

## Scope of Work

### 1. Background Information

Del Mar College was established in 1935, in accordance with the laws of the state of Texas, to serve the educational needs of Corpus Christi and the surrounding communities. The College is considered to be a special purpose, primary government engaged in business type activities according to the definition in Governmental Standards Board (GASB) Statement No. 14 The Financial Reporting Entity. While the College receives funding from local, State and Federal sources, and must comply with the spending, reporting, and recording keeping requirements of these entities, it is not a component unit of any other governmental entity. The College provides two years of post-secondary education in academic, career and technical, and continuing education courses.

Del Mar offers degrees in Associate in Arts and Associate in Science degrees in over 50 university transfer majors, Associate in Applied Science degrees, Enhanced Skills Certificates, Certificates of Achievement and Marketable Skills Achievement (MSA) awards in more than 140 occupational fields (multiple awards are offered in some fields). In the fall of 2025 credit enrollment exceeded an estimated 12,000 students with an additional 10,000 continuing education/workforce training students.

The College's maintenance and operations budget for fiscal year 2025/2026 is approximately \$133 million. In addition, Federal, State, and local grant programs administered by the College for the same period are expected to exceed \$26 million. Other sources of revenue include auxiliary operations including food service and auditorium rentals.

- Attachments Available for download at <https://delmar.edu/offices/cfo/index.html>
  - Comprehensive Annual Financial Report:
    - Fiscal Year Ended August 31, 2024
    - Fiscal Year Ended August 31, 2025
  - Distinguished Budget Document:
    - 2023-2024
    - 2024-2025

### 2. Overview

The College desires for the internal audit function to utilize a risk-based approach. The selected firm will be the College's internal audit provider for the following functions and will provide services including, but not limited to, operational, financial, student services, administrative, compliance, risk and internal control reviews of systems, functions, and programs as coordinated by the Vice President of Administration and Human Resources (VPA/HR) in consult with the President/CEO. The selected firm will

work closely with VPA/HR but will have a direct reporting relationship to the Board of Regents and President/CEO of the College.

The selected firm may subcontract portions of the annual internal audit plan when specialized skills and expertise are warranted based on the complexity and risk of the area under review, but the firm will be the primary liaison to the VPA/HR, Board of Regents, President/CEO for all work performed.

### **3. Excellence**

The College wants and expects a high level of excellence in all areas of the Respondent's services, and this will be a significant factor in evaluating Respondent Capabilities.

**3.1. Respondent's Capability:** The desired Respondent is expected to demonstrate a strong Capability (See Definitions herein) to best meet the College's needs and objectives for this Project. Such Capability will include consideration of the following for the firms, project personnel and proposed subcontractor(s).

#### **3.2. Excellence in Capability to Achieve the College's Goal**

**3.2.1. Respondent Capabilities:** The College expects that the Respondent will excel in the areas listed below in order to better fulfill the College's vision.

##### **3.2.2. Excellence in Personnel Assigned to This Project**

3.2.2.1. High Level of Qualifications

3.2.2.2. High Level of Similar Project Experience

##### **3.2.3. Excellence in Business Capability**

3.2.3.1. Strong Commitment to Client Needs

3.2.3.2. History of Dependable and Stable Performance

3.2.3.3. Strong Risk Control Performance

3.2.3.4. Strong Financial Resources

3.2.3.5. Strong Organization and Project Management

3.2.3.6. Current and Projected Workload

3.2.3.7. Project Understanding and Commitment

3.2.3.8. Surplus Capability to Meet Unexpected Needs

3.2.3.9. Quick Service Access to College

3.2.3.10. Ease of Working Together

3.2.3.11. Long Term Relationship Potential

### **4. Technical Qualifications**

#### **4.1. Internal Audit Experience and Resources**

- 4.1.1. Should be in operation for a minimum of five (5) years.
- 4.1.2. Must be familiar with GAAP accounting principles.
- 4.1.3. Primary internal auditor must be a Certified Public Accountant (CPA) and/or a Certified Internal Auditor (CIA) and have at least three years of auditing experience.
- 4.1.4. Should be familiar with TEXAS GOVERNMENT CODE; TITLE 10. GENERAL GOVERNMENT; SUBTITLE C. STATE ACCOUNTING, FISCAL MANAGEMENT, AND PRODUCTIVITY; CHAPTER 2102. INTERNAL AUDITING
- 4.1.5. Should have higher education experience.

#### **4.2. Internal Audit Team**

- 4.2.1. Must have sufficient staffing resources to meet the College's needs as referenced herein and in Section 2 Overview.
- 4.2.2. Assigned staff must have sufficient qualifications in the areas of experience, education and professional credentials for the services requested.
- 4.2.3. Should have a commitment to staff training and professional development.
- 4.2.4. Should have a commitment to provide staffing continuity.

#### **4.3. Internal Audit and Compliance Services**

- 4.3.1. Increased operational effectiveness through the identification of significant risks and internal control weaknesses pertaining to business processes including, but not limited to, those items referenced herein and in Section 2 Overview.
- 4.3.2. Assurance that internal control systems are designed and functioning to provide efficiency and to identify and mitigate risks.
- 4.3.3. Assurance that significant financial, managerial, and operational information is accurate, reliable, and timely.
- 4.3.4. Assurance that the College complies with legal and regulatory requirements.
- 4.3.5. Assurance that resources are acquired and used in a reasonably economical and efficient manner and are adequately protected.
- 4.3.6. Coordinate internal audit work with the external financial statement audit team, where appropriate and practicable, to support the external auditors' work.

#### **4.4. Start-up and Communication**

- 4.4.1. Must be able to provide an efficient and effective plan to establish a successful engagement.
- 4.4.2. Assist the Board and College President/CEO in exercising their oversight responsibilities. Working with the Board and President/CEO will include:
- 4.4.3. Meeting with and reporting to the Board at least quarterly

- 4.4.4. Presenting a yearly risk assessment and corresponding internal audit schedule (typically presented in August)
- 4.4.5. Present an annual report to the Board and submit report in compliance with the Texas State Auditor's office
- 4.4.6. Providing the Board a copy of the institution's plan of action as a result of any internal audit examination; including a schedule to ensure implementation or corrective actions recommended
- 4.4.7. Should possess knowledge sharing tools to share information within your firm, with the College and various College stakeholders
- 4.4.8. Will be required to assist the College with the end of contract/engagement transition.

#### **4.5. References**

- 4.5.1. Client References: Shall provide a minimum of three (3) references, for whom Respondent's Firm has provided Internal Auditing in the last five years who have used the proposed services that the College may contact. It is preferred that the references be from educational or public sector clients.
  - 4.5.1.1. References must include name, address, telephone, and email address. Note project title, type, size, and date of completion.

#### **4.6. Other Considerations**

- 4.6.1. The College may take into consideration any services not specifically referenced herein.