



Hendry County School District

Request for Proposal: Addendum 1

RFP 27-0002 Internal Funds Auditing Service – Questions and Answers

James Moore and Co.

1. **Fiscal Years to Be Audited (Section 5 and Scope of Services, Pages 11 and 25):** Can the District clarify which fiscal year(s) are intended to be covered under the initial engagement? Specifically, is the expectation for the initial audit year to be the fiscal year ended June 30, 2026, the fiscal year ending June 30, 2027, or another period?

A: The purpose of the RFP is to acquire an internal audit of school funds for the fiscal year ended June 30, 2026 (FY26).

2. **Nature of Services (Scope of Services, Page 25):** Can the District clarify whether the primary intent of this RFP is to procure traditional annual financial audits of individual schools' internal accounts (activity funds), ongoing outsourced internal audit services for the District, or a combination of both?

A: The primary intent is to procure ongoing outsourced internal audit services as defined in Section 1001.42(12)(I), Florida Statutes. This encompasses ongoing financial verification, comprehensive risk assessments, and other audits directed by the Board. **Crucially, this scope explicitly includes a traditional annual audit of the individual schools' internal accounts (activity funds).**

3. Do proposers need to provide letters of reference or will reference contact information be sufficient?

A: Proposers must provide actual reference letters. Section 3 (Required Proposal Format, Tab 2) explicitly requires "reference letters" to be included in the submission.



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CLA (CliftonLarsonAllen LLP)

1. Could you please clarify whether RFP 27-0002 is seeking proposals for the audit of school internal fund accounts under Chapter 8 of the Florida Red Book and Section 1011.07, Florida Statutes, or for broader internal audit and risk assessment services? The RFP title references internal funds auditing services, while the scope describes ongoing internal audit, risk assessment, and related services. Since these are very different scopes, we want to make sure our proposal is responsive to the District's needs..

A: The primary intent of RFP 27-0002 is to procure broader ongoing outsourced internal audit and risk assessment services as defined in Section 1001.42(12)(l), Florida Statutes. The scope encompasses every functional and program area of the Hendry County School District, including ongoing financial verifications, comprehensive risk assessments, and Board-directed reviews

Crucially, this scope explicitly includes a traditional annual audit of the individual schools' internal accounts (student activity funds) focusing on internal controls, compliance, Chapter 8 of the Florida Red Book, and Section 1011.07.



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CCA Partner, CRI Advisors, LLC | Partner, Carr, Riggs & Ingram, L.L.C.

Audit Plan, Scope, and Risk Assessment

1. Does the District currently maintain a formal risk-based internal audit plan? If so, can a copy of the current or most recent plan be provided?

A: A current plan is not available for distribution. The successful firm will be responsible for formulating the Annual Audit Plan as part of the core engagement.

2. Has a comprehensive District-wide risk assessment been performed within the last five years? If yes, when was it completed and can the resulting report be made available?

A: No, a comprehensive District-wide risk assessment report is not currently available for distribution. Pursuant to the **Scope of Services** outlined in RFP 27-0002, the successful proposer will be required to perform a new **5-year comprehensive risk assessment** of all functional and program areas across the Hendry County School District. This comprehensive risk assessment will serve to establish an initial operational baseline and guide the development of the annual risk-based internal audit plan

3. Approximately how many individual audits, investigations, or consulting projects does the District anticipate annually?

A: The precise project total will be governed by the approved Annual Audit Plan. For proposal and pricing evaluation purposes, the District estimates an effort of 570 direct labor hours per year.

4. Are there any specific operational, financial, compliance, technology, construction, procurement, grants, payroll, human resources, or student activity fund areas that the District expects to prioritize during the initial contract year?

A: Yes. Evaluation Factor 2.2 identifies School Internal Accounts, FTE/FEFP student attendance reporting, and federal grant compliance as significant risk operations to address within your technical approach.

5. Does the District expect the internal auditor to perform fraud investigations, hotline investigations, or special reviews upon request?

A: Yes. The scope incorporates additional audits and reviews as directed by the Board to evaluate internal control effectiveness in preventing fraud, waste, and abuse.



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6. Does the District expect any audits of charter schools, affiliated organizations, foundations, booster organizations, or other entities related to the District?

A: Yes, the engagement encompasses every operational and program segment of the Hendry County School District. Related entities under District financial authority may be reviewed at Board discretion.

7. Are information technology (IT) controls, cybersecurity, and system access reviews expected as part of the annual audit plan?

A: Yes. Securing financial data integrity and asset safety inherently requires IT control reviews. Furthermore, an IT/Technical Audit Specialist is specified among the required personnel categories.

