UNIVERSITY OF ARKANSAS SYSTEM

Request for Proposal
RFP No. 261007

IT Internal Audit Co-Sourced Services

Q&A Addendum No. 1

This document provides question and answer information pertaining to the above captioned RFP.

REMINDER: It is the Offeror's responsibility to thoroughly read and examine the entire RFP and any addenda to the RFP.

1. Section 3 (Minimum Qualifications) and Section 9 (References): Can the requirements for "IT audit experience in a higher education environment" and the three references be satisfied through the experience and prior clients of the key personnel assigned to the engagement, rather than the offering firm itself?

   Answer: Yes, that is acceptable.

2. Section 16: Does "Proof of Insurance must be included in the proposal" require a certificate of insurance at submission, or will an insurer's binder or letter of intent to bind upon award be accepted?

   Answer: In accordance with revisions made in Addendum No. 1 to Section 16 of the RFP, a binder or letter of intent to obtain the requisite insurance can be provided prior to award.

3. Is workers' compensation coverage required for an offeror that has no employees in Arkansas, if the offeror is exempt under Arkansas law?

   Answer: In accordance with revisions made in Addendum No. 1 to Section 16 of the RFP, workers' compensation coverage will be required in accordance with the state law where the offeror's employees reside.

4. The RFP indicates that the FY2027 IT audit plan will be approved prior to the contract period. Can the University provide the anticipated IT audit projects for FY2027, including any preliminary estimates of hours by project or subject area?

   Answer: The audit plan did not include specific IT projects. It is expected that the selected firm will have input into what projects are planned.

5. What level of onsite presence does the University anticipate from the selected co-source provider? Should offerors assume a hybrid delivery model consisting of targeted onsite planning,

meetings, and fieldwork supplemented by remote testing, documentation, and reporting, or does IAD anticipate more extensive onsite staffing?

Answer: IAD does not expect extensive onsite staffing. Planning, meetings, and fieldwork can be completed remotely. Presentation of audit results to the Audit and Fiscal Responsibility Committee can be delivered remotely or in person.

6. Does IAD currently utilize an audit management, GRC, evidence-sharing, or workpaper platform that the selected co-source provider will be expected or permitted to use? If so, please identify the platform and describe the expected level of integration with the selected firm's audit documentation and workflow.

   Answer: IAD does not expect the selected firm's workpapers to be integrated into IAD's audit management software. The expectation is for the selected firm to provide the final report for each project using IAD's criteria for communication to the individual institutions and the Audit and Fiscal Responsibility Committee.

7. Section 3 states that offerors must have IT audit experience in a higher education environment. Will the University consider comparable IT audit experience serving large, decentralized governmental organizations and public-sector educational entities as satisfying this qualification, or is prior IT audit experience specifically within a college or university environment required for a proposal to be considered responsive?

   Answer: IT Audit experience in a higher education environment is one of the minimum qualifications.

8. Section 3 also identifies familiarity with Arkansas laws as a minimum qualification. Can the University clarify the nature and extent of Arkansas-specific legal or regulatory knowledge expected of the IT audit team, including whether demonstrated experience identifying and applying state-specific requirements in other governmental jurisdictions would satisfy this qualification?

   Answer: Familiarity with Arkansas laws is a minimum qualification. While prior Arkansas-specific experience is not expressly required, offerors should demonstrate their ability to identify and apply applicable Arkansas legal and regulatory requirements in performing the services.

9. Given the estimated annual volume of 1,500 to 2,000 hours and the potential duration of the relationship, may the selected firm add or substitute qualified IT audit professionals during the contract term as staffing needs evolve, subject to IAD approval and the applicable rate category?

   Answer: Yes.

10. Have there been any issues with the current IT audit provider or aspects of the current engagement that the University would like to see handled differently in the upcoming IT audit relationship?

Answer: No.

11. What were the fees, by project, for the two most recent IT audit periods? Was there any work during either period that was considered outside the original project scope, and if so, how was that work handled and billed?

    Answer: The University wishes to ensure that offerors bid their most competitive pricing and advantages so current arrangements or payment of past fees will not be provided.

12. Has there been any significant turnover in key management positions or among personnel who are substantially involved in the IT audit process?

    Answer: There has not been any significant turnover in key management positions.

