

Questions & Answers

Event Information

Number: 20011004 Addendum 2
Title: Internal Audit & Business Advisory Services
Type: Request for Proposal
Issue Date: 6/5/2020
Question Deadline: 6/16/2020 12:00 PM (CT)
Response Deadline: 7/8/2020 02:00 PM (CT)
Notes: The University of Kansas is issuing this multiple award RFP for Internal Audit & Business Advisory Services for bidders to review and respond to prior to June 30, 2020 at 2:00 pm Central Time, Sharp. To be given consideration for award of future business your firm must respond, even if you are currently doing business with the University.
----- We strongly recommend that when you open the RFP through our EBID PORTAL, you start on the far left side of the page and move to the right one Gray Tab at a time. If there is anything in any of the tabs to respond to, please do so.
NOTE..... Anything marked with a red asterisk, is REQUIRED. You must respond to these items before you will be able to electronically submit your proposal in the Gray Tab on the far right of your screen. If you have any questions about submitting your proposal, please contact Carla Swoyer using the contact information on the first page of the RFP located in the gray "ATTACHMENTS" Tab.

Published Questions

Question	If the Buyer considers the Compliance Reviews (Limited and Detailed Audits) listed on the Buyer's Office of Export Compliance website (https://export-compliance.ku.edu/compliance-reviews) in-scope of Solicitation 2011004, will the Buyer provide a copy of the most recent audit programs used to conduct the latest Limited and Detailed Compliance Reviews?
Answer	No
Asked	6/16/2020 11:37 AM (CT)

Question	In the Scope of Work, Internal Audit and Advisory Services section (RFP 20011004, page 2 of 23) the Buyer's Solicitation lists: "The services sought by KU are in the performance of a number of roles including: supplementing audit resources through staff augmentation; sourcing specific internal audit engagements; and sourcing specific technical experience in higher education, sponsored research, information technology, and related compliance risks." Does the Buyer consider the Compliance Reviews (Limited and Detailed Audits) listed on the Buyer's Office of Export Compliance website (https://export-compliance.ku.edu/compliance-reviews) in-scope of Solicitation 2011004?
Answer	No
Asked	6/16/2020 11:36 AM (CT)

Question	One of the evaluative criteria listed on page 6 is "Methodology to accomplish tasks." As the RFP does not detail specific engagements for which a contractor will be utilized, what form of methodology description is expected? Should firms provide their standard internal audit methodology and/or description of services for finance/accounting activities, or are there specific project examples that should be used?
Answer	Standard internal audit methodology and/or description of services for finance/accounting activities.
Asked	6/16/2020 11:35 AM (CT)

Question	Is there a specific weighting or points system used for evaluating proposals, based on the eight elements described on page 6 of the RFP? How are Strategic Partnership offers considered in the overall evaluation of proposals?
Answer	No specific weight or points system will be used. Yes, Strategic Partnership offers will be taken into consideration during proposal evaluations.
Asked	6/16/2020 11:34 AM (CT)

Question	What form of fee proposal is expected in response to this RFP? Given the lack of specificity in the amount/nature of involvement for each scope area, should firms provide the university with a rate card for the various staffing levels/types expected to participate in each potential activity, or is the university looking for an actual total price estimate?
Answer	Please respond with rates we have specifically asked for in the "Line Items" Tab of the RFP after logging in and registering as a bidder in the KU Ebid Portal - We have provided a place for all bidders to upload your Technical Proposal in the "Response Attachments" Tab which would provide the University information about your firm and how you feel you can best meet the University's Internal Audit and Business Advisory Services listed in the Scope Section of the RFP. If your firm wishes to provide an alternate fee proposal other than that requested in the RFP, you may include it in your Technical Proposal, in a Separate Section that is Clearly marked.
Asked	6/16/2020 11:34 AM (CT)

Question	Based on current events, have you added any emerging / evolving risk areas to your audit plan for 2020 / 2021 that we should ensure to highlight in our areas of capabilities (i.e., Crisis Management, funding changes, insurance management, risk management, cybersecurity, diversity & inclusion, etc.)?
Answer	Yes, recent considerations include CARES Act requirements and other compliance, financial, operational, and IT security/privacy risks associated with current events.
Asked	6/16/2020 11:34 AM (CT)

Question	Do you expect to audit significant construction projects at KU in the next two years?
Answer	No
Asked	6/16/2020 11:34 AM (CT)

Question	When was your most recent external quality assessment and are there any areas of focus that you would like for us to support you in covering in the next two to three years?
Answer	November 2019 with an assessment of "generally conforms." A continued area of focus will be the maturity of the office's IT security and privacy risk assessment program.
Asked	6/16/2020 11:34 AM (CT)

