

# Questions & Answers - 1

**Solicitation**

21-670-003 - Internal Audit Services

**Buying Organization**

Poudre School District

| No | Question/Answer   | Question Date |
|----|---|---------------|
| Q1 | <p><b>Question: Project Budget</b><br/>What is the City's budget for this project? This will drive the number of audits we are able to perform.</p> <p><b>Answer:</b> This Information is not provided. See also Q2.</p>  | 03/26/2021    |
| Q2 | <p><b>Question: Number of audits</b><br/>How many internal audits per year does the District want to perform?</p> <p><b>Answer:</b> We do not intend to perform individual internal audits. Internal audit work will be determined by an audit plan after collaboratively developing a current risk assessment.<br/>Please reference Exhibit C and Exhibit D.<br/>A link to all District Policies is included in the background section of the solicitation.</p>  | 03/26/2021    |
| Q3 | <p><b>Question: Risk Assessment &amp; Audit Plan</b><br/>Please provide a copy of the most recent risk assessment &amp; audit plan</p> <p><b>Answer:</b> A prior Risk Assessment and Audit Plan are provided as reference.</p>  | 03/26/2021    |
| Q4 | <p><b>Question: Incumbent Provider</b><br/>Is there an incumbent provider the District currently has a contract with or has recently worked with in the past on similar assessments, such as an outsourced internal audit firm? If so, please identify this firm(s).</p> <p><b>Answer:</b> The District has not outsourced or co-sourced for internal audit services in the past.</p>   | 03/26/2021    |
| Q5 | <p><b>Question: Reason for departure</b><br/>Why did the previous internal auditor leave?</p> <p><b>Answer:</b> There was a misalignment between the IA and the overall vision the District has for internal audit services.</p>  | 03/26/2021    |
| Q6 | <p><b>Question: Outsource v. insource</b><br/>Why is the District looking to outsource the internal audit function rather than hire another employee to perform the work?</p> <p><b>Answer:</b> We believe that moving to an outsourced model is the best option for the District. Specifically, we believe the services requested in Exhibit D - Scope of Work are best provided by a firm with prior experience and expertise in establishing an outsourced internal audit function with the possibility of moving to a co-sourced arrangement over time.</p> | 03/26/2021    |
| Q7 | <p><b>Question: Pros of prior audit work</b><br/>What did the District like about the previous internal work performed?</p> <p><b>Answer:</b> See answer to Q5</p>  | 03/26/2021    |

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| Q8  | <p><b>Question: Desired improvements</b></p> <p>What does the District want to see differently through the outsourced internal audit firm that they were not getting with the prior internal auditor?</p> <p><b>Answer:</b> The District is seeking a firm that can use their collective knowledge and expertise to establish an internal audit function in an outsourced capacity.</p>  | 03/26/2021    |
| Q9  | <p><b>Question: Impetus for RFP</b></p> <p>What is the impetus for this RFP? Have there been any specific instances of fraud/waste/abuse or is this effort being undertaken as a best practice?</p> <p><b>Answer:</b> There have been no instances of fraud/waste/or abuse that caused the RFP. District Finance staff, the District's Audit Committee, and the Board of Education fully support the requested activities and want the best option for success in these efforts.</p>   | 03/26/2021    |
| Q10 | <p><b>Question: Cost proposal</b></p> <p>Per section 3.3 of the RFP it appears the District is looking for a fixed price cost proposal ("comprehensive annual engagement costs"). Most internal audit work is performed on a time and materials basis due to the unknown nature of how long a particular audit may take. Would the District be open to a time &amp; materials based cost proposal?</p> <p><b>Answer:</b> Respondents are encouraged to communicate the cost structure to the best of their abilities in the format requested, but the District retains the ability to consider other formats that may be presented.</p>                                  | 03/26/2021    |
| Q11 | <p><b>Question: On site v. remote work</b></p> <p>Does the District have a preference as to whether the vendor conducts work on site or remotely?</p> <p><b>Answer:</b> The District is interested in seeing all qualified proposals for on-site and/or remote work.</p>   | 03/26/2021    |
| Q12 | <p><b>Question: Page limit</b></p> <p>Other than the 3 page limit for the transmittal letter, is there any page limit to vendor proposals?</p> <p><b>Answer:</b> There is no formal limit. Respondents are encouraged communicate as efficiently as possible while providing sufficient detail where needed to support the proposal.</p>   | 03/26/2021    |
| Q13 | <p><b>Question: Financial focus</b></p> <p>Through several references throughout the RFP, the internal audit scope seems very financially focused. Is the District interested in operational audits as well (ex. Preventative maintenance on fleet vehicles), or only financial audits?</p> <p><b>Answer:</b> The scope of the engagement is currently planned to be focused on financial-related activities only and the District is not seeking proposals for other operational audits at this time.</p>   | 03/26/2021    |
| Q14 | <p><b>Question: Areas not covered by external audit</b></p> <p>What financial areas does the District see as not receiving sufficient coverage through the District's external audit where internal audit would be deemed beneficial?</p> <p><b>Answer:</b> The District considers internal and external audit to each have a different focus. The District's current external auditor does an audit of financial records and issues an opinion regarding annual financial statements. The District expects internal audit to put more focus on the business practices, opportunities to increase efficiencies and addressing risks of financial-related activities.</p> | 03/26/2021    |

