



REQUEST FOR PROPOSALS For INTERNAL AUDIT SERVICES

Questions & Answers as of July 11, 2022

Below are questions received as of July 11, 2022. Similar questions received have been combined into one question.

- 1) Could you please tell me if the Water District will entertain bids from IT audit only firms or if it is wanting a single vendor to perform all audit services?
The District is seeking one firm to conduct all internal audits.
- 2) How many internal audits have typically been conducted annually in the past? In the last year, how many internal audit projects were performed? Approximately how many hours were incurred by the internal auditors? Can we receive copies of previous internal audit reports?
This RFP establishes the District's first formal internal audit program. Previously, occasional reviews were conducted in house.
- 3) Have there been any allegations of fraud?
No, there have not been allegations of fraud. The District seeks to establish a formal Internal Audit program consistent with GFOA Best Practices.
- 4) Has the board identified risk areas they would like the internal audit to review?
No.
- 5) Are there any specific concerns identified by management that should be included in the scope of work?
The selected firm will help develop the role of the internal audit function, its participants, and develop an audit plan.
- 6) What is the annual budget or range for these services?
There is no established budget for this new program. Funds will be allocated based on the negotiated scope of work. The selected consultant will develop the final budget as part of the development of a work plan.
- 7) Is the District anticipating onsite, remote or hybrid arrangement for this work? What percentage of time does the District believe the Auditor should be on site?
The District anticipates a hybrid arrangement with audits conducted in the manner that is most efficient for each audit.
- 8) In regards to the services to be performed, for Audits it is difficult to quote a "not-to-exceed" without first developing the audit plan and scope. Are you willing to accept a range or would an hourly rate suffice? Could the District provide estimated hours for us to bid on?
As the District is developing its first formal internal audit program with this RFP, it is difficult to estimate. The District understands that cost will vary based on the agreed upon scope. Minimally, the District would like a "not-to-exceed" cost or range of cost for



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the Risk Assessment, a "simple" audit, and a "complex" audit. Proposers can also provide hourly rates to compare the ranges/cost provided.

9) When did the entity last perform a risk assessment?

A physical security assessment was performed in 2021 and a cyber security assessment was also performed in 2021.

10) How many board meetings is the internal auditor expected to attend?

It is anticipated the selected firm will attend 2-4 Internal Audit Committee meetings, which may be virtual. The selected firm will help define the structure and role of the Internal Audit Committee, as this committee does not currently exist.