

1. Why is LACERA going out for proposal?

We are establishing a pool of prequalified firms to perform operational and compliance audits, advisory, and/or consulting projects through either outsourcing or co-sourcing in the areas of organizational activities, information technology, or investment-related services as defined in the RFP.

2. How many firms are slated to be chosen to be in the pool to perform advisory services, consulting and special projects as it relates to organizational activities, information technology, or investment-related services?

We would like to qualify at least 3-5 firms in each area of expertise.

3. Due to the ongoing COVID-19 pandemic, are paper submittals essential as detailed on page 3? Also, are DVD's required? May we provide a thumb drive?

Electronic proposals are preferred. We do not require paper or DVD submissions. Please do not send thumb drives. This section has been restated in the RFP.

4. Section 1.1 of the RFP refers to audits, advisory services, consulting and special projects with the audits performed in accordance with Generally Accepted Auditing Standards (GAAS). However, the financial audit of LACERA is performed in accordance with *Government Auditing Standards* (GAGAS). In Section 3, in various areas, it is mentioned that "The contractor shall provide audit work or agreed upon procedures in accordance with applicable auditing standards." Does LACERA desire all assurance and attest engagements to be in accordance with GAAS or GAGAS?

It would depend on the type of engagement and we would indicate any applicable standards when we solicit bids in the Statement of Work. This RFP does not include financial audits. This section has been restated in the RFP to clarify.

5. Also, in Section 3 (and in Exhibits B-1 through B-3), there are statements to 'provide all working papers to Internal Audit upon completion of the audit.' The AICPA's *Code of Professional Conduct* requires working papers to be retained as 'the member's' property and we are not required to provide such information to the client (in this case LACERA). Further, written approval is obtained of audit findings, which may compromise independence. Please explain.

We will not require firms to provide their audit work papers on engagements. We value independence and objectivity in all aspects of work performed. We would like the opportunity to discuss any audit findings prior to the issuance of a report while not compromising independence. This section has been restated in the RFP to clarify.

6. Please confirm that proposers may bid on any or all elements of the Scope of Services (and as outlined in Exhibits B-1 through B-3).

We confirm that proposers can bid on any or all elements of the scope of services outlined in Exhibits B-1 through B-3.

7. In the Selection Criteria (Exhibit D), a work plan and methodology is contemplated in Section C. Are these elements required for each area of the Scope of Services that bidders are proposing on as outlined in Section 3, including all tasks contained within Organizational Activities, Information Technology and Investments?

We would like firms to indicate their areas of expertise and describe their approach and their general methodology for performing these types of engagements included in Section 3. You may share examples of comparable working engagements in the services areas for which you are applying, methodology used, and examples of types of reports issued. Section 3 includes examples of auditing,

co-sourcing, consulting, and training engagements but the list is not exhaustive. We have restated the Selection Criteria in Exhibit D, Section C to clarify.

8. Are the various documents required to be 'wet' signed or will an e-signature suffice?
We accept proposals with wet or e-signatures.
9. Each of the Exhibits and the RFP contain a line diagonally through the copies. Are 'clean' copies available if we are to submit original signed Exhibits?
Clean copies are available using the links below.
10. Does the current audit plan address the timing of the projects listed in the RFP? If so, what is the timing of each project named in the RFP and process of notifying the qualifier firms to receive Statements of Work and pricing, including award or selections of firms to perform the work?
We anticipate awarding projects from our current as well as future audit plans. Our process will be to provide firms with the specific requirements and solicit bids from the prequalified firms. We do not have specific dates but will provide ample notice ahead of each engagement. We will provide the parameters for the statement of work and solicit bids from prequalified firms when these engagements are needed.
11. On page 10 of the RFP, there is a sentence, "Some engagements may require data recovery skills." Please share an example of where data recovery was utilized during an IT audit in the past three years.
We do not have any examples of where data recovery was utilized during an IT audit in the past three years.
12. Does LACERA have an annual budget for these services? If so, could you please provide that budget?
We have an approximate \$250,000 budget for non-financial external audit services.
13. Have these services been contracted in the past? If so, could you provide the firm(s) that performed the work and the total amount expended in the past year?
We have contracted with firms for these types of audits in the past. The only external audit performed during the past year was an IT-related audit for approximately \$40,000.
14. Will all audit reports be issued under the LACERA's cover or will the contractor be expected to issue some audit reports under their cover?
Audit reports will be issued under the contractor's cover.
15. In Exhibit C – Pricing, the table separates out audit/consulting services from co-sourced audit/consulting services. Could you please clarify the rationale for breaking these out?
We created a breakout for outsourcing versus co-sourcing in case there are cost differences in the firm's hourly rates.
16. Would the contractor be expected to utilize the LACERA network and IA workpaper system or would you expect the contractor to utilize their own IA workpaper system?
We expect the contractor to utilize their own workpaper system.
17. If the Contractor will utilize LACERA's workpaper system, could you provide the name of the workpaper system that you currently utilize?

N/A.

18. In the Training Service Category, the RFP references training for Continued CPE. Could you please clarify whether this CPE would be for the AICPA, IIA, and/or Yellow Book?

Internal Audit seeks training that is beneficial to their audits and relevant to internal audit principals and best practices. This can include but is not limited to, CPE training that meets requirements for the CPA, CIA, CISA or CFE.

19. Is there a specific pool for consulting engagements? If so, does that pool also include firms on a continuous basis and what is the process to be included?

There is not a specific pool for consulting engagements.