



Indiana Education Savings Authority

One North Capitol Avenue, Suite 900 | Indianapolis, IN 46204

Phone: 317.232.5259 Fax: 317.232.6650 Web: www.in.gov/iesa

Indiana Education Savings Authority Request for Proposal (RFP) For Audit Services FY 2018 – FY 2021

Issue Date: April 12, 2018

Due Date: May 9, 2018 by 4:30pm Eastern Time

**Please submit questions regarding the RFP or
proposals via email to:**

**Troy Montigney, Executive Director
tmontigney@tos.in.gov**

**Answers will be posted to the Indiana Education
Savings Authority's website:**

<https://www.in.gov/iesa>

**Indiana Education Savings Authority
RFP for Audit Services
Table of Contents**

Description	Page
I. Purpose	3
II. Background of IESA	3
III. Scope of Services	4
A. Audit of Financial Statements	4
B. Professionals Involved with the IESA	4
C. Audit Timeline	4
D. Term of Engagement	5
E. Engagement Letter	5
IV. Specific Proposal Requirements	5
A. Summary	5
B. Core Audit Team Information	5
C. Proposal Information	6
D. References	7
E. Fee Proposal	7
V. Additional Information	8
A. Selection	8
B. Clarification of Information	9
VI. Proposal Presentation and Submission Requirements	9
A. RFP Response and Confidentiality	9
B. Proposal Preparation	10
C. Discretion in Determining in Deviations and Compliance	10
D. Costs	10
E. Notification	10
F. Prior Audits	10
VII. Terms and Conditions	11
A. Ethical Compliance	11
B. Payments	11
C. Employment Eligibility Verification	11
D. Access to Public Records	11
E. Conflict of Interest	11
Certification of Respondent	12
Exhibit A – RFP and Sample Audit Timeline	13

**INDIANA EDUCATION SAVINGS AUTHORITY
REQUEST FOR PROPOSAL
FOR AUDIT SERVICES**

In accordance with section (IV)(E) of this RFP, you may respond to this RFP only, all the TOS Entities' RFPs, or any combination of the TOS Entities' RFPs. However, you must include the IESA in any bid made under this RFP.

I. PURPOSE

The purpose of this Request for Proposal ("RFP") is to invite auditing firms to submit information which outlines their ability to serve as Auditors for the Indiana Education Savings Authority ("IESA"). The auditing firm selected will be requested to provide the customary services of Auditors (see Scope of Services). This RFP is only a request for proposal for potential services. The IESA creates no obligation, expressed or implied, by issuing this RFP or by receipt of any proposals submitted pursuant hereto. The award of any contract as a result of this RFP shall be at the sole discretion of the IESA. Neither this RFP nor any proposal submitted in response hereto is to be construed as a legal offer.

II. BACKGROUND OF THE IESA

The IESA is a body corporate and politic of the State of Indiana (Ind. Code § 21-9-3) charged with establishing any number of education savings programs that qualify as qualified state tuition programs under Section 529 of the Internal Revenue Code.

The program was launched in 1997 as the Indiana Family College Savings Plan and later rebranded as the CollegeChoice 529 Investment Plan, before dividing into two plans on September 22, 2008: one offered directly to participants (CollegeChoice 529 Direct Savings Plan) and one offered to participants through third party investment advisors (CollegeChoice Advisor 529 Savings Plan). In April 2011 the IESA added the FDIC-insured CollegeChoice CD 529 Savings Plan.

As of March 31, 2018, the CollegeChoice Plans contained in excess of \$4.3 billion in assets under management in over 350,000 participant accounts. The Authority retains a state administrative fee of 10 basis points (.1%) based on the ending daily net asset value for each account in the Advisor Plan. The administrative fee covers expenses associated with marketing the Plans and staffing the Authority.

The Indiana Treasurer of State serves as Chairperson of the Authority's board of directors, along with three other state government ex officio members and five gubernatorial appointees.

More information on the IESA can be found at www.in.gov/iesa.