13. Audit Volume and Scope: Section 2 estimates approximately 1,500–2,000 annual hours of co-sourced IT audit services. Can the University provide the number of IT audits completed annually over the past two fiscal years, the approximate hours expended, and the anticipated number and complexity of audits under the FY2027 plan? Additionally, does the stated estimate represent the full co-sourced workload, or is a broader allocation of hours anticipated?

    Answer: The audit plan did not include specific IT projects. It is expected that the selected firm will have input into what projects are planned.

14. On-Site Requirements: Does the University anticipate that audit activities will be conducted primarily remotely, or will regular on-site participation be required? If on-site attendance is expected, can the University provide the anticipated frequency and locations?

    Answer: IAD does not expect extensive onsite staffing. Planning, meetings, and fieldwork can be completed remotely. Presentation of audit results to the Audit and Fiscal Responsibility Committee can be delivered remotely or in person.

15. Qualifications and Team Composition: Can the minimum higher-education IT audit experience requirements be satisfied through the combined qualifications of the prime contractor and its identified subcontractors or teaming partners?

    Answer: Yes.

16. Will the University consider submission via email instead of mail?

    Answer: No. In accordance with Section 15.4 of the RFP, offerors may deliver their proposals either by hand, through the U.S. Mail, or through other available courier services.

17. Across the University's campuses, divisions, healthcare operations, etc. which key technology risks or recurring control challenges are most difficult for Internal Audit to evaluate consistently, and where would you expect the selected firm to bring the greatest value?

    Answer: The University of Arkansas System includes diverse institutions with varying technology environments, resources, regulatory requirements, and control maturity. Areas of continuing importance may include cybersecurity, identity and access management, vulnerability management, incident response, third-party risk, data governance, enterprise applications, IT governance, and emerging technologies such as artificial intelligence. The selected firm should be able to identify significant or recurring issues while recognizing differences in institutional size, technology environment, resources, and control maturity.

18. Which major technology transformations, enterprise-system implementations, cloud migrations, cybersecurity initiatives, data programs, or emerging-technology deployments are expected to influence the IT risk assessment and audit plan during the initial contract period?

    Answer: The technology environment continues to evolve in the areas of continuing importance noted in question #17 above. Specific initiatives, timing, and scope may change during the contract period and will be discussed with the selected firm as appropriate.

19. How centralized or decentralized are IT governance, cybersecurity, infrastructure, data management, and enterprise application responsibilities across the System, and how should the selected firm account for differences in governance and control maturity among individual units?

    Answer: Technology responsibilities are distributed among System-level and institution-level functions. The selected firm should account for differences in institutional size, complexity, resources, technology environment and control maturity when planning and performing engagements.

20. What outcomes would cause the Chief Audit Executive and Audit and Fiscal Responsibility Committee to view the co-source relationship as highly successful after the first year, beyond completion of the approved IT audit plan?

    Answer: Outcomes of a highly successful relationship would include regular communication with the Chief Audit Executive, knowledge sharing with Internal Audit and IT personnel, and clear communication regarding audit risks and results to IT management and the Audit and Fiscal Responsibility Committee.

21. What level of coordination and reliance is expected among the selected firm, Internal Audit, information security, privacy, compliance, enterprise risk management, external audit, and campus-level assurance functions? Where is greater coordination needed?

Answer: The selected firm would be expected to closely coordinate with Internal Audit and IT management at the institution and System level.

22. What is the University's preferred approach for developing a system-wide view of risk when similar issues appear across multiple campuses or units: separate entity-level observations, consolidated thematic reporting, comparative maturity insights, or some combination?

    Answer: The preferred approach would be some combination. Each institution is responsible for recommendations requiring institution-specific action. When issues appear across multiple institutions, the expectation is that the recommendations would be consistent. Reporting to the Audit and Fiscal Responsibility Committee would be expected to identify common issues or themes across institutions.

23. How does the University envision balancing assurance engagements with advisory work, particularly when significant technology transformations, cybersecurity initiatives, data governance programs, or AI-related deployments are underway?

    Answer: The nature and timing of assurance engagements and advisory work would be determined in coordination with the Internal Audit Department.

24. What capabilities does the University expect the selected firm to transfer to Internal Audit personnel over the life of the relationship, and how should successful knowledge transfer be demonstrated?