Question	Could you provide a listing of significant IT system applications in use at the university? Are any third-parties used for significant functional areas that would require interaction with the selected firm? Are significant implementations / upgrades expected for the upcoming years?
Answer	For Lawrence Campus, enterprise systems include Oracle Cloud Financials, PeopleSoft HCM, and PeopleSoft Campus Solutions. For KU Medical Center as of 7/1/2020, Workday for financials, HCM, and payroll. Upgrades to PeopleSoft applications are anticipated but not currently scheduled.
Asked	6/16/2020 11:33 AM (CT)

Question	Do you perform any required audits each year where you would expect your IA cosourced provider to support? If so, can you please provide that listing to ensure that we have highlighted our capabilities in those areas?
Answer	No, all annual required audits are performed by the IA team.
Asked	6/16/2020 11:33 AM (CT)

Question	Is the KU IA team responsible for hotline and/or fraud, waste and abuse investigations?
Answer	KU IA works with the university's institutional compliance programs for management of the reporting hotline. Under KU's Fraud Policy, IA does have responsibility for conducting fraud and other financial or compliance related investigations.
Asked	6/16/2020 11:33 AM (CT)

Question	What is the current makeup of the KU Internal Audit team including IA, IT IA and analytics capabilities?
Answer	The IA team includes eight full-time auditors, including two senior IT security auditors. The staff uses IDEA as its primary data analytics tool. Additional information is available on the IA website: https://internalaudit.ku.edu/
Asked	6/16/2020 11:33 AM (CT)

Question	Can you describe the functional and administrative reporting relationships for the selected outsourced provider? Who will be the primary contact for the selected firm in coordinating and overseeing work performed?
Answer	For IA services generally, Cate Neeley (Internal Audit Director) is the primary functional and administrative contact. Under certain circumstances (work performed under the direction of counsel), a member of the Office of General Counsel will serve that role. For all other services, the primary contact will vary based on campus location and engaging department.
Asked	6/16/2020 11:32 AM (CT)

Question	For the Accounting, Financial Reporting, and Tax Consulting services, are there specific roles or processes already identified to assign to the selected contractor? a. If no, is there an estimate of the number of assignments / volume that would leverage a contractor in a given year? b. Would these resources be used for “ad hoc” and special projects at KU?
Answer	KU & KU Medical Center: Resources will be used for ad hoc and special projects. Number of assignments/volume is dependent upon the number of new GASB/IRS/Global compliance changes and the complexity of those changes. Past projects have included financial reporting guidance with new financial system implementation & UBI tax changes. KU Center for Research: Resources will be used for ad hoc as well. Compliance changes similar to above including FASB/IRS compliance issues.
Asked	6/16/2020 11:32 AM (CT)

Question	For the internal audit services, are there specific audits already identified that would be assigned to the selected contractor? a. If no, is there an estimate of the number of projects that would leverage a contractor in a given year? b. If so, what level of contracting would be expected for each project (e.g., staff augmentation, fully outsource audits, technical guidance, etc.)?
Answer	No; Work is undetermined until a need is identified. Level of contracting may vary based on nature of engagement.
Asked	6/16/2020 11:32 AM (CT)

Question	As the solicitation mentions entering into a multi-award contract, does the university have a number of providers with whom they are planning to establish relationships?
Answer	Undetermined at this time.
Asked	6/16/2020 11:31 AM (CT)

Question	Are responding firms required to provide options related to the scopes for both Internal Audit Services and Accounting, Financial Reporting, and Tax Consulting Services, or may firms choose to respond to only one or the other? a.If responding to both, are there processes/plans in place to ensure that no independence impairments exist?
Answer	Firms may choose to respond to selected services in the RFP and will be given consideration for award. The Chief Audit Executive will assess any potential independence impairments for each audit engagement. Mitigation may include requesting a different partner or other team resources if those individuals previously provided non-assurance type services to the area subject to audit.
Asked	6/16/2020 11:30 AM (CT)

Question	Given the current environment, is the University opposed to the performance of audits / services remotely, via electronic communications and video conferencing?
Answer	Each engagement will be evaluated on a case by case basis. If performed on-site, contractors would be subject to university and campus social distancing, PPE, and other related requirements.
Asked	6/16/2020 10:53 AM (CT)

Question	Will the provider be expected to leverage any audit management / audit workpaper tools currently utilized by the University as part of delivering the agreed upon services? If so, which tools are currently utilized?
Answer	No
Asked	6/16/2020 10:53 AM (CT)

