges that the award was subject to review and approval by the Department of Administration and the State Auditor General as required by state statute.***