    Answer: Knowledge transfer would be demonstrated by providing an understanding of the engagements completed by the selected firm so that the Internal Audit Department can perform follow-up procedures on recommendations resulting from the engagements.

25. How open is the University to advanced audit techniques such as full-population analytics, continuous risk monitoring, automated evidence collection, control maturity benchmarking, and responsible use of AI? What data access, security, or governance considerations should the selected firm account for?

    Answer: The University is interested in considering advanced audit techniques where they may enhance audit coverage, efficiency, or insight. Offerors may describe their capabilities and experience with data analytics, automation, control benchmarking, responsible use of artificial intelligence, and other relevant technology-enabled audit techniques. The appropriateness of particular techniques will be evaluated based on the circumstances of the engagement and applicable University information security, privacy, confidentiality, data governance, and technology requirements. Proposers should not assume that particular data, system access, technical integrations, automated evidence collection, or continuous access to University systems will be available. Specific data access, security requirements, technical configurations, and implementation arrangements will be addressed with the selected firm as appropriate. Internal Audit's existing AI policy

limits audit use of AI to department-approved tools and includes auditor and reviewer responsibilities related to AI use.

26. Who is the incumbent?

    Answer: The University will not provide the identity of the current co-source provider or historical hours and expenditures. Offerors should develop their proposals and pricing independently based on the scope of services and requirements outlined in the RFP.

27. Is the selected firm permitted to leverage employees located outside of the US?

    Answer: No.

28. Section 7.2 states "…indicate each individual's experience higher education and healthcare debt financing." Was the inclusion of healthcare debt financing intentional?

    Answer: No, the inclusion of "healthcare debt financing" was in error.

29. The proposal is limited to 15 pages "including attachments." Do required forms, the signed cover sheet, official price sheet, references, resumes, insurance certificates, disclosures, and redacted materials count toward that limit?

    Answer: The following documents are excluded from the 15-page limit in Section 7: signed RFP cover sheet, table of contents or title page, Official Price Sheet and any pricing assumptions documents, references, resumes, disclosure forms (specifically, the Equal Opportunity Policy Requirements for Contractors form and the EO Policy, the Combined Certifications for Contracting with the State of Arkansas, the Conflict of Interest Form, and the Contract and Grant Disclosure and Certification form), insurance documents, any compliance matrices, the redacted proposal (if provided), and the acknowledgement of each section of the RFP per Section 15.2.

30. Approximately how many individual IT audit or advisory projects does the University expect the selected firm to perform annually?

    Answer: The selected firm will provide approximately 1,500 to 2,000 hours of audit coverage. The individual audit and/or projects will be determined in consultation with the Chief Audit Executive after the selected firm is engaged.

31. Can the University provide a high-level overview of its major technologies and enterprise platforms, including ERP, student information, identity and access management, cloud, cybersecurity, research, and healthcare systems?

    Answer: The University operates a diverse technology environment supporting academic, administrative, research, healthcare, and other institutional operations. Major technology categories include enterprise administrative and student systems, identity and access

management, cloud services, cybersecurity, data and analytics, research, and healthcare technologies. Specific platforms, architecture, and security-related details may be provided to the selected firm as appropriate.

32. The RFP states that rates are expected to remain firm throughout the base term, while another provision states pricing must remain firm for two years. Please confirm the required period during which rates must remain unchanged.

    Answer: Section 13 of the RFP anticipates that the mutually agreed-upon contract term will be for an initial period of two years; therefore, the required period during which rates must remain unchanged is two years.

33. Which campuses or units are most likely to require onsite work, and what level of travel should selected firms assume in their pricing? How frequently will the selected firm be expected to present directly to the Audit and Fiscal Responsibility Committee?

    Answer: The Internal Audit Department does not expect extensive onsite staffing. Planning, meetings, and fieldwork can be completed remotely. Presentation of audit results to the Audit and Fiscal Responsibility Committee can be delivered remotely or in person. Attendance at the Audit and Fiscal Responsibility Committee would only be necessary when presenting audit results.

34. What are the typical expected timeframes for planning, fieldwork, draft reporting, management responses, and final reporting?

