

Questions and Answers for the Forensic Audit

Many of the questions we received touched on similar topics and/or requested similar information or clarifications. As a result, although this questions and answers document does not include a specific answer for each individual question we received, the questions and answers below are intended to be responsive to the various questions and requested clarifications we received.

Questions and Answers for both RFPs

1. **Would the Arizona Auditor General (Office) please provide a recording or any notes from the pre-proposal conference on Thursday, February 13?**

Although we are unable to provide a recording or any notes from the pre-proposal conference on Thursday, February 13, we have provided answers to key questions we received and answered during the pre-proposal conference in this questions and answers document.

2. **Can Firms bid on both the Forensic and the Performance RFPs?**

Firms can bid on both the Forensic and the Performance RFPs. However, Firms must submit a separate proposal for each RFP/project.

3. **Why is the Office seeking a request for proposals to perform a performance audit of Arizona State Schools for the Deaf and the Blind (Auditee) and what are the project's specific goals and objectives?**

At its December 10, 2024 meeting, the Arizona Legislature's Joint Legislative Audit Committee directed the Office to engage 1 or more independent contractors to conduct a forensic audit and a performance audit of the Arizona State Schools for the Deaf and the Blind that examines its financial activity, operations, and student educational outcomes for fiscal years 2022, 2023, and 2024 (see [JLAC meeting agenda and video](#) and [JLAC—December 10, 2024—Meeting Packet](#) for more information). The comprehensive scope of services incorporated in Section C of both the Forensic Audit and Performance Audit RFPs was developed based on feedback from the Arizona Legislature, stakeholders, and complainants, and also includes issues identified by the Office in the Auditee's prior performance audit and sunset review completed in calendar year 2022.

4. **Is this the first time you're engaging external support for this type of project?**

The Office has previously contracted with external firms to perform various performance audits, special audits, and other reviews of State agencies and other government entities and programs. Examples of these engagements include:

[Arizona State Board of Chiropractic Examiners](#)

[Arizona Board of Osteopathic Examiners in Medicine and Surgery—Sunset Review](#)

[Examining the Delivery of Services to Vulnerable Adults in the Arizona Adult Protective Services System](#)

[Pima Association of Governments Regional Transportation Authority Plan](#)

[Phoenix Convention Center - Economic and Fiscal Impact Analysis Update, 2022](#)

[Independent Review—Arizona's Child Safety System and the Arizona Department of Child Safety](#)

5. What key attributes or characteristics do you consider essential for a successful interaction between your vendor and the AZ Auditor?

In general, the selected Firm can ensure a successful interaction with the Office by:

- Timely completing the specified tasks and related deliverables in accordance with the mutually agreed upon deadlines and/or deadlines listed in the RFP.
- Ensuring that deliverables have been subject to rigorous quality control measures prior to submitting them to the Office.
- Promptly and effectively responding to the Office's feedback on deliverables and incorporating the feedback in all subsequent deliverables as appropriate.
- Timely communicating to the Office any challenges or other issues that could impact the project's successful completion.

6. Who would be the main point of contact for the Firm(s) performing these services?

The selected Firm's primary point of contact at the Office will be Katie Grzybowski, Performance Audit Division Operations Manager. Jeff Gove, Performance Audit Division Director, will also regularly attend meetings with the Firm and the Auditee.

Other Office staff and leadership, including Melanie Chesney, Deputy Auditor General, and Lindsey Perry, Auditor General, may interact with the selected Firm at various times throughout the engagement.

The selected Firm's primary point of contact at the Auditee will be identified at the Entrance Conference.

7. Is the Office able to provide the weighting for the scoring of proposal evaluation criteria in section K?

As stated in RFP section K(2), when evaluating proposals, emphasis will be placed on:

- Responsiveness to the objectives and issues described in the Request for Proposal.
- Firm's related past experience and reputation.
- Qualifications of staff assigned to the project.
- Proposed work plan.
- Engagement hourly and total costs.

All 5 of these evaluation criteria will be weighed equally.