Question	Will the selected provider be expected to utilize University provided workstations / laptops in the delivery of the services?
Answer	No
Asked	6/16/2020 10:53 AM (CT)

Question	How many tax hours were provided by the incumbent provider in most recent engagement contract? For purposes of this contract/RFP, are there suggested hours/estimates that should be budgeted for tax portion?
Answer	Undetermined until a need is identified.
Asked	6/16/2020 10:49 AM (CT)

Question	What is the University's position or preference on the use of subcontractors? Are there any diversity requirements for vendors who work with KU?
Answer	Subcontractor preferences: See the RFP Terms and Conditions. Diversity: At this time, there is no diversity requirement for contracts awarded through the competitive bid solicitation process conducted by KU Procurement Services.
Asked	6/16/2020 10:48 AM (CT)

Question	Will the university provide any specific areas of interest or concern where contractors should emphasize their capabilities and qualifications within the areas of sponsored research, information technology, and related compliance risks?
Answer	Sponsored Research: Risks associated with cost accounting under Uniform Guidance, clinical research administration. IT Security: Application of NIST 800-53 and NIST 800-171 security frameworks. Compliance: Compliance risks pertinent to public research universities with significant on-campus student populations, collegiate athletics, and an academic medical center.
Asked	6/16/2020 10:48 AM (CT)

Question	What is the likelihood (i.e., highly likely, probable, possible, not likely, or highly unlikely) that documentation needed to conduct requested audit services will be available in electronic format vs. hard copies?
Answer	It will depend on the specific project; cannot make a general assessment.
Asked	6/16/2020 10:48 AM (CT)

Question	What software does KU use for audit? Will contractors be expected to use that software or is KU open to using contractors' software?
Answer	KU uses Daptiv and Sharepoint for audit project and workpaper management. Contractors are generally expected to use their own software.
Asked	6/16/2020 10:47 AM (CT)

Question	May we obtain copies of the previous two years' annual internal audit plans?
Answer	See the "ebid Attachments Tab"
Asked	6/16/2020 10:46 AM (CT)

Question	On average, how many audits and projects does the University's internal audit function complete annually?
Answer	An average of 15-18 audit products completed annually.
Asked	6/16/2020 10:46 AM (CT)

Question	Regarding the Internal Audit and Advisory Services, to whom will contractors directly report? Same question for the Accounting, Financial Reporting, and Tax Consulting Services.
Answer	For IA services generally, Cate Neeley (Internal Audit Director) is the primary functional and administrative contact. Under certain circumstances (work performed under the direction of counsel), a member of the Office of General Counsel will serve that role. For all other services, the primary contact will vary based on campus location and engaging department.
Asked	6/16/2020 10:46 AM (CT)

Question	Do you expect the same fee per hour to be used regardless of whether the requested project is under the scope of Internal Audit/Advisory or Accounting/Financial Reporting/Tax Consulting?
Answer	Yes, see the updated "Line Items" Tab
Asked	6/16/2020 10:37 AM (CT)

Question	The bid lines for Internal Audit and Business Advisory Services include a fee per hour and a total. Since a project is not identified as part of providing this proposal, should we only fill out the box for fee per hour and leave the total box blank?
Answer	We believe that distinct resources would be required for either service and have broken out the Fee Schedules in the eBid "Line Items" Tab - by experience level in the firm for both services. You would only enter per hour fees in the line items that apply to the Scope of the RFP that you are responding to. For any line item that does not apply, Please enter a "No Bid".
Asked	6/16/2020 10:36 AM (CT)

Question	Are you utilizing any tools or technology in Internal Audit or Finance?
Answer	1) Internal Audit: IDEA (data analytics), FastPath (ERP access and SOD testing), Daptiv (audit project management and workpaper workflow). 2) Finance-KU Lawrence: Financial System is Oracle Financials Cloud. Also use Oracle Analytics Cloud with our data warehouse for data analysis & visualizations. FloQast for month-end reconciliation and checklist management. 3) Finance-KUMC: Workday Financial System, qlikview data analytics tool.
Asked	6/16/2020 10:06 AM (CT)

Question	Are there expected to be two contract awards? One for Accounting, Financial Reporting, and Tax Consulting Services and one for Internal Audit and Advisory Services?
Answer	There will be multiple contract awards that result from this competitive solicitation for proposals.
Asked	6/16/2020 10:06 AM (CT)

Question	Do you know the estimated level of effort division between the University campus locations, the academic medical center, University Affiliates, and Political Subdivisions of the State of Kansas?
Answer	Undetermined until a need is identified. Current allocation of IA resources is ~60/40, Lawrence Campus/KU Medical Center. Level of participation from University Affiliates other than KU Center for Research and KU Medical Center will be very low. Other Political Subdivisions of the State of Kansas will also be very low.
Asked	6/16/2020 10:05 AM (CT)