    Answer: The selected firm will prepare audit deliverables in accordance with Internal Audit's established reporting process. Review periods and turnaround expectations will be established based on the nature, scope, and complexity of each engagement. Final reports will be approved and issued through Internal Audit.

35. Please confirm whether the estimated 1,500–2,000 annual hours referenced in Section 2 represent the total anticipated co-sourced IT audit hours, or hours exceeding work performed by the Internal Audit Department.

    Answer: The estimated annual hours represent the total anticipated co-sourced IT audit hours.

36. Please clarify whether the 15-page limit in Section 7 includes the signed RFP cover sheet, Official Price Sheet, references, resumes, insurance certificates, required disclosure forms, and any separately submitted pricing-assumption spreadsheet.

    Answer: The following documents are excluded from the 15-page limit in Section 7: signed RFP cover sheet, table of contents or title page, Official Price Sheet and any pricing assumptions documents, references, resumes, disclosure forms (specifically, the Equal Opportunity Policy Requirements for Contractors form and the EO Policy, the

Combined Certifications for Contracting with the State of Arkansas, the Conflict of Interest Form, and the Contract and Grant Disclosure and Certification form), insurance documents, any compliance matrices, the redacted proposal (if provided), and the acknowledgement of each section of the RFP per Section 15.2.

37. Please specify the anticipated fiscal year 2027 audit projects, approximate timing, and expected hours by project, to the extent the approved audit plan can be shared.

    Answer: The fiscal year 2027 audit projects would be determined in collaboration with the selected firm.

38. Please confirm the expected mix of remote and on-site work and identify the campuses, units, or divisions where on-site services are currently anticipated.

    Answer: The Internal Audit Department does not expect extensive onsite staffing. Planning, meetings, and fieldwork can be completed remotely. Presentation of audit results to the Audit and Fiscal Responsibility Committee can be delivered remotely or in person. Attendance at the Audit and Fiscal Responsibility Committee would only be necessary when presenting audit results.

39. Please clarify the expected milestone-payment structure, including whether the University intends to prescribe standard percentages for planning, fieldwork, and final-report acceptance or establish them separately for each audit.

    Answer: The expected milestone-payment structure would be established for each audit.

40. Please specify the University's standard expectations for audit deliverables and acceptance, including required report templates, review periods, target turnaround times, and the individual authorized to approve final reports and invoices.

    Answer: The selected firm will prepare audit deliverables in accordance with Internal Audit's established reporting process. Review periods and turnaround expectations will be established based on the nature, scope, and complexity of each engagement. Final reports will be approved and issued through Internal Audit, and invoices will be subject to review and approval in accordance with University procedures.

41. Please clarify the anticipated access to University systems and data, including whether contractor personnel will receive University-managed accounts or devices and whether workpapers or University data must be stored in a University-designated environment.

    Answer: Contractor personnel are not expected to receive University-managed accounts or devices, and workpapers will not be stored in a University-managed environment. Any necessary access to University systems or data will be determined by engagement and

subject to applicable University security, privacy, contractual, and data-handling requirements.

42. Please confirm whether the Section 7 request for each key individual's experience in "higher education and healthcare debt financing" is intended to request experience in higher education, healthcare administration, and IT auditing.

    Answer: Offerors do not need "healthcare debt financing" experience. The inclusion of this language in the RFP was in error.

43. Please specify whether any contractor-provided audit, analytics, collaboration, or reporting tools will be treated as technology products requiring a VPAT or similar accessibility documentation under Sections 14.5 and 14.29.

    Answer: The Voluntary Product Accessibility Template ("VPAT") is not applicable to this RFP.

44. Please provide a high-level overview of the University System's technology environment, including the extent to which technology governance, infrastructure, cybersecurity, and major enterprise systems are centralized or managed independently by individual campuses, divisions, and units.

    Answer: The University operates a diverse technology environment supporting academic, administrative, research, healthcare, and other institutional operations. Major technology categories include enterprise administrative and student systems, identity and access management, cloud services, cybersecurity, data and analytics, research, and healthcare technologies. Specific platforms, architecture, and security-related details may be provided to the selected firm as appropriate. Technology systems and services are managed through a combination of centralized and institution-level responsibilities, depending on the system, service, and institutional needs. The selected firm should be prepared to work across these differing operating environments.