8. What is the Office's projected budget in terms of dollars to complete the scope of work?

Within the RFP, the Office has established a comprehensive scope of work for the project. In preparing a bid, the Firm should consider the time and resources necessary to complete the scope of work and provide the Office with a realistic estimate of the cost to complete the scope of work.

- 9. Does the Office intend to contact any of the Firm's past point(s) of contact and, if so, what format does the Office intend to use to contact the point(s) of contact?**

As stated in section K(1) of the RFP, the Office reserves the right to contact references from among those provided by the Firm. If the Office exercises this right, the Office will contact the point(s) of contact by email and ask the point(s) of contact to complete a brief survey of their interaction with the Firm.

- 10. Are there any language barriers which Firms should be prepared to address?**

Some Auditee faculty and staff are deaf or hard of hearing, and the Firm should provide its own American Sign Language interpreters for communicating with these individuals, including but not limited to providing interpreting services during update meetings with the Auditee. Subcontracting for interpreter services is allowable provided the Firm and subcontractor comply with the relevant provisions related to subcontractors outlined in Attachment C-Sample Contract.

- 11. Would the Office please confirm that the Firm may perform work remotely, in addition to the required on-site visits/fieldwork?**

The Firm may perform some work remotely. However, as stated in Section G of the RFP, at a minimum, the Firm must conduct work onsite during the initial planning phase to build rapport with the Auditee, review the Auditee's data system and controls, and review hard copy files. During fieldwork, the Firm must conduct work onsite to observe Auditee Board meetings, conduct observations of Auditee operations, and conduct interviews and other procedures as necessary.

The RFP also requires that the selected Firm plan for at least 1 in-person trip for a presentation to the legislative committees when the Auditor General requires. The RFP does not include any requirement that the entrance conference, update meetings with the Office, update meetings with the Auditee, or the draft exit meeting must occur in-person.

- 12. Would the Office please provide an estimate as to when legislative briefings are expected to occur?**

Legislative briefings/presentations to legislative committees are expected to occur sometime between October 1, 2026, and January 31, 2027.

- 13. With the due date of proposals being moved to March 10, 2025, what is the new date for the selected firm to submit the project timeline (Section E. Paragraph 2)?**

The Office has revised RFP Section E(2) to require the Firm to submit 2 project timelines, as follows:

- Project timeline for completing audit planning work, due April 7, 2025.
- Project timeline for completing fieldwork, due May 5, 2025.

- 14. Are all other project deadlines listed in the RFP also pushed back two weeks? If so, can the Office provide a revised time frame table?**

Please see revised Forensic RFP page 20 to see that all deadlines listed in the RFP have been revised.

- 15. The RFP states that the Firm must hold a follow-up expectations meeting with the Auditee one month following issuance of the initial report. Is this referring to the issuance of the final report?**

Yes. The follow-up expectations meeting should occur one month following issuance of the final report.

- 16. How will changes to the project scope be managed?**

As stated RFP Section J(3), in the event significant changes in the scope, character, or complexity of the work occur, the parties may agree to change the contract amount or duties, or both, based upon a written determination that the changes are advantageous to the State. The Auditor General must authorize contract changes defining, increasing, and/or limiting the work and compensation in writing prior to the performance of the work.

In addition, the work statement as set forth in the RFP are the minimum tasks required. The selected Firm may be required to perform certain additional auditing procedures in connection with the performance audit, as determined by the Office. Within 10 days of notice from the Office that additional auditing procedures are required, the Firm agrees to provide the Office a written estimate of the hours and overall cost necessary to perform the additional auditing procedures, based on the hourly rate for additional auditing procedures provided in the Firm's cost proposal. The Firm must not commence work on the additional auditing procedures until the Office provides written approval of the overall cost.

- 17. Will the selected firm need to provide any training or support to the auditee during or after the audit?**

To maintain auditor independence, the selected Firm will not be required to nor should it provide any training or support to the auditee during or after the audit.