III. SCOPE OF SERVICES

A. Audit of Financial Statements

- Audit IESA financial statements for the years ended June 30, 2018, June 30, 2019, June 30, 2020, and June 30, 2021.
- The audit of IESA's financial statements will be conducted in accordance with generally accepted auditing standards.
- The audit will obtain reasonable assurance about whether the financial statements and accompanying footnotes are free of material misstatement.
- The audit will include obtaining an understanding of internal controls sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed.
- The objective of the audit is the expression of an opinion on the fairness of the presentation of financial statements in conformity with generally accepted accounting principles, in all material respects.
- The audit will include Management Letter Recommendations for improving procedures, accounting systems, and internal controls.
- The IESA and its professionals will provide required information and assistance in preparation of the audit, including preparation of schedules and analyses of accounts.
- In connection with the planning and the performance of the audit, certain matters are communicated to the IESA Board of Directors ("Board").
- The audit will be provided in electronic format (PDF) available to be distributed by email and posted on the IESA website.

B. Professionals Involved with the IESA

The IESA receives assistance from the Office of the Indiana Treasurer of State to compile financial statements and organize the various client assistance work relative to the audit process.

C. Audit Timeline

The IESA operates on a July 1 through June 30 fiscal year. The audit should be in near final form by October 15 so IESA staff and the Office of the Indiana Treasurer of State can review a draft ahead of its presentation to the full IESA Board. A sample timeline is included in Exhibit A.

D. *Term of Engagement*

The term of this engagement will be for fiscal years ended June 30, 2018, June 30, 2019, June 30, 2020, and June 30, 2021.

E. *Engagement Letter*

The firm selected will be expected to sign an engagement letter. This engagement letter will be shared with the IESA Board following its meeting scheduled for May 23, 2018. Please include with your proposal the form of your engagement letter. The IESA requests the engagement letter include language allowing either party to terminate the engagement without cause on thirty (30) days' prior to written notice. However, during an active audit or within thirty (30) days of the end of any fiscal year the Audit Firm may only terminate the engagement for cause. (The engagement letter will not count toward the ten-page response limit, as outlined below in this RFP.)

IV. SPECIFIC PROPOSAL REQUIREMENTS

NOTE: The IESA is a sister agency to the Indiana Bond Bank ("IBB"), the Indiana Board for Depositories ("BFD"), and the Indiana ABLE Authority ("ABLE"), all of which receive executive leadership and oversight from the Office of the Indiana Treasurer of State (collectively, the "TOS Entities"). The IESA issues this RFP for Audit Services concurrently with the RFPs for Audit Services from each of the other TOS Entities. All of the RFPs will be evaluated on the same timeline.

Respondents are invited to submit:

- (a) A single proposal for this RFP only;
- (b) A single proposal responsive to all TOS Entities' RFPs (i.e. a proposal to provide all Audit Services for all the TOS Entities); or
- (c) A proposal to provide Audit Services for some combination of the TOS Entities.

In the interest of promoting government efficiency and leveraging economies of scale, it is the preference, but not the predetermination, of the TOS Entities to select a single firm to provide all Audit Services.

A. *Summary (up to two (2) pages)*

Each proposal should include a summary, which highlights the reasons why the firm should be selected to provide Audit Services. The summary must also contain a statement that the individual signing the proposal has the authority to commit the firm to the terms proposed.

B. *Core Audit Team Information (limit to one (1) page)*

- ***Name(s) and brief résumé(s)*** of the auditor(s) who will have daily responsibility for the engagement. Please identify other transactions in which they have had an active role which might be relevant to this engagement.

