



November 13, 2014

Addendum 2

RFP# 7549105

TITLE: Internal and Performance Auditing Services

SUBMISSION DEADLINE: November 26,2014, 11:00 AM (Eastern Time)

NOTICE:

Attached below are the answers to all questions received concerning this solicitation by the questions deadline.

George Welly
Interdepartmental Project Manager
Division of Purchases

Questions and Answers, RFP 7549105, Internal and Performance Audit Services

Question 1. During which time periods (months) during the year do you expect that most of the work related to the performance audits will be performed?

Answer 1. This has yet to be determined. Factors that will be considered are: agency fiscal close and financial statement audit; availability of accounting firms listed on the finalized MPA; and estimated scope and hours of the audit. Tax season (February to April) will be considered when scheduling the performance audits.

Question 2. What are the deliverables that you would expect from the firm, including copies of working papers and written reports?

Answer 2. We would expect the firm to use our audit software (CCH TeamMate) to document all audit work papers and related audit findings and recommendations. The Bureau of Audits will “own” all working papers, reports, memos and any other documentation as a result of this work. We expect to train the accounting firm on our software (if necessary) and the use of our standard work paper format. We expect the firm to act as “additional staff” for the purposes of these engagements. The Bureau will write the reports with assistance from the firms if needed.

Question 3. The RFP states that MPA-503 price agreements shall be effective for 3 years. Is the hourly rate included in Attachment A required to be the same for each year within the 3-year period?

Answer 3. Yes.

Question 4. If the firm performed a financial statement audit of a quasi-public agency for one or more years, is the firm eligible to perform a performance audit of that quasi-public agency if the period of the performance audit does not include the year end of the financial statement audited by the firm and the firm is not engaged to perform subsequent financial statement audits for that quasi-public agency (for example, if a firm audited the financial statements of a quasi-public agency for the year ended June 30, 2014 and is not engaged to perform any subsequent financial statement audits, may the firm perform a performance audit of that agency covering the period commencing on July 1, 2014 or thereafter)?

Answer 4. Yes, but the firm will be precluded from performing a financial statement audit for that agency for the fiscal period covered during the performance audit.

Question 5. If the firm performed a performance audit of a quasi-public agency, is the firm eligible to bid on the financial statement audit of that quasi-public agency if the first day of the fiscal year to be audited is subsequent to the last day of the period for which a performance audit was performed (for example, if a firm performed a performance audit of a quasi-public agency for the period ended May 31, 2015, may the firm submit a bid to perform the financial statement audit for that quasi-public agency for its fiscal year commencing July 1, 2015)?

Answer 5. Yes. See answer to question 4 above.

Question 6. Has the Chief of the Bureau of Audits established the year in which each quasi-public agency is required to be audited under the performance audit requirement? If not, when does the Bureau of Audits anticipate that such schedule will be made available? If yes, please provide a schedule listing the year in which each quasi-public agency is required to be audited or provide the specific reference to where such schedule may be obtained.

Answer 6. The Chief of the Bureau of Audits will be posting the five year audit plan on or before January 1, 2015 in accordance with statutory mandate. The plan will establish the year the agency will be audited; the month will be determined at a later date.

Question 7. In the year in which a quasi-public agency is required to be audited, what period is the performance audit anticipated to cover (for example, is it anticipated that the performance audit will cover the quasi-public agency's fiscal year)? If the period to be covered is not anticipated to be the quasi-public agency's fiscal year, what period is anticipated to be covered (for example, the period commencing from the date of the last performance audit; part of a fiscal year)?

Answer 7. Performance auditing does not follow fiscal periods. The period to be covered and the initial scope of the audit will be determined at a later date. These two factors will be included in the request for quotes (RFQ) sent to the accounting firms listed on the finalized MPA.

Question 8. The RFP requires that RI CPA license numbers for individuals who will perform the work must be included in the response to the RFP.

- a. Is each individual of the Offeror identified within each "primary role" position (staff auditor; senior auditor; audit manager) required to hold a CPA license prior to performing work under this RFP?

Answer 8a. The firm is required to be registered with the Board of Accountancy; if an individual who works for the firm is not yet certified, they are not required to provide a license number. However, we would expect those individuals at mid to upper positions to be licensed (i.e.: senior auditor, audit manager) and a RI license number to be provided. If an individual on the list is not yet licensed, please state this next to their name. You must provide the firm's information.

- b. May a staff auditor who does not hold a CPA license perform work under this arrangement?

Answer 8b. Yes. Refer to Answer 8a above.

- c. If individuals identified within each “primary role” position are no longer with the Offeror’s firm, may the firm subsequently designate other qualified individuals to replace initially identified individuals included in the firm’s proposal?

Answer 8c. Yes, with the approval of the Chief of the Bureau of Audits; also the hourly rate must remain the same as that included in the accepted proposal.

- d. Other team members may have certifications such as IIA, CGFM, CISA, etc. Should these licenses be referenced?

Answer 8d. Yes.

Question 9. Accounting firms are extremely busy during the months of February, March and April of each year. Accordingly, the ability to adjust standard pricing closely correlates to the time period in which work is performed. A discussion of the planned work schedule as discussed in the RFP would be helpful.

Answer 9. Refer to the Answers 1 & 7. This RFP is to create a list of qualified vendors for deployment on one or more of several performance audits required on a continuous basis. No guarantee of engagement is made from qualification for the master price agreement. The solicitation does note that authorized vendors who are unresponsive to requests for quotes on specific engagements may be removed from the list. In the execution of other Master Price Agreements, "unresponsive" generally means no response to a request for quotes: reasonable explanations in writing from a vendor that they are engaged over a specific period, but interested in responding to future requests for quotes, is usually accepted as responsive.

Question 10. Were any similar audits performed in 2014? If so, what were the scopes, and approximately how much time was spent on each activity?

Answer 10. There were no similar performance audits of quasi-public corporations in the past two years. We are unable to provide historical figures. However, the scope of the audit and the anticipated time frame of each audit will be included in the request for quotes that will be sent to the accounting firms listed on the finalized MPA. Refer to Answers 1 & 7.