



BUYERS GUIDE FOR

Internal Audit Services

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DESCRIPTION:

Department of Administrative Services, Procurement Services (DAS PS) has established a total of six (6) Master Agreements. Services include the following seven (7) categories:

- A. Federal Compliance
- B. Financial
- C. Fraud Investigation
- D. Information Technology
- E. Performance
- F. Quality Assurance Review
- G. Risk Assessment

Each of the six (6) Contractors have a Master Price Agreement for one or more of the service categories. Exhibit G – Contracts Matrix lists each of the Contractors, the contract number, which service category they provide, along with contact information for each one. For more detailed description of the service categories, see Exhibit 1 to this Buyers Guide.

AWARDED PRICE AGREEMENT NUMBERS:

Contractor	Price Agreement #PO-
Baker Tilly	10700-00006822
CBIZ	10700-00006825
Kernutt Stokes	10700-00006837
Merina & Co	10700-00006834
Myers & Stauffer	10700-00006836
Sjoberg Evashenk	10700-00006832

PS CONTRACT ADMINISTRATOR CONTACT INFORMATION:

Stefani Tew
971-701-1860
Stefani.Tew@das.oregon.gov

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BEST VALUE ANALYSIS INSTRUCTIONS:

See Exhibit C – Service Order Process for full details.

Authorized Purchaser's (AP) will select Contractors based on the following process:

- 1) If required work will be \$25,000 or under, AP may direct award (under OAR 125-247-0265) to a Contractor qualified to provide Organizational Improvement Services in the Agency's required service category without a Best Value Analysis (BVA);
- 2) AP's must complete the BVA for all work over \$25,001;
- 3) If required work will exceed or has the potential to exceed \$250,000;
 - a. DASPS will conduct a mini solicitation, (if more than one service provider for this category, then an email will be sent to a minimum of 3 Contractors based on criteria) on your agency's behalf, if your agency does not have authority to conduct procurements over \$250K;
 - b. Oregon Department of Justice legal sufficiency review and approval will be required for all State Agency Authorized Purchasers.
- 4) If the required work will exceed or has the potential to exceed, \$60K annually or will displace bargaining unit members, AP will conduct a formal feasibility study in accordance with Article 13— CONTRACTING OUT of the SEIU Collective Bargaining Agreement and place a copy in the procurement file. (If your Agency is not under the SEIU Collective Bargaining Agreement, this requirement will not apply).

If the required work will exceed \$250K or has the potential to exceed \$250K, conduct a feasibility determination, cost analysis and evaluation in accordance with OAR 125-247-0110 and place a copy in the procurement file. A copy of the form can be found on DAS PS' website, <http://www.oregon.gov/das/Procurement/Pages/Forms.aspx>, under information technology (IT).

- 5) Select the potential Contractors, at a minimum of 3, if only one or available, direct award, that are qualified to provide Internal Audit in the required service categories being sought, see Exhibit G, Contract Matrix;
- 6) Issue an Opportunity Notice, Exhibit D, electronically, via email, to those Contractors awarded a Price Agreement for the specific service categories Authorized Purchaser is requesting. Authorized Purchaser shall allow a minimum of five (5) Business Days for Contractor's response. Longer response times may be required for more complex projects;
- 7) Authorized Purchaser will either select a Contractor at the conclusion of the proposal evaluations or conduct interviews and select a Contractor at the conclusion of the interviews;
- 8) Authorized Purchasers shall use Exhibit B Service Order Contract (SOC) to establish a contract with the awarded Contractor. Authorized Purchaser's shall also post to ORPIN the executed SOC;
- 9) Authorized Purchasers must document their contract files evidencing the selection process was followed. At Authorized Purchaser's option, Authorized Purchaser may further evaluate specialized skills and abilities of Contractor before issuing a Service Order Contract.
- 10) Authorized Purchaser may negotiate and coordinate directly with the selected Contractors for execution of the Service Order for the required work.

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- 11) Authorized Purchasers may, by a separate solicitation process, engage Contractors that may not be a party to the Price Agreements issued under this solicitation with the DAS Procurement Services Office.
- 12) Contractor will perform, and Authorized Purchaser shall pay for work only when performed under a Service Order Contract. Individual Service Order Contracts will clarify the specific Services requested by Authorized Purchaser.
- 13) Contractor is responsible to complete all work as defined in the SOC to the satisfaction of the Authorized Purchaser that is the party to the Service Order.

AP's are encouraged to include specific service delivery details in the SOC being certain to detail any negotiated *rates, services, accessibility or combination or promised services.

* Rates agreed to between AP and Contractor *cannot be higher* than those in Exhibit H, Rate Schedule.

Amendments.