45. Please identify any significant platforms or specialized environments that the selected firm should consider when proposing its team and qualifications. We understand that the specific areas and systems subject to audit will be determined based on the IT risk assessment and approved audit plan.

    Answer: Please see answer to #44.

46. Can the University provide the approved FY2027 IT audit plan or a list of anticipated audit projects currently contemplated for FY2027?

    Answer: The audit plan did not include specific IT projects. It is expected that the selected firm will have input into what projects are planned.

47. Can the University provide the results or executive summary of the most recent IT risk assessment that will be used to inform the FY2027 audit plan?

    Answer: The most recent IT risk assessment will be provided to the selected firm.

48. What specific IT audit areas are expected to be prioritized during the first contract year (e.g., cybersecurity, ERP/financial systems, cloud security, data governance, AI governance, privacy, ITGCs, identity management, third-party risk, disaster recovery)?

    Answer: The technology environment continues to evolve in the areas of continuing importance including cybersecurity, identity and access management, vulnerability management, incident response, third-party risk, data governance, enterprise applications, IT governance, and emerging technologies such as artificial intelligence. Specific initiatives, timing, and scope may change during the contract period and will be discussed with the selected firm as appropriate.

49. How many individual audit or advisory projects are typically performed annually under the co-sourced arrangement?

    Answer: The number of individual audit or advisory projects performed vary based on the scope of the audit or project.

50. Of the estimated 1,500-2,000 annual hours, approximately what percentage historically has been allocated among:
    - IT audits
    - Advisory engagements
    - Risk assessments
    - Follow-up procedures
    - Special projects/investigations?

    Answer: Historically the annual hours have been allocated to IT audits. However, future allocation of hours may vary.

51. Are penetration testing, vulnerability assessments, social engineering reviews, or technical security testing expected under this contract, or will those services be procured separately?

    Answer: The items listed would be procured separately.

52. Can the University provide an overview of the major systems and applications in scope, including:
    - ERP platforms
    - Student information systems
    - Learning management systems
    - HR/payroll systems
    - Healthcare systems supporting UAMS
    - Cloud platforms (Azure, AWS, Google Cloud, etc.)?

Answer: The University operates a diverse technology environment supporting academic, administrative, research, healthcare, and other institutional operations. Major technology categories include enterprise administrative and student systems, identity and access management, cloud services, cybersecurity, data and analytics, research, and healthcare technologies. Specific platforms, architecture, and security-related details may be provided to the selected firm as appropriate.

53. What audit management, GRC, ticketing, cybersecurity monitoring, and data analytics platforms are currently used by the University and Internal Audit?

    Answer: The Internal Audit Department currently uses TeamMate and TeamMate Analytics.

54. Are there enterprise-wide shared services environments supporting multiple campuses that would be audited centrally?

    Answer: Certain technology services and environments may support multiple institutions or units. Where appropriate, these may be addressed through centralized or system-wide audit coverage based on risk and audit objectives.

55. What technology/cybersecurity governance structure currently exists (CISO, security office, governance committees, etc.)?

    Answer: Technology and cybersecurity governance responsibilities exist at both the System and institution/unit levels and vary based on organizational structure and responsibilities. The selected firm will coordinate with appropriate personnel through Internal Audit as necessary for each engagement. Additional governance information will be provided to the selected firm as appropriate.

56. Will the incumbent co-sourced IT internal audit provider's support and historical workpapers be available to the selected firm?

    Answer: No. Workpapers are the property of the co-sourced IT Internal Auditor.

57. What has been the average annual spend under the current arrangement over the past three fiscal years?

    Answer: The University wishes to ensure that offerors bid their most competitive pricing and advantages so current arrangements or payment of past fees will not be provided.

58. Is there an anticipated annual budget range approved for these services?

    Answer: The University wishes to ensure that offerors bid their most competitive pricing and advantages so current budget will not be provided.

59. What percentage of work is expected to be performed on-site versus remotely?

Answer: Planning, meetings, and fieldwork can be completed remotely. Presentation of audit results to the Audit and Fiscal Responsibility Committee can be delivered remotely or in person.

60. Are there specific campuses or locations where on-site presence will be required?

    Answer: No.

61. For this procurement of professional IT internal audit co-sourcing services, is the Voluntary Product Accessibility Template (VPAT) requirement applicable to offerors, or is the VPAT only required when proposing a software product, platform, or other technology solution?