8. Reading through the RFP and starting to prepare the proposal, I had a follow up question regarding the Reference Requirement which is in a few places:

1. 3. Required Proposal Format: Tab 2: Tab 2: Minimum Qualifications & Firm Experience (CPA License, Peer Review Report, Florida K-12 audit history, reference letters).
2. Evaluation Committee Scoring Sheet: 1.3 Peer Review Report & **Reference Checks**
3. 1.3 Quality Control Review & References (15 Points): Verification of a "Pass" rating on the firm's most recent external Quality Control / Peer Review Report, lack of disciplinary action by the Florida Board of Accountancy within the past three (3) years, **and positive client evaluations from at least three (3) references.**

Question regarding References: Is the RFP requiring at least three (3) client signed reference letters to be included in our response (vs. we provide contact information for at least 3 client references for you to communicate with them about their experience with our services)? I ask this because in 1. above you refer to them as “reference letters” and then in 2. above you can call them “Reference Checks” and then in 3. You call them “references.”

A: Proposers must provide actual reference letters. Submission of signed letters from at least three clients is mandatory to satisfy the evaluation criteria.

Internal Funds and School Coverage

9. How many schools, centers, and administrative departments are currently within the District?

A: The Hendry County School District (HCSD) serves over 7,500 students across 11 school campuses and 3 specialized educational centers, supported by 10 central administrative departments.



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10. Does the District expect annual internal funds testing at every school location or a rotational approach based upon risk?

A: The Hendry County School District expects **annual internal funds testing at every school location**, rather than a rotational approach. Rotational coverage based on risk is acceptable if thoroughly supported in the proposal.

11. Can the District provide recent internal funds audit reports and management responses?

A: Yes, recent internal audit records and management responses for the Hendry County School District's internal funds are documented in District financial records.

12. Are there known concerns regarding school internal accounts that the District would like addressed in the initial audit plan?

A: Yes. The Hendry County School District has explicitly identified **School Internal Accounts** as one of the primary high-risk priority areas to be addressed during the initial contract year of the internal audit plan. In addition to broader district operations, the District expects the internal auditor's initial plan to specifically target known internal control risks and compliance areas within individual school activity accounts.

Deliverables and Reporting

13. How many formal written audit reports are anticipated annually?

A: The exact number of formal written audit reports produced each year is not fixed at a rigid numerical quota; rather, it is governed by the **Annual Audit Plan** approved by the School Board.

14. Does the District expect presentation of all audit results to the School Board or only selected reports?

A: Yes. The internal auditor is tasked with drafting deliverables and presenting results directly to the School Board or designated representatives.

15. Approximately how many School Board presentations or committee meetings should be anticipated each year?

A: Expect minimum annual appearances for plan submission and review of findings, though proposers should outline their recommended schedule and availability in the submission.

16. Does the District expect periodic status reports (monthly, quarterly, etc.) in addition to final audit reports?



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A: Yes, ongoing verification services entail periodic reporting. Submitting firms should describe their proposed client updates and reporting workflows.

17. Does the District require tracking and follow-up testing of prior audit findings and management corrective actions?

A: Yes, The COSO framework referenced in Evaluation Factor 2.1 mandates ongoing monitoring, which requires monitoring management corrective action progress.

Incumbent Information

19. Who is the current or most recent provider of Internal Funds Auditing Services/Internal Auditor services?

A: The Hendry County School District does not currently employ an external firm or dedicated incumbent vendor for internal auditor/internal funds auditing services.

20. Can the District provide copies of the incumbent's most recent:

- Audit Plan
- Risk Assessment
- Audit Reports
- Board Presentations
- Scope of Services

A: The District **cannot provide copies** of an incumbent's prior Audit Plan, Risk Assessment, Board Presentations, or Scope of Services because there is **no incumbent vendor**.

21. Approximately how many hours has the incumbent firm historically expended annually?

A: The District officially estimates an effort of **570 direct labor hours per year**.

22. What annual fees have been paid to the incumbent firm during the last three years?

A: There is **no incumbent external firm**.

23. Has the District historically utilized fixed-fee pricing, hourly pricing, or a combination of both?



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A: Because the Hendry County School District has not previously contracted with an external vendor or incumbent firm for internal auditing services, **there is no historical billing method on record** for these services.

24. Is the District satisfied with the current level of service, or are there areas where enhanced services are desired?

A: The Hendry County School District is seeking **enhanced and expanded services** through RFP 27-0002 rather than simply replacing an existing vendor.

Staffing and On-Site Expectations

25. What level of on-site presence is expected annually?

A: The solicitation mandates clear commitments for on-site meetings and field testing. However, the auditor may conduct work and hold sessions virtually or in person as appropriate. Bidders must detail their intended operational balance

26. Does the District have a preference for local personnel versus remote resources?

A: No explicit geographic preference exists provided all mandatory on-site obligations and travel criteria are satisfied.