DAS Procurement Services has determined that during the term of the Service Order Contracts, the Authorized Purchasers may need to modify the types of work under circumstances related to the following categories of anticipated amendments:

- a) Amendments to the Statement of Work of a SOC to add Services within the scope of the RFP, the Agreement, and the SOC;
- b) Amendments to increase the maximum, not-to-exceed compensation payable to Contractor to cover new Work or additional quantity of Work added to the SOC;
- c) Amendments to delete Services from the Statement of Work of a SOC;
- d) Amendments to decrease the maximum, not-to-exceed compensation payable to Contractor;
- e) Amendments to extend the term of a SOC.
- f) Amendments to change rates, but only in accordance with Exhibit H Rate Schedule.

Upon identification of any of the circumstances set forth above requiring an amendment to a SOC by either party, the parties may enter into negotiations regarding the proposed amendment to the SOC. All amendments must comply with Section 26 of the Price Agreement.

Fully executed Service Order Contracts are binding Contracts between Authorized Purchaser and Contractor. Authorized Purchaser shall upload a copy of all executed Service Order Contracts to the OregonBuys System.

Service Order Contracts may be emailed between Authorized Purchaser, Contractor and other signatories required to sign the Service Order Contract.

PRICING, SPECIAL ORDERING INSTRUCTIONS:

See **Exhibit H Rate Schedule** for each Contractor's hourly rates found in OregonBuys under specific OregonBuys Purchase Order number.

Exhibit 1

(7) Audit Services Category Descriptions

1. **Federal Compliance Audit:** A compliance audit is a comprehensive review of an organization's adherence to regulatory guidelines. Independent accounting, security or Information Technology contractors evaluate the strength and thoroughness of compliance preparations. Auditors review security policies, user access controls and risk management procedures over the course of a compliance audit.
2. **Financial Audits and Attestation:** Auditing an accounting process used in a government agency or board. It uses an independent body to examine the agency or board's financial transactions and statements. The ultimate purpose of this form of auditing is to present an accurate account of an agency or board's financial transactions. The practice is used to make sure that accounts being presented to the public, agency or board are accurate and justified.
3. **Fraud Investigation:** A fraud investigation is a meticulous review of financial documents, while one searches for the point where the numbers and/or financial statements do not mesh. Fraud investigations are done when fraud is suspected.
4. **Information Technology Audit and Attestation:** The process of collecting and evaluating evidence to determine whether a computer system design would maintain data integrity, safeguard assets, allow the organization to achieve its goals effectively and use its resources efficiently.
5. **Performance Audit:** An independent examination of a program, function or operation to the management system procedures of a governmental or non-profit entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources.
6. **Quality Assurance Review (QAR):** A strategic assessment of an internal audit function, including its infrastructure, staff experience, and performance relative to business goals, "best practices", and applicable standards. A flexible approach to a QAR is preferred, meaning the review is customized to meet the sponsor's specific concerns. The State's approach considers the efficiency, productivity, and impact of the internal audit department on the organization. A QAR asks, "Does the internal audit function: a) Perform an effective role in the organization's overall control environment, b) Focus the right people on the right issues, c) Apply appropriately risk oriented efforts, d) Use technology effectively, e) Provide value-added results, and f) Adhere to appropriate internal audit standards and industry practices?"

QARs may also consist of an external validation of an internal assessment.

7. **Risk Assessment:** A process of identifying, analyzing and prioritizing risks to the achievement of an agency's mission, goals, or objectives. ORS 184.360 requires each agency that is required to have an internal audit function to produce a risk assessment of the entire agency that conforms to audit standards established by nationally recognized entities such as the United States Government Accountability Office or the Institute of Internal Auditors. The agency must use the risk assessment as the basis for the selection and performance of at least one internal audit per calendar year.

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Exhibit 2 (Contract EXHIBIT G): CONTRACT MATRIX

CONTRACTOR	PRICE AGREEMENT NO.	FEDERAL COMPLIANCE	FINANCIAL	FRAUD INVESTIGATION	INFORMATION TECHNOLOGY	PERFORMANCE	QUALITY ASSURANCE REVIEW
*Baker Tilly Contact: Kellie Bailey FLVSPPracticeManagement@bakertilly.com 312.240.2499	PO-10700-00006822	X		X	*X	X	X
CBIZ Contact: Tiffany Garcia tiffany.garcia@cbiz.com 512.340.7423	PO-10700-00006825				X		
Kernutt Stokes Contact: Trever Campbell tcampbell@kernuttstokes.com 541.687.1170	PO-10700-00006837	X	X	X		X	
Merina & Co Contact: Jordan Henderson jhenderson@merina.com 503.723.0300	PO-10700-00006834		X				
Myers & Stauffer Contact: Bruce Dempsey bdempsey@mshc.com 512.770.4240	PO-10700-00006836		X				
Sjoberg Evashenk Contact: George Skiles George@secteam.com 916.443.1300	PO-10700-00006832	X				X	X

*Please see specific instructions in Exhibit 3, if using Baker Tilly for the Information Technology Service Category.

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Exhibit 3: Privacy and Security Requirements

Requirements relevant to Baker Tilly for **IT Services Category** will need to be assessed by the DAS Enterprise Information Services (EIS) and Cyber Security Services (CSS), on a case by case basis, for each SOC. The determination of potential oversight of the project will be determined by EIS and CSS.