



Administered by  
**UNIVERSITY OF MAINE SYSTEM**  
Office of Strategic Procurement

**REQUEST FOR QUALIFICATIONS**

**INTERNAL AUDIT SERVICES**

**RFQ # 02-11**

ISSUE DATE:  
July 16, 2010

LETTERS OF INTEREST MUST BE RECEIVED BY:  
August 18, 2010

DELIVER TO:

University of Maine System  
Office of Strategic Procurement  
Attn: Hal Wells  
16 Central Street  
Bangor, ME 04401

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## **INTERNAL AUDIT SERVICES**

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The University of Maine System (UMS) is requesting letters of interest and qualifications from firms having expertise in performing internal audits for public higher education institutions. The purpose of this Request for Qualifications (RFQ) is to create a list of qualified providers of internal audit services from which UMS may draw when audit needs arise. The UMS welcomes responses from all qualified firms with particular interest in qualified Maine firms.

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## **INTRODUCTION TO THE UNIVERSITY OF MAINE SYSTEM**

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The University of Maine System (UMS) consists of seven universities, 9 regional outreach centers, and 75 local Interactive Television (ITV) sites which deliver distance-education programs. Many of the administrative and policy functions of the UMS are overseen by centralized operations called System-wide Services (SWS). These support functions include human resources, labor relations, information technology, budget, finance, accounting, legal services, governmental relations, and support to the Board of Trustees. SWS includes the Chancellor's office and senior System officials involved with statewide coordinating functions and services.

Though each university has a distinct mission, they all share two overarching goals:

- To provide high-quality, accessible and affordable learning opportunities and
- To undertake and share creativity, innovation and outreach to improve Maine's economy and quality of life.

The UMS employs approximately 5,200 regular and part-time faculty and staff, serving more than 42,000 students. To learn more about the UMS, visit <http://www.maine.edu/>. Various reports may also be reviewed at <http://www.maine.edu/system/ppa/statsreports.php>.

The UMS Board of Trustees, in consultation with the Chancellor, is the governing and planning body of the UMS. The Board of Trustees consists of sixteen members all of whom are appointed by the Governor in accordance with State statutes. The Audit Committee of the Board of Trustees oversees audit functions within the UMS.

The Board of Trustees has final authority over all matters within its jurisdiction. The jurisdiction of the Board relates to, and is exercised over, all educational, public service and research policies, financial policies, and the relationship of the University System to the state and federal governments. The Board appoints the Chancellor and each University President, approves the establishment and elimination of academic programs, confers tenure on faculty members, and sets tuition rates and operating budgets.

A more in depth description of the UMS and its financial operations can be found in the annual financial report at <http://www.maine.edu/system/oft/AnnualFinancialReports.php>.

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## UMS INFORMATION SYSTEMS

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The UMS has implemented various modules of the PeopleSoft Enterprise Resource Planning (ERP) system:

- Human Resource Management System (HRMS) (Payroll, Benefits, Advantage Reimbursement Accounts, Time and Leave Reporting, Self Service) - implemented July 2003
- Human Resources/Payroll 8.9 Upgrade - implemented March 2007
- Financials Phase I (General Ledger, Purchasing and Accounts Payable, Position Management, and Travel & Expense) - implemented July 2005
- Financials – 9.0 Upgrade – implemented April 2009
- Student Administration - Campus Community (bio-demographic data) and Admissions & Recruitment - implemented July 2006
- Student Administration - Student Records and Student Financials – implemented 2007-2008
- Student Administration - Financial Aid – implemented 2009
- Scheduled Upgrades:
  - Student Administration – to 9.0 – June 2011
  - Human Resources – to 9.0 – October 2011
  - Finance – to 9.1 or 9.2 - 2012
- Financials Phase II - Grants, Contracts, A/R Billing, E-Procurement - to be determined

Other Systems Include:

- ImageNow - document imaging system allows electronic storage capabilities with workflow – implemented in various offices system-wide starting in 2006.
- Sunguard’s Advance Development System - implemented at the University of Maine in April 2009. The remaining 6 campuses and SWS intend to implement this system in the fall of 2010.