Question	Who are the University controlled affiliate corporations and political subdivisions?
Answer	KU's controlled affiliated corporations include the KUMC Research Institute, KU Health Partners, Student Union Corporation, KU Medical Alumni Association, Center for Residency Education, KU Center for Research, Kansas Athletics Inc., Kansas Memorial Union, Studio 804 Inc., Hilltop Child Development Center, and Campus Development Corporation. Political subdivisions are state subdivisions which include other Kansas Board of Regents schools, K-12 school districts, Kansas state and local government agencies, etc.
Asked	6/16/2020 10:05 AM (CT)

Question	Can you please describe the university and medical center organization structure? Are the Originating Departments of KU Center for Research, KU Medical Center and the Research Institute within the audit function's scope?
Answer	Yes, IA's scope includes all university campuses (Lawrence and KU Medical Center) and locations as well as the university's controlled affiliated corporations (this excludes KU Endowment Association and the University of Kansas Health System).
Asked	6/16/2020 10:05 AM (CT)

Question	What is the current and proposed future internal audit organization structure? What is the current and proposed future Accounting, Financial Reporting, and Tax organization structure?
Answer	For description of current structures: Internal Audit: https://internalaudit.ku.edu/ ; Accounting and Financial Reporting: https://finance.ku.edu/ (University and Lawrence Campus); http://www.kumc.edu/finance.html (KUMC); https://research.ku.edu/research-org-charts (KU Center for Research); and http://www.kumc.edu/kumcricri/financial-services.html (KUMC Research Institute)
Asked	6/16/2020 10:05 AM (CT)

Question	How did your co-source partner historically partner with the internal audit function (e.g. how many audits, how many staff augmentation style engagements, how many subject matter specialist type engagements)?
Answer	All co-sourced engagements within the past five years would be considered "subject matter specialist type engagements." In most cases, an IA staff member (generally senior auditor or above) was assigned to the engagement and used as a team resource.
Asked	6/16/2020 10:05 AM (CT)

Question	Per the "Required Submittals" listed on page 4 of the RFP document, does the proposal solicitation number need to be included on each page of the required submittal documents (i.e. tax documents, W-9, etc.) or only on the technical proposal document?
Answer	Please include the Solicitation Number and your Firm's Name or initials on each file submitted.
Asked	6/16/2020 10:02 AM (CT)

Question	Per the "proposed fees" section at the top of page 4 of the RFP document, states that the information must be submitted through the eBids portal via the Line Item tab. This tab only allows for rates by staff level to be entered. We wish to confirm that The University of Kansas is only seeking a rate table at this time and is not seeking to have fee and/or hour estimates for any specific service. Is this correct?
Answer	Yes, we would expect a breakout of hourly fees by type of service (e.g. internal audit, financial advisory, tax) and level of resource (e.g. partner, manager, senior, staff)
Asked	6/16/2020 10:00 AM (CT)

Question	Per the Internal Audit and Advisory Services scope described on page 2 of the RFP document, does the KU internal audit office currently outsource any internal/IT audits during the August 1, 2019 to July 31, 2020 period? If so, what are the audit units that are outsourced including the estimated number of hours for each outsourced audit unit?
Answer	During this time period, we had two outsourced engagements totaling ~280 hours. In addition, IA engaged a firm teamed with a peer reviewer to perform its external quality assessment review.
Asked	6/16/2020 09:56 AM (CT)

Question	Per the last paragraph on page 3 of the RFP document, there has been an estimated historical \$250,000 spend in the service areas described. What is the single largest estimated percentage of that spend amount that has been awarded to a single firm, historically speaking?
Answer	~45%
Asked	6/16/2020 09:52 AM (CT)

Question	Are you willing to break out the service provider between the internal audit advisory services and the accounting, financial reporting and tax consulting services?
Answer	Yes, your firm can respond to the Internal Audit portion of the scope, and / or the Accounting, Financial Reporting , and Tax Consulting portion of the scope, and your proposal will be given full consideration.
Asked	6/16/2020 09:37 AM (CT)

Question	How many vacancies have typically existed on average in the past where KU has needed to outsource the role to the service provider?
Answer	Internal Audit had significant vacancies prior to 2013 requiring heavy reliance on outsourced services. KU Research had one extended vacancy within the past three years requiring supplemental resources to assist with financial reporting.
Asked	6/16/2020 09:37 AM (CT)

