

Response to Questions
Internal Audit – CML 19-009

Risk Advisory Services, p.3:

1. How many controls were identified and tested by prior auditors?
CML: That information is unavailable.
2. #6: In reference to “multi-year, rotating internal audit schedule,” is there currently a rotating schedule in place? If so:
 - are there certain frequencies that have already been determined and not expected to change? (i.e. high-risk areas that should be audited annually, versus low risk areas audited every x number of years), or
 - is the current rotating schedule expected to be re-assessed in its entirety?

CML: Our past practice has been for our internal audit firm to recommend areas that they believe should be tested based on risk, time elapsed since the last review, etc. Or based on Management’s recommendation or operational needs/concerns. This has been a very collaborative process.

Internal Audit Services, p.4:

1. Are prior firms’ documentation of processes and internal controls available to the new/hired firm? Examples of such documentation include narratives, flowcharts and risk and control matrices (RACM).

CML: We do not have test plans or lists of all controls tested/relied upon generated by the internal audit firm. However, we will make available to the selected firm past reports and documents generated from these reviews for the various areas tested. Those reports document areas tested, observations, recommendations for remediation and management’s response. We can also share various remediation actions taken by CML management.
2. Are prior years’ audit documents available for the hired firm? Examples of such documents include test plans, summary of test results, including findings and deficiencies, remediation plan, etc.

CML: Yes prior reports will be made available. (See answer above for additional information).
3. Key Parameter #4: Is the audit report expected to be a certified opinion or attestation document on the internal control environment?

CML: No, we do not expect a certified opinion or attestation.

4. Key Parameter #1, bullet 3: Have the federal, state or local laws/regulations already been identified, or are these expected to be identified by the hired firm?

CML: Compliance with applicable laws is part of the annual external financial audit; we would expect the internal audit firm to also have awareness of applicable laws and/or regulations and to test compliance controls.

5. Key Parameter #1, bullet 3: Should the identified gaps related to wasteful or unnecessary spending be the result of the internal control audits, or is it expected that specific operational audits be conducted in these areas?

CML: Not specifically though it is possible items may come to your attention during a review. We believe that we have good procurement policies and appropriate management oversight to avoid and discourage unnecessary or wasteful spend. We expect the selected firm would make observations related to identify gaps in controls, missing controls, or an override of an established control(s).

6. Key Parameter #1, bullet 3: Are the referenced Library policies and procedures already documented?

CML: Yes. But we would expect the Internal Auditor to identify anticipated and expected controls via interviews, walkthroughs, and other means and to test compliance with documented policies.

Description of Services and Staffing, p. 6:

1. If we submit names of potential employees who will perform the work, are we committed to using whoever is named in the proposal, or can substitutions be made?

CML: Not specifically, but we would expect team members to be of similar expertise and experience as those which are proposed.

Terms and Conditions, p. 15:

1. Please clarify language regarding the Automobile Liability. Is the \$2,000,000 combined single limit coverage only required for contractors on CML property who are NOT performing services?

CML: Yes

Additional Question(s)

- 1) Can you please elaborate on the difference between #2 – Project Overview (“work plan”) and #5 – Response to scope of services requirements? Is the scope different than the work plan? We understand the scope to be the performance of an enterprise-wide risk assessment resulting in a multi-year internal audit plan and then the execution of the audits identified on the plan.

CML: The work plan is strategy and methods the firm will employ to accomplish the Risk Assessment. Scope contains the practices, techniques or other methods you will employ to accomplish the finished project consistent with the scope of work and what the deliverable will contain.

- 2) What is the overall budget to perform the risk assessment and develop the internal audit plan?

CML: An overall budget has not been specifically established.

- 3) What is the planned number of hours or budget for internal audit services? Or what were the number of hours internal audit was conducted in 2017 and 2018?

CML: Total internal auditor hours for 2017 and 2018 were approximately 300 and 150, respectively.

- 4) Typically how many internal audits are performed each year?

CML: On average, we have had 3 to 4 audits performed annually rotating through various areas.

- 5) What is the percentage goal for MBE/DBE/WBE participation? What percentage of the scoring is attributable to this participation?

CML: There is no specified goal for MBE/DBE/WBE participation.

- 6) Why are you looking for a new provider to perform internal audit and risk assessment services?

CML: It is CML's practice to conduct periodic RFPs for external services approximately every 3 to 5 years.

- 7) Who is your current internal audit provider?

CML: We have used Schneider Downs as our internal auditor. We have also used other firms to conduct a Security Risk Assessments and conduct our annual Network Penetration testing.

- 8) How frequently does the audit committee meet?

CML: The Audit Committee meets four times per year, roughly quarterly.

- 9) When were the last internal audits conducted for the risks/processes identified in the RFP?

CML: The areas/processes listed were reviewed during an Enterprise-wide Risk Assessment in 2014. That original assessment was 'refreshed' in 2016.