- SciQuest e-procurement system – intend to implement system-wide in the Fall of 2010. Concurrently, UMS is centralizing its accounts payable function which is to be managed by the University of Maine. Intend to implement in the Fall of 2010.
- TouchNet Payment Gateway and Marketplace provides campus storefronts and websites for accepting credit cards in compliance with PCI standards – implemented 2007.
- TouchNet PayPath Tuition Payment Service – Three campuses have contracted with this 3<sup>rd</sup> party vendor to allow online debit and credit card payments for a convenience fee – implemented Summer 2009. A fourth campus uses Sallie Mae but intends to transition to TouchNet.
- TouchNet Bill Payment Suite – Allows self-service payment processing, electronic billing with e-mail notification, pdf viewing of bills and statements, designation of guest (e.g., parents) signons, scheduled recurring payments, enrollment in payment plans, debit and credit payments, and electronic refunding. – intend to implement in October 2010.

UMS is currently exploring system options in the following areas:

- Integrated Workplace Management System - replace the current work management, space management, and utility management systems with an integrated system.
- Portal – provide a robust front-end portal and virtual self-service center for faculty, staff, and students.

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## **NATURE AND SCOPE OF AUDIT WORK & COORDINATION OF EFFORTS**

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The nature and scope of work will vary and may include operational, compliance, financial, information technology, security, and forensic auditing.

Expected outcomes include a written report, including recommendations, and a presentation of results to the Board of Trustees Audit Committee and/or management, as appropriate.

The Controller’s Office will be responsible for administratively supporting audits of UMS. The Controller and the Vice Chancellor for Finance and Administration and Treasurer will provide general direction in coordination with the Audit Committee.

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## **RESPONSES TO RFQ**

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Firms desiring to be considered should submit a letter indicating interest. Where possible, all materials submitted should be fully recyclable. Submissions shall be on standard 8.5 x 11, letter-sized paper.

Responses should provide a description of the firm's capabilities. Emphasis should be on responsiveness to items noted below. An original plus eleven copies of your letter of interest and accompanying information, including answers to the following, must be provided.

(a) Describe your qualifications including:

- a. Outline your firm's background and experience with particular emphasis on higher education internal audit work. If higher education audit work is limited, please emphasize complex work that is similar in nature and scale to what might be required by the UMS.
- b. Your firm's knowledge and experience related to auditing sponsored programs activities, higher education tax issues, PeopleSoft ERP systems, information technology including security, and forensic auditing.
- c. The length of time your firm and has been providing internal audit services.
- d. The size of your internal audit practice and the extent to which the applicable staff are dedicated solely to internal audit services.
- e. A profile of key personnel who would work with the UMS, including biographies outlining education, certifications, work experience, training, and tenure with your firm.

(b) Describe your approach to internal auditing including:

- a. Methodology and extent of audit procedures to be performed.
- b. Any technology tools used by your internal auditors.
- c. Your approach to auditing automated systems.
- d. Your typical communication protocol related to the execution of internal audit activities.

(c) List 3 major internal audit projects, providing a brief description of the services you provided and your recommendations. Please identify projects that are similar in nature to what the UMS might need and were for entities, preferably colleges and universities, similar in size and complexity to the University of Maine System.

(d) What is the location of the office(s) from which you would be staffing internal audit engagements?

(e) Describe your firm relative to others. How do you differ? What are your strengths? How do you perceive your audit philosophy differs from other firms?

- (f) Describe your firm's current involvement in higher education concerns. Do you contemplate any significant changes in the current level of involvement?
- (g) A list of three references, preferably from colleges and universities, for work performed within the last three years.
- (h) What publications does your firm issue on a regular basis that would be of interest to our organization? Please provide copies.
- (i) Provide a list of conflicts of interest or potential conflicts of interest related to any work that may be required as a result of this RFQ (see below). The list should indicate the name of the party, the relationship and a discussion of the conflict.
- (j) Comment about your firm's compliance with applicable professional and/or regulatory internal audit standards and requirements. Please comment on any external assessments of the quality of your firm and any improvements required.

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## **ESTIMATED FEES**

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Please provide your firm's fee structure including hourly rates for each level of staff, including any specialists, who may be assigned to a project. When engaging a firm to perform a specific audit, the UMS intends to work directly with the selected firm to establish scope and project pricing including related expenses.

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## **CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST**

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Contractors have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the UMS, or that may reasonably be perceived as having this effect. Failure to disclose such situations may lead to the disqualification of the Contractor or the termination of its Contract. The System reserves the right to consider any potential conflict of interest situations during the selection process.

