

# ACTION ITEM

Audit Committee Meeting, March 28, 2017  
Board of Governors Meeting, March 29, 2017

<b>CONTRACT ID:</b>	<b>Internal Audit Consulting Services</b> <b>RECOMMENDED VENDORS: SEE ATTACHED LIST (“EXHIBIT A”)</b>
<b>BUDGETED ITEM</b>	Yes, funding is included in the 2017 Annual Operating Budget and will be included in subsequent budgeting years.
<b>CONTRACT AMOUNT</b>	The total cost of all awarded contracts will not exceed \$2,000,000 over the five (5) year base term and five (5) year optional renewal term. The estimated annual cost is \$200,000 but this may be exceeded in a particular year based on need, and will not change the total cost.
<b>PURPOSE / SCOPE</b>	<p>This Action Item seeks Board approval to enter into contracts with a panel of fourteen (14) auditing/consulting firms to augment the Office of the Internal Auditor (OIA) staff on an as-needed basis. The number of recommended firms is considered reasonable due to the variety of potential engagements and the possibility of conflicts. Assignments of work will be made pursuant to Task Orders issued by OIA primarily in the following areas:</p> <ul style="list-style-type: none"><li>• Compliance/Regulatory</li><li>• Data Analytics/Analysis</li><li>• Finance and Investment</li><li>• Forensic and Fraud</li><li>• Governance</li><li>• Information Systems &amp; Technology</li><li>• Internal Controls</li><li>• Operational</li><li>• Risk Management</li></ul> <p>Compensation will be based on the hourly rates set forth in the contract or on a negotiated fixed fee. Execution of a contract does not guarantee any work to a firm.</p>
<b>CONTRACT TERM(S)</b>	The contracts will have a five (5) year base term and may be renewed for up to five (5) additional years upon mutual consent.
<b>PROCUREMENT METHOD</b>	On November 15, 2016 Citizens issued Request for Proposal (RFP) No. 16-0005 for Internal Audit Consulting Services. Fourteen (14) proposals met Citizens’ mandatory requirements and were evaluated by an Evaluation Committee. On February 3, 2017, the Evaluation Committee conducted a publicly-noticed telephone meeting and recommended awarding contracts to all fourteen (14) vendors in order to assure that the skills and experience required to fulfill the annual audit plans would be available over the contract period.
<b>RECOMMENDATION</b>	Staff recommends that the Citizens Board of Governors:  a) Approve the recommended awards and resulting contracts with the fourteen (14) firms identified on Exhibit A for a five year base term and five year optional renewal term for a total cost not to exceed \$2,000,000; and  b) Authorize staff to take appropriate or necessary action consistent with this Action Item.
<b>CONTACTS</b>	Joe Martins, Chief of Internal Audit

## **EXHIBIT A**

**(RFP NO.: 16-0005 – INTERNAL AUDIT CONSULTING SERVICES)**

### List of Recommended Firms

Securance LLC

Mountjoy Chilton Medley LLP (aka MCM CPAs and Advisors)

Protiviti, Inc.

Thomas Howell Ferguson P.A.

Noble Consulting Services, Inc.

Plant & Moran, PLCC

Sunera LLC

Carr, Riggs & Ingram, LLC

Ernst & Young LLP

Clifton Larson Allen LLP

KPMG LLP

Maulden & Jenkins, LLC

DevCare Solutions, LTD., LLC

Warren Averett, LLC