

**New York State
Division of the Budget**

**Internal Control Auditing Services
Response to Firm Inquiries
Issued December 1, 2023**

General

1. Must the winning firm be a public accounting firm?

The NYS Governmental Accountability, Audit and Internal Control Act, Section 953 of NYS Executive Law requires an audit of the Division's internal controls by an independent certified public accountant performed in accordance with generally accepted government auditing standards. Additional specifications on the audit are detailed in Section 1.2 of the RFP. Firms that can meet the requirements of the law and provisions of the RFP are eligible to bid.

- 2. Does the Division have a planned budget for the requested services?**
- 3. Does the Division have an anticipated fee range for the proposed services?**
- 4. What is the budget allocated each year for the internal control reviews?**
- 5. To help us prepare a proposal and design a project approach that best meets the Division's needs, what is the amount budgeted for this project?**

The Division does not have an anticipated fee range or planned budget for the proposed services. While no budget is established for a best value procurement, cost is a competitive factor and is a scored component used in determining the selected Firm.

6. How many total hours do you anticipate annually for the scope of the engagement?

To complete the 2021 audit, the previous auditor incurred 376.35 hours.

- 7. Does the Division currently, or recently, work with a firm that provides these services?**
- 8. Regarding the most recent triennial audit of the New York State Division of the Budget's (DOB/Division) internal controls: Who conducted the most recent audit? How long ago was the engagement? Please provide a copy of any reports, if applicable. What were the fees and hours incurred for the most recent audit?**
- 9. Could the Division supply prior period reporting or summary of results for audits of the administrative and programmatic processes from prior to commencing this audit?**
- 10. Is this the Division's first internal control review? If not, were there any issues noted in the last internal control review that was performed? Is a copy of the previous review available for distribution?**

This is not the Division's first internal control audit. The attached 2021 audit was performed by EFPR Group, CPAs, PLLC. The total fee paid for this work was \$43,600.

11. Can the submission deadline of a complete three-part proposal be extended to account for the holiday season?

The Division is not extending the proposal deadline at the present time.

12. Will the Division accept exceptions or proposed changes to the contract?

13. If we have any exceptions after reviewing the Sample Contract, would proposed changes be permitted for consideration?

Form 2, Item 7 - RFP and Contractual Requirements, requires Bidders' agreement to be bound by the terms and conditions included in the RFP Section 5, the Sample Contract, the Standard NYS Clauses (Appendix A). In accordance with State procurement guidelines, revisions proposed by Firms must not substantially alter the requirements or specifications set out in the RFP. Any bidder who provides exceptions is advised that its proposal shall not be contingent upon the Division's acceptance of those exceptions and shall include an acknowledgement of this in their proposal.

14. What is the anticipated portion of work to be performed in person and virtually?

15. Could the Consultant perform the work remotely, or are there specific tasks the Division anticipates would be performed onsite?

16. Do you anticipate this engagement to be performed on-site, remote, or hybrid?

The audit will be performed in a hybrid work environment with some on-site work required.

Section 1 - Scope

17. Is the review of the Division's compliance with administrative and programmatic internal controls limited to certain functions? If so, which functions would be involved?

18. What are the specific scope areas that are required in order to be in compliance with the Act, Section 953 of NYS Executive Law (please elaborate more on the specific internal controls within the administrative, programmatic, and management areas noted in the RFP)? Are there any additional specific scope areas you would like contemplated in the internal control reviews?

19. Are IT general and/or IT application controls in-scope?

20. Have there been any significant changes within the Division that may impact the internal control review?

21. Page 6, Section 5, Sub-sections a – c: mention significant and/or material matters. Is there a materiality analysis that should be followed?

The scope of the internal control audit is substantially the same as previous audits and is outlined in Section 1.4 of the RFP. The Division does not anticipate any

changes, and the selected Firm will be notified of all planned significant changes. Please refer to the 2021 Internal Control Audit Report attached for reference.

22. Is the expectation to only evaluate the operating effectiveness of existing controls? Or, will there be an expectation to identify control gaps?

Per the RFP, the audit report will identify the internal controls both evaluated and not evaluated and will identify internal control weaknesses that have not been corrected, as well as the actions that are recommended to correct these weaknesses.

23. Is there an existing Risk & Controls Matrix or Controls Listing? If so, could the Division share this?

Documents that may be required to complete the audit will be made available to the selected Firm.

24. Are all the processes for the New York State Division of Budget located centrally, or are there multiple areas with internal control processes that would be in scope for this review?

All processes are located centrally.

Section 2.1.E - Firm Experience and Qualifications

25. Can the prior client name and other sensitive information be redacted from the sample audit report provided for section 2.1.E.4?

Yes.

Section 2.1.F - Reference Letters

26. Do the reference letters for the Engagement Partner and Audit Manager need to be from one of the three clients provided for our prior experience?

No, the Division will accept a reference letter from any former client.

27. For reference letters to be included with the Technical Proposal: do they count against the 30-page limit?

Reference letters do not count against the 30-page limit.

Form 5.1 - Workforce Composition Form

28. Does the prime bidder complete the form, combining the information for the planned staffing team for both itself and the sub-contracting firm, or do the prime and subcontracting firm need to complete it separately?

Form 5.1 should be completed by the prime contractor and include all staff that will provide services under this procurement.

Section 9 Minority and Women-Owned Businesses

29. Are the MWBE and SDVOB percentages goals or requirements?

The MWBE and SDVOB percentages are participation goals established for this procurement. Firms are required to demonstrate good faith efforts to achieve the established participation goals.

30. Will the Division accept MWBE participation from a firm with multiple certifications (i.e., minority and woman-owned)?

The Division will accept MBE/WBE's that are certified by New York State. If a Firm is certified as both an MBE and a WBE they may only claim 15% of the goals for one or the other. A certified MWBE Firm cannot claim both the MBE and WBE goals for this procurement.

31. Is there a penalty if the awarded firm does not meet the goals stated in the RFP?

In accordance with 5 NYCRR§142.13, if a Firm is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in the Contract, such finding constitutes a breach of Contract and the Division may withhold payment as liquidated damages.