27. Are there required attendance expectations for Board meetings, workshops, audit committee meetings, or management meetings?

A: Yes, The selected vendor will report directly to the Board and present the proposed Annual Audit Plan.

Data Access and Technology

29. What major financial, payroll, procurement, student information, and ERP systems are currently utilized by the District?

A: The District utilizes standard school district enterprise software. System particulars will be made available to the selected firm.

30. Will remote system access be provided to the selected firm?

A: Yes. The internal auditor will receive full, direct, and timely access to necessary systems.

31. Are electronic workpapers and secure file-transfer methods preferred?

A: Yes. Electronic documentation and protected file transmission methods are preferred.



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32. Does the District have any cybersecurity, data protection, or software requirements applicable to the engagement?

A: Yes. Vendors must carry Cyber Liability and Data Breach Insurance to address potential breaches or loss of confidential records.

Pricing Questions

33. The Cost Proposal Form includes an estimated annual labor effort of approximately 570 hours. What scope of work does this 570 hours relate to?

A: The 570 estimated yearly hours serve as a baseline for proposal review, reflecting expected primary labor dedicated to core duties.

34. Is the District seeking a true fixed annual fee regardless of audit projects performed, or should pricing contemplate a defined level of effort with additional work billed separately?

A: Proposals must supply both a Fixed Fee amount for Core Services (Section B) and an Hourly Rate Schedule (Section A).

35. Should special projects requested by the School Board be included within the proposed annual fixed fee or billed separately?

A: Special projects, investigations, and additional Board-directed reviews beyond the core scope are expected to be billed separately at the contracted hourly rates rather than bundled into the proposed annual fixed fee. Under Section A.

36. If billed separately, how does the District want additional services priced (hourly rates, task orders, not-to-exceed amounts, etc.)?

A: Supplemental work requested by the Board beyond core activities will be compensated using the fully burdened hourly rates submitted under Section A.

37. Does the District expect the five-year comprehensive risk assessment effort to occur entirely in Year 1, or can the work be phased throughout the contract term?

A: Attachment I, notes this item is billed in the applicable cycle year. The District expects the initial baseline 5-year comprehensive risk assessment to be performed during Year 1 of the engagement, followed by annual updates phased throughout the remaining contract term.

38. Should travel costs be included within fixed fees or identified separately?

A: Attachment I, Section C enables firms to either incorporate travel into proposed rates or invoice travel separately at cost up to a specified maximum.



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39. Is there a budget range the District has established for these services allocated between the following? a) Internal Funds, b) Core Services

A: The District does not disclose internal budget estimates during open solicitations

40. Please confirm that the District intends to award a single contract to one firm for all services described in the RFP and that no portions of the scope will be separately awarded to other providers.

A: Although the Board retains authority to make multiple selections, the intent is to award primary internal audit duties to a single firm.

41. For evaluation purposes, will pricing be based solely on the fixed-fee totals submitted on Attachment I, or will hourly rates also be evaluated?

A: Evaluation Factor 3 assesses total proposed cost and rate competitiveness. Submissions will be evaluated using a formula combining extended hourly figures and fixed core fees.

42. Does the District anticipate renewing the contract for all three optional renewal years if performance is satisfactory?

A: The agreement offers three optional one-year extension periods upon mutual agreement, contingent on satisfactory contractor performance.



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Partner, Mauldin & Jenkins, LLC

1. Can you please confirm if this is for Internal Auditing services for the District as a whole, or if it's for the Internal Accounts Audit of the School Activity Funds?

A: The scope is for the District as a whole, encompassing "every functional and program area of the Hendry County School District". **This explicitly includes an internal audit of the School Activity Funds (School Internal Accounts).**

2. Do you have a copy of the prior (year) reports issued?

A: Information regarding incumbent fees and past reports will not be disclosed during this active solicitation period.

3. Can you please provide the fees that were paid for these services the last three fiscal years?

A: There is **no incumbent external firm**.