    Answer: The Voluntary Product Accessibility Template ("VPAT") is not applicable to this RFP.

62. Section 7 limits proposals to fifteen pages including attachments. Please confirm which items count toward the fifteen pages: the signed RFP cover sheet, Official Price Sheet (Appendix I), Offeror Information/References (Appendix II), certificate of insurance, Contract and Grant Disclosure and Certification Form, Conflict of Interest Form, resumes, and any table of contents or title page.

    Answer: The following documents are excluded from the 15-page limit in Section 7: signed RFP cover sheet, table of contents or title page, Official Price Sheet and any pricing assumptions documents, references, resumes, disclosure forms (specifically, the Equal Opportunity Policy Requirements for Contractors form and the EO Policy, the Combined Certifications for Contracting with the State of Arkansas, the Conflict of Interest Form, and the Contract and Grant Disclosure and Certification form), insurance documents, any compliance matrices, the redacted proposal (if provided), and the acknowledgement of each section of the RFP per Section 15.2.

63. Section 18 awards cost points based on the lowest estimated cost, and the Official Price Sheet requests hourly rates by staff level. How will hourly rates be converted to an estimated cost for scoring (for example, an assumed mix of hours by staff level)?

    Answer: Pricing will be evaluated consistently across offerors in accordance with the evaluation criteria set forth in the RFP.

64. Section 15.8 references a certificate of authority from the Arkansas Secretary of State. Must this be in place at proposal submission, or before contract execution?

    Answer: It must be in place prior to contract execution.

65. Does the University have an expected budget or not to exceed amount for these services?

Answer: Offerors should propose pricing based on the scope of services and estimated annual audit coverage of approximately 1,500 to 2,000 hours.

66. Should the selected firm expect individual audits to generally cover a single campus, division, or unit, or will audits commonly be performed on a system-wide basis across multiple University entities?

    Answer: The selected firm may be requested to perform individual audits or complete audits on a system-wide basis.

67. What is the expected on-site vs. remote presence to execute this work?

    Answer: IAD does not expect extensive onsite staffing. Planning, meetings, and fieldwork can be completed remotely. Presentation of audit results to the Audit and Fiscal Responsibility Committee can be delivered remotely or in person.

68. Does the University anticipate that the selected firm will primarily lead complete IT audit engagements, supplement University-led engagements with specialized resources, or provide a combination of both?

    Answer: The selected firm will primarily lead complete IT audit engagements.

69. Does the 15-page limit (RFP Section 7) exclude the Official Price Sheet, signed forms, VPAT, EEO policy, proof of insurance, references, and any pricing assumptions spreadsheet?

    Answer: The following documents are excluded from the 15-page limit in Section 7: signed RFP cover sheet, table of contents or title page, Official Price Sheet and any pricing assumptions documents, references, resumes, disclosure forms (specifically, the Equal Opportunity Policy Requirements for Contractors form and the EO Policy, the Combined Certifications for Contracting with the State of Arkansas, the Conflict of Interest Form, and the Contract and Grant Disclosure and Certification form), insurance documents, any compliance matrices, the redacted proposal (if provided), and the acknowledgement of each section of the RFP per Section 15.2.

70. What "technology, tools" (RFP Section 1) are expected to be provided?

    Answer: The selected firm is expected to provide the technology and tools necessary to perform the contracted services, including, as applicable, tools for audit documentation and workpaper management, data analytics, cybersecurity and configuration assessment, access and application analysis, and other specialized IT audit procedures. The University does not require specific products or platforms.

71. If a respondent has previously provided, or is currently providing, non-audit related services to the University System, what information should be provided that would address and eliminate any conflict-of-interest concerns?

Answer: Respondents should disclose any current or prior services to the University System or its institutions that could create an actual, potential, or perceived impairment to independence or objectivity. The disclosure should identify the nature of the services, the University entity served, the timing and status of the services, any management or decision-making responsibilities assumed, and any proposed safeguards. The University will evaluate disclosed relationships and safeguards in accordance with the Global Internal Audit Standards to determine whether the respondent and proposed engagement personnel can perform the contemplated internal audit services objectively.

72. (Section 2) Does “1,500 to 2,000 hours of audit overage” mean audit coverage? Please identify which activities are included in this estimate.

