

RFP Guidelines

State Auditor's Office

March 24, 2007

The Basics:

The following are key elements that should be in any request for proposals submitted by the various departments and agencies per *Government Auditing Standards*:

1. Audit is to be conducted by personnel who collectively have the **necessary skills** to perform audits.
 - a. Audit staff should have thorough knowledge of government auditing and of the specific or unique environment in which the organization they are auditing operates.
 - b. This requirement is for the audit organization as a whole and not necessarily to the individual auditors.
 - c. CPE Requirements of the staff must be met to assure proficiency in government auditing standards (See the publication *Government Auditing Standards*, also known as the "Yellow Book") and appropriate accounting principles.
 - d. **Proposals sent to certified public accountants or accounting firms should ask that proof of their ability to practice in the State of Vermont, as certified by the Vermont Secretary of State be submitted with their response.**
2. Independence is maintained.
 - a. Auditing organization and individuals must be free of all internal and external impairments to independence. A statement to this effect must be provided.
 - b. Independence must be organizationally present as well as in attitude and appearance.
 - c. **Impairments, if any, must be noted in the scope section of the audit report.**
3. If a government entity, Generally Accepted Government Auditing Standards (GAGAS) are required in planning and conducting audits and reporting results as part of the requirement to use due professional care.
4. The firm has an appropriate internal quality control system in place.
 - a. Provide reasonable assurance that they have adopted and are following applicable auditing standards.
 - b. Has established and is following adequate auditing policies and procedures.
 - c. Factors that determine the nature of the internal control system are: firm size, degree of autonomy, the nature of the work, the organization structure, and appropriate cost-benefit considerations.

5. The firm undergoes an external quality control review.
 - a. Firms must undergo a peer review every 3 years. A **copy of the most recent peer review report and any comments should be requested.**

Sample RFP/RFQ Outline Available by Request:

We have a document that details some of the information (and possible language) that could be included in your RFP/RFQ for auditing services, as well as possible evaluation and scoring methods for reviewing proposals.

The document is a product of the Department of Education and is available for information and background only. Each audit engagement will vary to some degree and the agency or department issuing the RFP/RFQ should use the information, standards and evaluation criteria that best meets their needs.