- **Name and brief résumé** of the partner who will have oversight responsibility for the engagement.
- **Name(s) and brief résumé(s)** of any additional staff members who will provide support to the auditor(s) who will have daily responsibility for the engagement.
- **A description of the general capabilities** of the firm, including information relating to total size and staffing, including professional staff and clerical support.
- **Peer Reviews** or other similar independent audit reports that show the firm's work in relation to other audit engagements. (Peer review documents will not count towards the ten (10) page response limit)

C. Proposal Information (up to four (4) pages)

Proposals should contain direct responses to the following questions or requests for information and be organized so that the specific questions being answered are readily identifiable. Responses to each question or request for information should each begin on a new page with the question repeated at the top of the page. Proposing firms are required to respond to all of the following questions and requests for information:

1. The proposal should provide the following information about your firm's ability to meet the following qualifications:
 - a) Expertise with pooled financings;
 - b) Expertise with sophisticated financings including swaps, hedges, and derivative contracts;
 - c) Expertise with Government Accounting Standards Board (GASB) and implementation of its pronouncements;
 - d) Positions on certain GASB pronouncements including GASB 31 and 34;
 - e) Expertise with the State of Indiana component units;
 - f) Ability to meet deadlines outlined in the proposal (draft timeline attached as Exhibit A);
 - g) Ability to review and suggest improvements to IESA processes and procedures;
 - h) Ability to work directly with IESA staff and the Office of the Indiana Treasurer of State.

2. A summary of your approach and schedule of services including:
 - a) Developing the audit plan – What are the areas of audit concentration risk assessment, techniques, and procedures?
 - b) Audit process – Contact throughout the year, integrating management in the audit process.
 - c) Specific expectations of management for providing audit schedules and reports.
 - d) Facilitating the transition to your firm.
 - e) Timing of interim and/or year-end fieldwork this year and in subsequent years, including the number of days you anticipate fieldwork in our offices (sample calendar is attached in Exhibit A).
 - f) Description of methods used to report to management, IESA staff, the Office of the Indiana Treasurer of State, and the IESA Board.

- g) Provide respondent's expectations regarding the estimated amount of involvement (in hours) that will be required by IESA staff and the Office of the Indiana Treasurer of State related to each of respondent's deliverables.

D. References (limit to one (1) page)

Provide three (3) references of clients for whom the firm has served as Auditor, including names of specific contacts, their direct telephone number and email address.

E. Fee Proposal (up to two (2) pages)

You may respond to this RFP only, all the TOS Entities' RFPs, or any combination of the TOS Entities' RFPs. However, you must include the IESA in any bid made under this RFP.

The TOS Entities include the following:

- **Indiana Education Savings Authority ("IESA");**
- **Indiana Bond Bank ("IBB");**
- **Indiana Board for Depositories ("BFD"); and**
- **Indiana ABLE Authority ("ABLE").**

Each of the TOS Entities is releasing its own RFP concurrently with this RFP. A bid made on one of the TOS Entities' RFPs for any combination of more than one of the Entities shall be applicable to each entity. To bid only for the IESA Audit Services described in this RFP, you must respond directly to this RFP.

All bids should include a complete bid for fees for fiscal year 2018 as well as estimates for the services to be provided for fiscal years 2019, 2020, and 2021. The ultimate engagement letter must provide for the delivery of an amendment by May 1 for the setting of fees for fiscal years 2019, 2020, and 2021. The IESA understands that estimates for future service fees may change based on market conditions, changes in work, and increase in labor costs. The IESA reserves the right to terminate the ultimate agreement without recourse or liability of any kind if the actual fees proposed are different from the estimates herein.

If responding to this RFP only, please provide a not-to-exceed fee proposal and indicate whether each year's fee is based on an hourly rate or is a fixed fee.

- a) If the fee schedule is on a per hour basis, include the rates for the types of personnel which will be assigned to the engagement times the number of hours anticipated. If you provide ranges, the high amount of any range will be recorded as your response.
- b) If the fee schedule is a fixed fee, it is anticipated that the fee will be inclusive of all costs and expenses. If it is not, please specify the types of expenses for which your firm would seek reimbursement and an estimated range. Under a fixed fee, the BFD will still require the full accounting of work done and the rates for the personnel involved as if the work would have been performed on a per hour basis.

If responding to all the TOS Entities' RFPs or some combination of the TOS Entities' RFPs, please indicate your total not-to-exceed amounts, the not-to-exceed amounts for each component audit, and what the not-to-exceeds would have been in a stand-alone bid (the "Stand-Alone Not to Exceed"). If the TOS Entities' do not award the services to a sole respondent, each individual TOS Entity will consider their respective Stand-Alone Not-to-Exceed amount as the bid.