    Answer: Yes, this is intended to be "coverage".

73. (Section 2) When is work expected to start? As this is an existing contract, what input will the winning firm have regarding the tasks, activities, and timeline for the already budgeted FY2027 audit?

    Answer: The audit plan did not include specific IT projects. It is expected that the selected firm will have input into what projects are planned.

74. (Section 2) Please identify the anticipated number of IT audit and advisory engagements to be performed annually, including the estimated duration, complexity, and level of effort associated with each engagement.

    Answer: The fiscal year 2027 audit projects would be determined in collaboration with the selected firm.

75. (Section 2) Please identify the campuses, facilities, and organizational units expected to require on-site audit activities and provide the anticipated percentage of work to be performed remotely versus on-site. Please describe the expected frequency and duration of on-site visits and any requirements for in-person meetings or presentations.

    Answer: IAD does not expect extensive onsite staffing. Planning, meetings, and fieldwork can be completed remotely. Presentation of audit results to the Audit and Fiscal Responsibility Committee can be delivered remotely or in person.

76. (Section 2) What compliance or regulatory standards are to be addressed during IT Audits?

    Answer: The University does not anticipate prescribing a single set of compliance or regulatory standards applicable to all IT audits. Relevant requirements and frameworks will be determined based on the nature and scope of each engagement and may include applicable federal and state requirements, University policies, and recognized IT governance, cybersecurity, and control frameworks.

77. (Section 2) Can the IT risk assessment results, the IT audit plan, and the list of recent co-sourced audits be shared with bidders?

Answer: The IT risk assessment results, IT audit plan, and list of recent co-sourced audits will not be shared with bidders during the RFP process. Relevant information will be made available to the successful offeror following contract award, as appropriate.

78. (Section 2) Who is the current co-source incumbent? What were the actual hours and funds spent in the last two years on this effort?

    Answer: The University will not provide the identity of the current co-source provider or historical hours and expenditures. Offerors should develop their proposals and pricing independently based on the scope of services and requirements outlined in the RFP.

79. (Section 2) How many IAD staff will work with the successful bidder? Will there be a consistent IAD lead for the firm to engage?

    Answer: The successful bidder will be responsible for providing the personnel necessary to complete the assigned audits. IAD will provide a designated point of contact for each engagement; however, the specific IAD contact may vary depending on the nature and scope of the audit.

80. (Section 1) What do "technology, tools, and training resources" and "share knowledge" mean for the purposes of this RFP? Does this mean the successful bidder will provide training and audit tools to staff? Are training or tools chargeable to contract?

    Answer: The selected firm is expected to provide the technology and tools necessary to perform the contracted services, including, as applicable, tools for audit documentation and workpaper management, data analytics, cybersecurity and configuration assessment, access and application analysis, and other specialized IT audit procedures. The University does not require specific products or platforms.

81. (Section 7) Please clarify how offerors should reconcile the requirement in Section 7 to provide a three-part response limited to 15 pages with the requirement in Section 15.2 to acknowledge every section of the RFP. Please identify the expected proposal organization and specify which materials, including compliance matrices, resumes, references, pricing sheets, certifications, and required forms, are included in or excluded from the 15-page limitation.

    Answer: The following documents are excluded from the 15-page limit in Section 7: signed RFP cover sheet, table of contents or title page, Official Price Sheet and any pricing assumptions documents, references, resumes, disclosure forms (specifically, the Equal Opportunity Policy Requirements for Contractors form and the EO Policy, the Combined Certifications for Contracting with the State of Arkansas, the Conflict of Interest Form, and the Contract and Grant Disclosure and Certification form), insurance documents, any compliance matrices, the redacted proposal (if provided), and the acknowledgement of each section of the RFP per Section 15.2.

82. (Section 7) What is "healthcare debt financing" in context of information technology auditing for the purposes of this RFP? Please identify the specific experience, professional qualifications, and industry expertise the University expects offerors to demonstrate for proposed key personnel.

    Answer: Offerors do not need “healthcare debt financing” experience. The inclusion of this language in the RFP was in error.

83. (Section 3) How will "familiarity with Arkansas laws" be evaluated?