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| Q15 | <p><b>Question: Sample audit</b><br/>Please provide a copy of the most recent internal audit or link to where Poudre audit reports are located.</p> <p><b>Answer:</b> This is not provided. The District is interested in firms providing example documents and reports, if permissible, in a "client de-identified" or sample fashion. The evaluation table at 4.1.1 includes weighting for this area of focus.</p>   | 03/26/2021    |
| Q16 | <p><b>Question: Specific Experience</b><br/>1. Will specific experience with School Districts be considered during the evaluation of 4.1.1 "Proposal demonstrates technical knowledge, competence, and expertise"? If so, what percentage of the total score points of 5 is weighted towards School District-specific experience?</p> <p><b>Answer:</b> There is no specific weight for school district experience. School district experience will be considered as part of the overall evaluation and may be factored into the key evaluation criteria in Table 4.1.1.</p> | 04/02/2021    |
| Q17 | <p><b>Question: Prior Internal Audit Services</b><br/>Has the District had internal audit services provided in the past? If so, who provided the most recent services?</p> <p><b>Answer:</b> Please reference the 3rd paragraph of the Background, page 5.</p>   | 04/02/2021    |
| Q18 | <p><b>Question: Prior Internal Audit Services</b><br/>How long ago were internal audit services provided by an outsourced firm?</p> <p><b>Answer:</b> Limited internal audit services were provided on an ad hoc basis by a local accounting firm for the District in the distant past. These services primarily consisted of school site visits and a special engagement.<br/>The District has not utilized outsourced internal audit services at the level requested in this proposal.<br/>Also see answer to Q17.</p>   | 04/02/2021    |
| Q19 | <p><b>Question: Resulting Reports</b><br/>Please provide a copy of any resulting reports from past internal audit services, if applicable.</p> <p><b>Answer:</b> See answer Q15.</p>   | 04/02/2021    |
| Q20 | <p><b>Question: Fees and Hours</b><br/>What were the fees and hours incurred for the most recent internal audit services?</p> <p><b>Answer:</b> The prior staffed internal audit position was a full-time position.</p>  | 04/02/2021    |
| Q21 | <p><b>Question: Previous Consultants</b><br/>Were the previous consultants (if utilized) invited/are they allowed to bid?</p> <p><b>Answer:</b> No consultants were used to generate this proposal.</p>  | 04/02/2021    |

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| Q22 | <p><b>Question: Satisfaction</b><br/>Were you satisfied with the project management of the internal audit services provided?</p> <p><b>Answer:</b> The best outcome for the District is the establishment of an audit plan with measurable deliverables and/or outcomes; we believe a firm with experience in outsourced models will better achieve these efforts.</p> | 04/02/2021    |
| Q23 | <p><b>Question: Special Circumstances or Events</b><br/>Are there special circumstances or events that generate the need for the services described in the RFP?</p> <p><b>Answer:</b> No, also see Q9.</p>   | 04/02/2021    |
| Q24 | <p><b>Question: Estimated Budget</b><br/>To help us prepare a proposal and design a project approach that best meets the District's needs, what is the District's budget estimate (cost) for the requested services?</p> <p><b>Answer:</b> See answer to Q1.</p>   | 04/02/2021    |
| Q25 | <p><b>Question: Selection Notification</b><br/>When will your selection process be completed and successful bidder notified?</p> <p><b>Answer:</b> Intent to Award is tentatively scheduled for the week of May 10, 2021.</p>  | 04/02/2021    |
| Q26 | <p><b>Question: Cost Proposal</b><br/>Do you want the cost proposal to be a separate document?</p> <p><b>Answer:</b> Yes. See sections 3.0 and 7.7.</p>  | 04/05/2021    |
| Q27 | <p><b>Question: Number of Projects</b><br/>How many projects to do you anticipate a year?</p> <p><b>Answer:</b> See answer to Q2.</p>  | 04/05/2021    |
| Q28 | <p><b>Question: Question 1</b><br/>Is an original signature required on the Proposal Certification Form, or will an electronic signature be accepted?</p> <p><b>Answer:</b> Electronic signature is acceptable on this form.</p>   | 04/06/2021    |
| Q29 | <p><b>Question: Question 2</b><br/>How are comprehensive annual engagement costs to be provided when no specific work has been defined at this point?</p> <p><b>Answer:</b> See answer to Q10</p>  | 04/06/2021    |
| Q30 | <p><b>Question: Question 3</b><br/>What does the District consider "financial related activities"? Does this relate to financial related departments? Or financial related activities across all departments and schools?</p> <p><b>Answer:</b> This relates to all District financial activities including departments and schools. Also see Q31.</p>                 | 04/06/2021    |

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| Q31 | <p><b>Question: Question 4</b><br/>Which financial-related activities are expected to be conducted during the initial 2021-22 contract year?</p> <p><b>Answer:</b> This would be determined upon completion of the risk assessment. Also reference the attached Risk Assessment as an example of the key financial activities of the District.</p> | 04/06/2021    |
| Q32 | <p><b>Question: Question 5</b><br/>Under a possible co-sourced model, would each external contractor report to the Board or an internal designee?</p> <p><b>Answer:</b> Please reference Exhibit C and Exhibit D.<br/>A link to all District Policies is included in the background section of the solicitation.</p>                               | 04/06/2021    |
| Q33 | <p><b>Question: Question 6</b><br/>It is unclear what is being requested in section 7.5.3 of the proposal. Can you please clarify what this question is asking for?</p> <p><b>Answer:</b> See answer to Q2.</p>  | 04/06/2021    |
| Q34 | <p><b>Question: Clarification</b><br/>1. Is there an expectation for how many audits to be performed per year?</p> <p><b>Answer:</b> See answer to Q1.</p>   | 04/06/2021    |
| Q35 | <p><b>Question: Established Budget</b><br/>2. Do you have a budget established? If yes, can you please provide it?</p> <p><b>Answer:</b> See answer to Q1.</p>   | 04/06/2021    |