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## **PROCESS REGARDING SELECTED FIRMS**

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The UMS intends to create a list of firms from which to draw when audit needs arise. Selected firms will be contacted at that time to determine interest, specific qualifications, availability, pricing, and overall fit.

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## UNIVERSITY PROFESSIONAL SERVICES CONTRACT

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When the UMS engages a firm to provide services, the firm will be asked to sign a standard Professional Services contract setting forth the terms of the agreement. A copy follows for your review. Please do not fill it out at this time; it is only for your information. If you have a contract that you would prefer to use, please include it with your materials.

The firms selected to provide services will be required to show evidence of, and maintain through the completion of services, all required insurance as provided for in Attachment B of the Professional Services Contract.

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## SUBMISSIONS MAILING INFORMATION AND DUE DATE

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All responses should be addressed to:

Hal Wells  
Office of Strategic Procurement  
University of Maine System  
16 Central Street  
Bangor, Maine 04401  
(207) 973-3302, Fax (207) 973-3322  
Email hcwells@maine.edu

Letters of interest and qualifications should be received prior to **5:00 PM on Wednesday August 18, 2010.**

**FOR INFORMATIONAL PURPOSES ONLY  
DO NOT FILL OUT AT THIS TIME**

**UNIVERSITY OF MAINE SYSTEM  
CONTRACT FOR PROFESSIONAL SERVICES**

This Contract entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the University of Maine System, hereinafter referred to as the "University", and \_\_\_\_\_, hereinafter referred to as "Contractor".

**WHEREAS**, the University desires to enter into a contract for professional services, and the Contractor represents itself as competent and qualified to accomplish the specific requirements of this Contract to the satisfaction of the University;

**NOW THEREFORE**, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

**1. Specifications of Work** : The Contractor agrees to perform the Specifications of Work as described in **Attachment A**, hereby incorporated by reference.

**2. Term** : This Contract shall commence on \_\_\_\_\_ and shall terminate on \_\_\_\_\_, unless terminated earlier as provided in this Contract.

**3. Payment** :

A. The total of **all** payments made against this contract shall not exceed \$\_\_\_\_\_. Any expenses not listed here will not be reimbursed.

B. The University shall compensate the Contractor at the rate of \$ \_\_\_\_\_ per \_\_\_\_\_ (hour, week, semester, entire project.) Payment will be made within 30 days upon submittal and approval of invoices.

C. Reimbursement for travel:  
\_\_\_\_\_ All travel, lodging and meals are part of the compensation described in section A.  
No additional reimbursement will be made.

**OR**

\_\_\_\_\_ Contractor will be reimbursed for pre-approved travel, lodging and meals in an amount not to exceed \$ \_\_\_\_\_. Copies of receipts or itemized bills for expenses must be submitted for reimbursement.

D. Other expenses (postage, printing, phone, etc.) shall not exceed \$ \_\_\_\_\_. Copies of receipts or itemized bills for expenses must be submitted for reimbursement.

**4. Termination**: This Contract may be terminated by mutual agreement of the parties or by either party upon thirty (30) days prior written notice to the other. If at any time the Contractor fails to comply with the provisions of this Contract, the University shall have the right to terminate this Contract immediately with written notice. Termination does not release the Contractor from its obligations to provide services per the terms of the Contract during the notification period.

**5. Obligations Upon Termination**: Any materials produced in performance of this agreement are the property of the University and shall be turned over to the University upon request. The University shall pay the Contractor for all services performed to the effective date of termination subject to offset of sums owed by the Contractor to the University.