For example, here's a bid from Firm X:

	Bid Not-To-Exceed All Entities	Not-to-Exceed, Had Respondent Bid on Entity Individually
ABLE	\$1	No bid
IBB	\$1	No bid
IESA	\$2	\$3
BFD	\$3	No bid
Total Not-to-Exceed	\$7	\$3

If the Entities do not select a single respondent for a combined bid, the IESA would consider Firm X's proposal at the \$3 not-to-exceed bid when evaluating against other responsive IESA proposals. The other Entities will not consider individual bids made under the RFP.

Fees and expenses relating to general IESA matters may be billed on a monthly basis. The IESA will require invoices detailing services rendered, time expended, and disbursements incurred.

V. ADDITIONAL INFORMATION

A. Selection

1. Criteria

Selection of Auditors of the IESA shall be at the discretion of the IESA and shall be based upon the following criteria:

- **Compliance with the requirements of this RFP;**
- **Demonstrated understanding of the IESA and its operations;**
- **Relevant experience of auditor(s) assigned to the engagement;**
- **Past experience with pooled financing, derivatives, and other financing instruments;**
- **Past experience with other component units of the State;**
- **Fee proposal;**
- **Audit plan and ability to meet timeline outlined in RFP; and**
- **Other qualities or characteristics deemed in best interest of the IESA.**
- **Peer Review Ratings and documents.**

2. RFP Timeline (Certain dates below may be subject to change)

Date	Item
4/12/2018	RFP Issue Date
4/30/2018	Written questions due to IESA via email at tmontigney@tos.in.gov
5/9/2018	Proposals due to IESA via email at tmontigney@tos.in.gov
Week of 5/14/2018 or 5/21/2018	IESA staff interview finalists
Week of 5/21/2018	IESA makes conditional award subject to engagement letter review
Week of 5/28/2018	Provide engagement letter to the IESA Board following May 23, 2018 meeting

The IESA reserves the right to reject any and all proposals.

B. *Clarification of Information*

It is the responsibility of the respondent to inquire about and clarify any aspect of the RFP that is not understood. Questions for clarification must be addressed in **writing via email** to Troy Montigney, Executive Director at tmontigney@tos.in.gov (only questions by email are acceptable). **All questions must be sent no later than noon (12pm) Eastern Time on Monday, April 30, 2018. Please allow up to two (2) business days for a response.** Written responses will be provided by email and posted on the IESA website. Under the Indiana Open Door Law, all questions and responses will be available to the public.

The IESA specifically requests that no contact concerning this RFP be made with any member of the IESA (other than through tmontigney@tos.in.gov), its accountants, its board attorney (Krieg DeVault), or the Office of the Indiana Treasurer of State during the selection process. Failure to honor this request will be viewed negatively in the selection process.

VI. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. *RFP Response and Confidentiality*

To be considered for selection, respondents must submit a complete signed response to this RFP. All responses must be provided via email to tmontigney@tos.in.gov.

Proposals must be received no later than the **end of business (4:30pm Eastern Time) on Wednesday, May 9, 2018.**

Respondents are advised that materials contained in proposals are subject to the Indiana Public Records Act and may be viewed and/or copied by any member of the public, including news agencies and competitors. In accordance with said Public Records Act I.C. 5-14, respondents claiming a statutory exception to the Indiana Public Records Act must place the putatively confidential documents in a sealed envelope clearly marked "Confidential" and must indicate on the outside envelope of their proposal that confidential materials are included and specify which statutory exception provision applies.

B. Proposal Preparation

Proposals must be signed by an authorized representative of the firm. Failure to submit all information requested may result in the proposal being considered "non-responsive," and therefore, rejected.

Proposals should be prepared simply, providing straightforward, concise responses to satisfy RFP requirements. No printed brochures or materials other than written responses to the specific requirements should be provided. The total length of the response must not exceed 10 pages.