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Plante Moran

1. **Title, p. 1; Scope of Services, p. 25:** The RFP is titled "Internal Funds Auditing Services," but the scope describes the internal auditor role under §1001.42(12)(I). Does the District expect an audit opinion on the School Internal Accounts Fund financial statements? Or is the scope limited to internal audit services, such as risk assessment, internal control reviews and compliance audits?
A: The scope describes the internal auditor role under Section 1001.42(12)(I), Florida Statutes. The District is seeking internal audit services—such as risk assessment, internal control reviews, and compliance audits—rather than an external financial statement audit opinion. **However, an internal audit of the School Internal Accounts Fund focusing on processes and internal controls is required.**
2. **Section 27, Annual Appropriation, p. 19; Attachment I, Cost Proposal Form, p. 38:** Has the District set aside funds for this engagement? If so, can you share the budgeted amount or range?
A: The District does not disclose budgeted amounts during the competitive solicitation phase
3. **Section 1.1, Purpose, p. 2:** Is a firm currently providing the internal auditing services described in this RFP? If so, which firm, and what is its current annual fee?
A: Incumbent Information: The District will not disclose incumbent details or fees during the active solicitation phase.
4. **Section 2.7, Evaluation Factor 3, p. 7:** Which figure is used as the "lowest total proposed cost for the base services"? Is it the Section A labor total, the Section B Year 1 fixed fee, or the four-year total?
A: The Procurement Department will use a mathematical formula. This formula evaluates both the total extended hourly rates (Section A) and the fixed fees (Section B) to determine the comprehensive cost.
5. **Attachment I, Sections A and B, pp. 38–39:** Should the Section A total for hourly labor match the Section B fixed fee? Or is Section A used only to price work outside the fixed-fee scope?
A: No, Section A is an estimate of hourly rates multiplied by expected hours. Section B is the fixed fee for core services. They do not need to match.



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6. **Scope of Services, p. 25; Attachment I, Section A, p. 38:** What does "ongoing financial verification" include, and how often is it performed? Are Board-directed audits included in the 570 estimated hours, or are they billed separately at hourly rates?

A: Vendors should propose a verification frequency that best addresses internal controls. Board-directed special audits are typically outside the fixed core services and utilize the hourly rates.

7. **Section 2.7, Evaluation Factor 1.2, p. 6:** Must every assigned staff member hold an active Florida CPA license? Or would the District accept a Florida-licensed engagement partner supported by CPAs licensed in other states and CIA-credentialed staff?

A: Factor 1.2 evaluates the professional licensing of assigned staff. Having a Florida-licensed partner with qualified supporting staff is acceptable, though scoring will objectively reflect the strength of the team's overall credentials.

8. **Scope of Services, p. 25; Attachment I, Section B, p. 39:** The Cost Proposal Form includes a fixed fee for the "5-Year Comprehensive District Risk Assessment." Has the District completed a comprehensive risk assessment within the last five years? If so, when was the most recent assessment completed, and when does the District anticipate the next assessment cycle will occur?

A: No, the District has not completed a comprehensive district-wide risk assessment within the last five years. Proposers should assume a new comprehensive risk assessment is required to establish the baseline for this contract.

9. **Section 2.7, Evaluation Factor 2.3, p. 7; Scope of Services, p. 25:** The evaluation criteria reference mandatory in-person meetings and fieldwork, and the Scope of Services notes that the auditor must be available to work and meet either in person or virtually. Can the District clarify its expectations regarding the frequency of onsite attendance, including anticipated Board presentations, status meetings, and fieldwork activities

A: The vendor must explicitly commit to mandatory in-person meetings and fieldwork. However, the vendor is also permitted to work virtually. The exact frequency should be proposed based on your firm's methodology.



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RSM US LLP

1. The statutory references refer to Statutes 1001.42(12)(l). Can you please clarify whether the District is seeking (1) a Board internal auditor as defined in the referenced statute, (2) a financial statement audit of the student activity accounts resulting in an audit opinion, or (3) an internal audit of student activity funds focused on evaluating related processes and internal controls specific to school activity accounts, without the issuance of a financial statement audit opinion.

A: The District is seeking a Board internal auditor as defined in Section 1001.42(12)(l), Florida Statutes (Option 1). This encompasses an internal audit of student activity funds focused on evaluating related processes and internal controls specific to school activity accounts.

2. Are the 570 estimated annual hours a staffing assumption, an evaluation model, an anticipated level of effort, or a not-to-exceed annual quantity? Or are the hours intended to provide a basis for comparison for bidding firms?

A: The 570 estimated annual hours is both an anticipated level of effort and an evaluation model intended to provide a basis for comparison among bidding firms.

3. Can we propose our own leverage model? The leverage proposed in fee structure A may not be representative of our proposed leverage model.

A: Vendors must complete the Cost Proposal Form (Attachment I) exactly as provided for accurate cost evaluation. Vendors may detail their specific leverage model in Tab 4: Technical Approach & Methodology

4. When was the last comprehensive district risk assessment completed?

A: Proposers should assume a new comprehensive risk assessment will be required during the contract term.

5. As referenced in the scoring criteria, are School Internal Accounts, FTE/FEFP student attendance reporting, and federal grant compliance required Year 1 audit projects, recurring annual projects, or examples of high-risk areas for purposes of evaluating the proposed methodology?

A: The RFP identifies School Internal Accounts (student activity accounts), FTE/FEFP student attendance reporting, and federal grant compliance as high-risk areas. The audit of School Internal Accounts is a requirement. Proposers should treat these as priorities when outlining their specific K-12 audit strategy.