6. **Conflict of Interest:** No officer or employee of the University shall participate in any decision relating to this contract which affects his or her personal interest in any entity in which he or she directly or indirectly has interest. No employee of the University shall have any interest, direct or indirect, in this contract or proceeds thereof.
7. **Modification:** This Contract may be modified or amended only in a writing signed by both parties.
8. **Assignment:** This Contract, or any part thereof, may not be assigned, transferred or subcontracted by the Contractor without the prior written consent of the University.
9. **Applicable Law:** This Contract shall be governed and interpreted according to the laws of the State of Maine.
10. **Administration:** \_\_\_\_\_ shall be the University's authorized representative in all matters pertaining to the administration of the terms and conditions of this Contract and to whom all notices must be sent.
11. **Non-Discrimination:** Contractor shall not discriminate and shall comply with applicable laws and University policies prohibiting discrimination on the basis of race, color, religion, sex, sexual orientation, transgender status or gender expression, national origin or citizenship status, age, disability or veteran status and to provide reasonable accommodations to qualified individuals with disabilities upon request.
12. **Indemnification:** The Contractor shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders relating to the services provided under this Contract. Contractor shall indemnify, defend and hold the University, its Trustees, officers, employees, and agents, harmless from and against any and all loss, liability, claims, damages, actions, lawsuits, judgments and costs, including reasonable attorney's fees, that the University may become liable to pay or defend arising from or attributable to any acts or omissions of the Contractor, its agents, employees or subcontractors, in performing its obligations under this Contract, including, without limitation, for violation of proprietary rights, copyrights, or rights of privacy, arising out of a publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under the Contract or based on any libelous or other unlawful matter contained in such data.
13. **Contract Validity:** In the event one or more clauses of this Contract are declared invalid, void, unenforceable or illegal, that shall not affect the validity of the remaining portions of this Contract.
14. **Independent Contractor:** Contractor is an independent contractor of the University, not a partner, agent or joint venturer of the University and neither Party shall hold itself out contrary to these terms by advertising or otherwise, nor shall either party be bound by any representation, act or omission whatsoever of the other. Contractor, its employees and subcontractors if any, is/are independent contractors for whom no Federal or State Income Tax will be deducted by the University, and for whom no retirement benefits, social security benefits, group health or life insurance, vacation and sick leave, Worker's Compensation and similar benefits available to University's employees will accrue. The parties further understand that annual information returns as required by the Internal Revenue Code and Maine Income Tax Law will be filed by the University with copies sent to Contractor. Contractor will be responsible for compliance with all applicable laws, rules and regulations involving but not limited to, employment, labor, Workers Compensation, hours of work, working conditions, payment of wages, and payment of taxes, such as unemployment, social security and other payroll taxes, including other applicable contributions from such persons when required by law.
15. **Intellectual Property:** Any information and/or materials, finished or unfinished, produced in performance of this Contract, and all of the rights pertaining thereto, are the property of the University and shall be turned over to the University upon request.

16. **Entire Contract:** This Contract sets forth the entire agreement between the parties on the subject matter hereof and replaces and supersedes all prior agreements on the subject, whether oral or written, express or implied.
17. **Licensing:** Contractor shall secure in its name and at its expense all federal, state, and local licenses and permits required for operation under this Contract. Contractor shall provide proof of such licensure or permit to the University prior to commencing work under this Contract.
18. **Record Keeping, Audit and Inspection of Records:** The Contractor shall maintain books, records and other compilations of data pertaining to the requirements of the Contract to the extent and in such detail as shall properly substantiate claims for payment under the Contract. All such records shall be kept for a period of seven years or for such longer period as specified herein. All retention periods start on the first day after the final payment of the Contract. If any litigation, claim, negotiation, audit or other action involving the records is commenced prior to the expiration of the applicable retention period, all records shall be retained until completion of the action and resolution of all issues resulting therefrom, or until the end of the applicable retention period, whichever is later. The University, the grantor agency (if any), or any of their authorized representatives shall have the right at reasonable times and upon reasonable notice, to examine and copy the books, records and other compilations of data of the Contractor pertaining to this Contract. Such access shall include on-site audits.
19. **Publicity, Publication, Reproduction and use of Contract's Products or Materials:** Unless otherwise provided by law or the University, title and possession of all data, reports, programs, software, equipment, furnishings and any other documentation or product paid for with University funds shall vest with the University. The Contractor shall at all times obtain the prior written approval of the University before it, any of its officers, agents, employees or subcontractors, either during or after termination of the Contract, makes any statement bearing on the work performed or data collected under this Contract to the press or issues any material for publication through any medium of communication. If the Contractor or any of its subcontractors publishes a work dealing with any aspect of performance under the Contract, or of the results and accomplishments attained in such performance, the University shall have a royalty free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use the publication.
20. **Confidentiality:** The contractor shall comply with all laws and regulations relating to confidentiality and privacy including but not limited to any rules or regulations of the University.
21. **Force Majeure:** Neither party shall be liable to the other or be deemed to be in breach of this Contract for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include, but are not limited to, acts of God or of a public enemy, fires, flood, epidemics, strikes, embargoes or unusually severe weather. Dates or time of performance shall be extended to the extent of delays excused by this section provided that the party whose performance is affected notifies the other promptly of the existence and nature of such delay.
22. **Notices:** Unless otherwise specified in an attachment hereto, any notice hereunder shall be in writing and addressed to the persons and addresses below.
23. **Insurance Requirements: Attachment B,** hereby incorporated by reference.
24. **Signatures:**