- 18. Would the Office please clarify which of the recommendations from the 2022 performance audit and sunset review (Report 22-109) have been implemented?**

Information about the status of the recommendations from the Office's 2022 performance audit and sunset review (Report 22-109) of the Auditee is available at [Arizona State Schools for the Deaf and Blind 24-Month Followup of Report 22-109](#)

- 19. Would the Office please confirm that the Firm will be able to access and review the workpapers from the 2022 performance audit and sunset review (Report 22-109)?**

Pursuant to Arizona Revised Statute §41-1279.05, the Office's working papers and other audit files are confidential and not subject to disclosure. Therefore, selected Firms will not be able to access and review the workpapers from the 2022 performance audit and sunset review (Report 22-109).

- 20. Per section D. Independence, Firms are required to submit conflict of interest information using the Independence Disclosure Form in Attachment A. Should this be filled out only for the Firm? Or does each person listed in the proposal need to complete the form as well?**

Firms are required to submit a completed independence disclosure form using Attachment A for the Firm and completed independence disclosure forms using Attachment A for each anticipated engagement staff member.

21. Is there a specific format/structure that Firms must follow for their proposals?

The Office does not require a specific form or structure for proposals. However, Section J of the RFP outlines the required proposal content.

Firms may also provide additional information they deem appropriate to demonstrate their qualifications and experience and/or to provide context and explanation for their proposals, such as a narrative supplement to the required Cost Proposal Form.

22. Under proposal content, the RFP references “changes in work.” Are proposers supposed to reference work changes in the proposal?

In response to this question, we have revised the RFP to clarify that responses regarding changes in work are not a required proposal element but should be included if the Firm believes significant changes in work are necessary to complete the project’s objectives.

23. As noted in Section C. Work Section, number 3.a. who are the key stakeholders involved in the project, and what are their roles and responsibilities?

In response to this and other questions related to seeking stakeholder input, the Office has revised the RFP to remove the requirement to seek input from key stakeholders previously included as section C(3)(a).

24. Would proposals involving out-of-state subcontractors be considered?

Subcontracting for in-state or out-of-state subcontractors is allowable provided the Firm and subcontractor comply with the relevant provisions related to subcontractors outlined in Attachment C—Sample Contract.

25. Will the Firm have access to all Auditee records?

The Office is statutorily authorized to access all Auditee employees and review any and all Auditee records, including confidential records without limitation pursuant to A.R.S. §41-1279.04. As the Office’s contracted vendor, the Firm will have the same level of access.

26. Would the Office please identify those positions considered to be “key engagement staff”? Additionally, should Firms identify all staff by name at the time of proposal submission, or do we only need to name key engagement staff?

The firm should list the names of all staff members that it intends to work on the engagement. Additionally, it should provide resumes for partners, project leaders/managers and other supervisory staff who will oversee and manage the engagement. If, at a later date, the firm determines that additional individuals will work on the engagement it must submit independence forms for these staff and receive approval from the Office prior to those individuals commencing work on the engagement.

27. The RFP states that the Firm’s project manager and “any other staff who performed evaluation tasks as listed in the proposal” must attend the draft exit conference. Please clarify what is meant by “evaluation tasks.”

Any Firm staff member who conducted test work or other audit procedures that led to key report content and conclusions should be prepared to attend the draft exit conference.

28. What portions of Attachment B—Cost Proposal Form need to be filled out, can the Cost Proposal Form be edited, and does the Office require that one flat hourly rate be used for the entire project, regardless of level/position of engagement team member?

All fields in the Cost Proposal Form must be completed. The Firm may use either an average hourly rate or multiple hourly rates to estimate project costs. The Firm may also edit the Cost Proposal Form to add additional details, such as adding columns for additional staff members. However, travel costs should not be listed separately and should instead be incorporated into the rates/costs for the project tasks.

29. Would the Office please provide a template for the monthly reports required as the engagement proceeds?

At a minimum, the monthly status reports as described in RFP Section E(1) must include audit tasks completed and a summary of any preliminary findings, conclusions, and recommendations. The Office will work with the selected Firm to develop monthly reporting templates as necessary.