    Answer: Familiarity with Arkansas laws is a minimum qualification and will be evaluated based on the offeror's demonstrated knowledge and experience applying applicable Arkansas laws and regulations in the performance of IT audit services. Offerors should describe relevant experience in their proposal sufficient to demonstrate that this qualification is met.

84. (Section 8) Please explain the methodology the University will use to calculate the evaluated total cost from the hourly labor rates submitted in Appendix I. Specifically, identify the assumed labor categories, estimated hours or weighting factors for each category, and any other pricing assumptions that will be applied consistently across offerors.

    Answer: The University will not provide estimated hours or weighting factors by labor category. Offerors should submit their hourly labor rates in Appendix I based on their independent assessment of the RFP requirements. Pricing will be evaluated consistently across offerors in accordance with the evaluation criteria set forth in the RFP.

85. Could you please provide the anticipated FY2027 IT audit plan, including the specific audits or advisory projects expected to be performed during the next two years? If not, would you please share roughly how many audits are planned in each year and what's the nature of the audit?

    Answer: The audit plan did not include specific IT projects. It is expected that the selected firm will have input into what projects are planned.

86. Of the estimated 1,500–2,000 annual hours, can you please provide an anticipated allocation of hours by audit area (e.g., cybersecurity, IT general controls, enterprise applications, cloud, IT governance, and privacy)?

    Answer: The selected firm will provide approximately 1,500 to 2,000 hours of audit coverage. The individual audit and/or projects will be determined in consultation with the Chief Audit Executive after the selected firm is engaged.

87. Can you please provide an estimated timeline for internal audit projects by audit area (e.g., cybersecurity, IT general controls, enterprise applications, cloud, IT governance, and privacy)?

    Answer: The selected firm will prepare audit deliverables in accordance with Internal Audit's established reporting process. Review periods and turnaround expectations will be established based on the nature, scope, and complexity of each engagement. Final reports will be approved and issued through Internal Audit.

88. Can you please provide your most recently performed risk assessment?

    Answer: The IT risk assessment results, IT audit plan, and list of recent co-sourced audits will not be shared with offerors during the RFP process. Relevant information will be made available to the successful bidder following contract award, as appropriate.

89. Can you please provide a breakdown of your IT environment such how many systems and tools are utilized and how many IT general controls are in place?

    Answer: The University operates a diverse technology environment supporting academic, administrative, research, healthcare, and other institutional operations. Major technology categories include enterprise administrative and student systems, identity and access management, cloud services, cybersecurity, data and analytics, research, and healthcare technologies. Specific platforms, architecture, and security-related details may be provided to the selected firm as appropriate.

90. To what extent are IT infrastructure, applications, cybersecurity, and IT governance centralized across the University System versus managed independently by individual campuses or units?

    Answer: Technology responsibilities are distributed among System-level and institution-level functions. The selected firm should account for differences in institutional size, complexity, resources, technology environment and control maturity when planning and performing engagements.

91. Are audits expected to include operating effectiveness testing of controls, or will certain engagements focus primarily on design assessments and advisory recommendations?

    Answer: The individual audit and/or projects will be determined in consultation with the Chief Audit Executive after the selected firm is engaged.

92. Are you currently using any Audit tools (such as Optro, Workiva, or etc.)? And are the IT audit expected to be documented in your environment?

    Answer: IAD does not expect the selected firm's workpapers to be integrated into IAD's audit management software. The expectation is for the selected firm to provide the final report for each project using IAD's criteria for communication to the individual institutions and Audit and Fiscal Responsibility Committee.

93. How much automation (AI, data analytics, and etc.) are used in your current audit procedures? Do you have defined digital audit procedures/requirements for operational audit?

    Answer: IAD uses data analytics and other technology-enabled tools, as appropriate, in its audit activities. The successful bidder will be expected to use its own tools and documented audit methodologies and to determine the appropriate use of automation, AI, data analytics, or other techniques based on the scope and objectives of each engagement.

94. Roughly how many hours (or how many weeks) is typically allocated to each audit? If it varies, if you can provide a range, it will be very helpful.

Answer: Audit hours and duration will vary depending on the scope and complexity of each engagement. The University expects the successful offeror to determine and provide the appropriate staffing and level of effort necessary to complete each assigned audit. Accordingly, the University is not providing a standard range of hours or weeks per audit.