C. Discretion in Determining Deviations and Compliance

The IESA reserves the right to determine which of the proposals have met the minimum qualifications expressed in this RFP. The IESA shall have the sole right to determine whether any deviation from the requirements of this RFP is substantial in nature, and the IESA may reject unacceptable proposals. In addition, the IESA may reject in whole or in part any and all proposals, may waive minor irregularities, and may negotiate with responsible respondents in any manner deemed necessary to best serve the interests of the IESA.

D. Costs

The IESA shall not be liable for any expenses incurred in the preparation of the proposals.

E. Notification

The IESA is not required to furnish a statement of the reason(s) why a proposal was not deemed to be the most advantageous nor will it be required to furnish any information regarding this RFP other than the original solicitation document.

F. Prior Audits

Recent IESA audit reports can be found at www.in.gov/iesa. Please contact the IESA at tmontigney@tos.in.gov if you need assistance in obtaining prior audits from the IESA website.

VII. TERMS AND CONDITIONS

A. Ethical Compliance

By submitting a proposal, the respondent certifies that it shall abide by all ethical requirements that apply to persons who have a business relationship with the IESA.

B. Payments

Any payments for services under any contract awarded pursuant to this RFP shall be paid by the IESA in arrears.

C. Employment Eligibility Verification

The respondent cannot knowingly employ an unauthorized alien. The respondent shall require its contractors who perform work for the respondent pursuant to the project to certify to the respondent that the contractor does not knowingly employ or contract with an unauthorized alien.

D. Access to Public Records

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act ("APRA"), IC 5-14-3 et. seq., and the entire response may be viewed and copied by any member of the public. Respondents claiming a statutory exemption to disclosure under APRA must identify confidential documents in the email response as "Confidential." Respondents should be aware that if a public records request is made under APRA, the IESA will make an independent determination of confidentiality, and may seek the opinion of the Public Access Counselor. Prices are not considered confidential information.

E. Conflict of Interest

Respondent must disclose any existing or potential conflict of interest relative to the performance of the services resulting from this RFP, including any relationship that might be perceived or represented as a conflict. By submitting a proposal in response to this RFP, respondent affirms that it has not given, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of the respondent's proposal or immediate termination of an awardee's contract. An award will not be made where an actual conflict of interest exists. IESA will determine whether a conflict of interest exists and whether an apparent conflict of interest may reflect negatively on IESA, should IESA select the respondent. Further, IESA reserves the right to disqualify any respondent on the grounds of actual or apparent conflict of interest.

**INDIANA EDUCATION SAVINGS AUTHORITY
CERTIFICATION OF RESPONDENT**

I hereby certify that the information contained in these qualifications and any attachments is true and correct and may be viewed as an accurate representation of proposed services to be provided by this organization. I acknowledge that I have read and understood the requirements and provisions of the RFP and agree to abide by the terms and conditions contained herein.

I _____ am the _____ of

the *(Please type name of signatory authority)* corporation, partnership, association, or other entity named as company and the respondent herein, and I am legally authorized to sign this and submit it to the Indiana Education Savings Authority on behalf of said organization.

Respondent:

Signed: _____

Name: _____

Title: _____

Date: _____

Firm name: _____

Exhibit A (Audit Sample Timeline - 2018)
(Sample only -- dates are subject to change)

Date	Item	Participants
Week of 5/21/2018	IESA makes conditional award subject to engagement letter review	IESA
Week of 5/28/2018	Provide engagement letter to the IESA Board following May 23, 2018 meeting	IESA
6/30/2018	End of Fiscal Year	All
8/13/2018	Draft financials provided to Auditor	IESA; Office of the Indiana Treasurer of State
8/27/2018 – 9/7/2018	Auditor Field Work	All
10/15/2018	Draft Audit Report to IESA and Office of the Indiana Treasurer of State for review	Auditor
10/26/2018	Final Audit Report to IESA and Office of the Indiana Treasurer of State	Auditor
Week of 11/5/2018	Final Audit Report distributed to IESA Board ahead of November 14, 2018 meeting	IESA
11/14/2018	Presentation of Audit Report at IESA Board meeting	Auditor; IESA