**FOR THE UNIVERSITY OF MAINE SYSTEM:**

**FOR THE CONTRACTOR:**

BY: \_\_\_\_\_  
(signature)

LEGAL NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print or type)

Name: \_\_\_\_\_  
(print or type)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Fax: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Tax ID #: \_\_\_\_\_

# Substitute Form W-9 - Taxpayer Identification Number Request & Certification

Please complete the following information. We are required by law to obtain this information from you when making a reportable payment to you.

If you do not provide us with this information, your payments may be subject to federal income tax backup withholding. Use this form only if you are a **U.S. person** (including US. resident alien.). If you are a foreign person, use the appropriate Form W-8.

## Part 1 Tax Status:

Print Name: \_\_\_\_\_

Address (number, street, and apt. or suite no.): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_

## Complete One:

Individual/Sole Proprietor Business Name, if different from above \_\_\_\_\_

Social Security Number \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

- or - Business EIN \_\_\_\_ - \_\_\_\_\_

Partnership EIN \_\_\_\_ - \_\_\_\_\_

Corporation EIN \_\_\_\_ - \_\_\_\_\_

Please answer questions below if you are a corporation:

1. Corporation providing legal services? **Y** **N**

2. Corporation providing medical services? **Y** **N**

Limited Liability Company EIN \_\_\_\_ - \_\_\_\_\_

Tax-Exempt or Not-for-Profit under § 501(C)(3) EIN \_\_\_\_ - \_\_\_\_\_

Government Entity EIN \_\_\_\_ - \_\_\_\_\_

Estate or Trust EIN \_\_\_\_ - \_\_\_\_\_

All other Entities EIN \_\_\_\_ - \_\_\_\_\_

**Part 2 Exemption:** If exempt from Form 1099 reporting, check here:

**and circle your qualifying exemption reason below**

1. An organization exempt from tax under IRC section 501(a)
2. The United States or any of its agencies or instrumentalities
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities
5. An international organization or any of its agencies or instrumentalities
6. Other: \_\_\_\_\_

## Part 3 Certification:

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Signature of U.S. person: \_\_\_\_\_ Date: \_\_\_\_\_

**Please return this form with the attached contract. Thank you for your cooperation.**

**UNIVERSITY OF MAINE SYSTEM  
CONTRACT FOR PROFESSIONAL SERVICES  
SPECIFICATIONS OF WORK**

**ATTACHMENT A**

**UNIVERSITY OF MAINE SYSTEM  
CONTRACT FOR PROFESSIONAL SERVICES  
INSURANCE REQUIREMENTS**

**ATTACHMENT B**

Contractor's Liability Insurance: During the term of this agreement, the Contractor shall maintain the following insurance:

<u>Insurance Type</u>	<u>Coverage Limit</u>
1. Commercial General Liability (Written on an Occurrence-based form)	\$1,000,000 per occurrence or more (Bodily Injury and Property Damage)
2. Professional Liability (Errors and Omissions)	\$2,000,000 limit or more
3. Automobile Liability (Including Hired & Non-Owned)	\$1,000,000 per occurrence or more (Bodily Injury and Property Damage)
4. Employee Dishonesty (Insurance Policy or Bond)	\$1,000,000 limit or more
5. Workers Compensation	Required for all personnel (In Compliance with Applicable State Law)

The amounts carried are subject to minimum requirements as established by applicable laws and regulations. The University reserves the right to accept or require alternative insurance limits when deemed in its best interest to do so.

The University of Maine System shall be named as Additional Insured on the Commercial General Liability insurance.

Certificates of Insurance for all of the above insurance shall be filed with:

Office of Strategic Procurement  
University of Maine System  
16 Central Street  
Bangor, Maine 04401

Certificates shall be filed prior to the date of performance under this Agreement. Said certificates, in addition to proof of coverage, shall contain the standard statement pertaining to written notification in the event of cancellation, with a thirty (30) day notification period.