Question	What, if any, of the items included under the potential scope would you require to be performed on site? Would there be an ability to perform some of the activities remotely due to COVID?
Answer	Yes, depending on the nature of any future engagement. If performed on-site, contractors would be subject to university and campus social distancing, PPE, and other related requirements.
Asked	6/16/2020 09:37 AM (CT)

Question	For the estimated \$250,000 annual volume for joint services, what has the breakout between the types of services?
Answer	Research Compliance Audit & Advisory Svcs ~45% Internal Audit ~10% Financial Statement Prep, financial audit, Bus Advisory, & Institutional Finance statement prep ~45%
Asked	6/16/2020 09:37 AM (CT)

Question	Are you expecting to see a breakout of fee depending on the nature of the service?
Answer	Yes, we would expect a breakout of hourly fees by type of service (e.g. internal audit, financial advisory, tax) and level of resource (e.g. partner, manager, senior, staff)
Asked	6/16/2020 09:37 AM (CT)

Question	What is the current fee structure? Are you anticipating a fixed fee or hourly rates? Do you have a preference for how the fee is structured?
Answer	Yes, we would expect a breakout of hourly fees by type of service (e.g. internal audit, financial advisory, tax) and level of resource (e.g. partner, manager, senior, staff)
Asked	6/16/2020 09:36 AM (CT)

Question	What service provider(s) are you currently working with?
Answer	RubinBrown, Baker Tilly, Crowe Healthcare, Protiviti
Asked	6/16/2020 09:36 AM (CT)

Question	Are you currently using outside providers or are any tasks being performed internally?
Answer	Yes
Asked	6/16/2020 09:36 AM (CT)

Question	What is preferred deliverable for tax projects under the scope of this engagement (i.e tax memorandum, email summary, matrix other)?
Answer	Tax Memorandum
Asked	6/15/2020 02:09 PM (CT)

Question	How many tax hours were provided by the incumbent provider in most recent engagement contract? For purposes of this contract/RFP, are there suggested hours/estimates that should be budgeted for tax portion?
Answer	Undetermined until a need is identified.
Asked	6/15/2020 02:09 PM (CT)

Question	Does KU leverage tax-related software? If so, which software programs and/or platform used to analyze and document tax issues both current and historical?
Answer	Glacier by Arctic International (international students/scholar payments)
Asked	6/15/2020 02:09 PM (CT)

Question	What positions/roles will the primary contact(s) (i.e. tax director, tax manager, other) for tax-related projects?
Answer	Katrina Yoakum, Senior Director for Financial Analysis and Reporting; Gina Cregg, Executive Director for Fiscal Affairs and KU Center for Research CFO
Asked	6/15/2020 02:08 PM (CT)

Question	Please provide select list of tax issues addressed in most recent engagement contract as examples of the types of projects that may be requested?
Answer	Past engagements addressed ad hoc type questions related to foreign taxation issues associated with research type activities in various countries. One recent engagement recommended the preferred model of service provider for workers at a research facility in Switzerland. Issues analyzed included independent contracting, employment law, tax compliance, and foreign registration requirements under American and Swiss laws.
Asked	6/15/2020 02:08 PM (CT)

Question	Within the "Scope of Work" section of the RFP, you mention "specialized services" – can you describe what "specialized services" you might be looking for the Internal Audit contractor to provide?
Answer	Although not limited to, "specialized services" could include performing audits, consulting engagements, or investigations in the following areas: sponsored research (risks associated with cost accounting under Uniform Guidance, clinical research administration); IT security (application of NIST 800-53 and NIST 800-171 security frameworks); and compliance risks pertinent to public research universities with significant on-campus student populations, collegiate athletics, and an academic medical center.
Asked	6/15/2020 01:54 PM (CT)

Question	How many hours of Internal Audit services do you estimate annually will be contracted out?
Answer	This is undetermined until a need is identified.
Asked	6/15/2020 01:54 PM (CT)

Question	Has the University previously contracted out Internal Audit services? If so, who was the most recent firm? Any reason why you are looking to make a change?
Answer	Protiviti, Baker Tilly, Crowe Healthcare, and RubinBrown. The terms of our agreements are due and we must competitively bid these services per KU policy.
Asked	6/15/2020 01:54 PM (CT)

Question	What is the University's budget for these contracted out Internal Audit Services?
Answer	Historical spend is provided in the RFP. As stated in the RFP, there is no guarantee of future need.
Asked	6/15/2020 01:53 PM (CT)

Question	Will the University allow bids on just the Internal Audit Services?
Answer	Yes
Asked	6/15/2020 01:53 PM (CT)