30. Does the Forensic Audit have to be conducted under Government Auditing Standards?

In response to this and other questions related to conducting the Forensic Audit under Government Auditing Standards, the Office has revised the RFP and the Sample Contract to remove the requirement that the Forensic Audit be conducted under Government Auditing Standards. Instead, Firms must agree to conduct the work in accordance with the Certified Fraud Examiners Code of Professional Standards issued by the Association of Certified Fraud Examiners.

As a result of this change, the Office also revised the RFP to remove the requirement that Firms submit a peer review report as part of their proposal content.

31. Are there any specific licenses or certifications that the Office requires proposers to have?

In response to this and other questions related to the qualifications required to perform the Forensic Audit work, the only required license or certificate necessary to perform the work is to have a Certified Fraud Examiner (CFE) perform a forensic review all fiscal year 2022 through 2024 transactions, as outlined in RFP Section C(4)(f).

32. Will statistical sampling or a risk-based approach be acceptable for testing for some of the in-scope areas, or does the Office require 100% of the expenditures during fiscal year 2022 to 2024 be reviewed?

Using statistical sampling or a risk-based approach may be appropriate for testing some areas depending on the nature and number of transactions. The Office will work with the selected Firm to determine whether statistical sampling, a risk-based approach, or testing 100 percent of transactions would be most appropriate based on the Firm's planning and scoping work.

33. What accounting system does the Auditee use, can you provide information regarding the volume of transactions during the scope period, and can you provide information on how many purchasing cards and fuel cards were utilized by the Auditee?

The Auditee uses the Arizona Financial Information System/AZ360 accounting systems. Additionally, using the website openbooks.az.gov, Firms may be able to obtain unaudited information about the Auditee's expenditures during the audit period.

- 34. For item d. regarding the Auditee's Itinerant Services Program, should procedures be applied to fiscal years 2022 through 2024 like the other sections in the audit tasks?**

In response to this question, we updated the RFP and Attachment C—Sample Contract to specify that the Firm should assess the Auditee's Itinerant Services Program fees and voucher reimbursement for fiscal years 2022 through 2024.

- 35. Does the Office contemplate separate reports for each of the deliverables outlined in RFP Section C(4) or do the monthly progress reports cover the requirement to provide these deliverable prior to submitting the draft report?**

The required deliverables for each of the areas outlined in RFP Sections C(4)(a)-(i) should be written summaries demonstrating that the work has been completed, including outlining key conclusions and summarizing the evidence used to support them. The content and length of the deliverables will vary depending on the task area. For example, for the financial tables and auditee background, we would expect the deliverable to be draft versions of the report pieces to be included in the final report. The final report, described in RFP section E(3), must also incorporate the findings and conclusions for all areas outlined in RFP Sections C(4)(a)-(i).

- 36. Would the Office be agreeable to amending the Section II(C)(3)(g) of Attachment C—Sample Contract to add an acknowledgement that the Firm does not provide legal advice about Open Meeting Law requirements?**

The Office believes that this term is appropriate as written because it requires to the Firm to assess if the Auditee complied with specific requirements in the State's Open Meeting Law, including, but not limited to, timely posting meeting notices and agendas and including all statutorily required items in meeting minutes.

- 37. Would the Office be agreeable to being invoiced after the issuance of each 4-week written status update, which is a requested deliverable per the RFP?**

The Office is not considering any changes to the payments and compensation section. The selected Firm may invoice the Office upon successful completion of each 4-week written progress report solely based on the corresponding cost of preparing monthly progress reports as identified in the Cost Proposal Form.

- 38. Would the Office be agreeable to modifying any of the terms in the Insurance, Indemnification, and Additional Contract Terms Sections of Attachment C—Sample Contract?**

The Office is adhering to standard contract terms required by the State of Arizona. Therefore, the Office is making no changes to the standard terms in the Insurance, Indemnification, and Additional Contract Terms Sections of Attachment C—Sample Contract at this time.