



IMRF RFP – Independent Auditing Services Questions & Answers

Project Name:

IMRF RFP – Auditing Services

Procurement Specialist:

Daniel Martinez

Submitted Vendor Questions & IMRF Responses

- 1 Why is IMRF going out for proposal?
Current contract is expiring this year. IMRF is required to conduct competitive bidding for applicable goods and services.
- 2 What changes to the audit process would IMRF like to see in future audits?
Nothing at this time.
- 3 What were the audit fees for FY 2025 and 2024 for: financial statement audit, requested agreed-upon procedures work, and GASB 68 reporting requirements engagement, Attestation of Census Data, detailed list of Investments, and SOC 1 Type 2 engagements
Please submit FOIA request to obtain information on current or previous contracts or solicitation information.
- 4 When was interim fieldwork performed and how many auditors for how many days working during the interim fieldwork?
Interim field work In December, typically four staff and one week.
- 5 When was final fieldwork performed and how many auditors for how many days working during final fieldwork?
End of April, maybe a few days into May. Report needs to be delivered to Board of Trustees last Friday in May.
- 6 What is the preferred audit timeline for the following segments: Entrance conference and planning; interim fieldwork; final fieldwork; first report draft from IMRF; Exit conference; final auditor report comments to IMRF; Board presentation; issuance of ACFR?
See RFP, pages 12 and 13.
- 7 When are the final actuarial reports available for the annual audit?
Mid to end of April
- 8 When are the final actuarial reports and schedules available for the GASB 68?
Mid to end of April
- 9 When are the final audited GASB 68 schedules required to be issued?
Mid to end of May
- 10 How long does IMRF keep its books open at year end to capture all the final fair market adjustments for the alternative investments?
Through early May, for draft of ACFR.
- 11 For GASB 68 employer census data testing, is remote testing allowed?
The auditors do not visit our employers. Ability to reach out remotely for confirmation is allowed.
- 12 How many employers were selected for census data testing for FY 2025 and 2024?



Currently census data testing is not done on an employer by employer basis, it is a sample of the total population determined each year.

- 13 What are some of the key areas IMRF is looking for in their auditors?

Experience with large Agent Multiple Pension plans.

- 14 Were there any audit adjustments for FY 2025 and 2024?

None

- 15 Upon award for new client engagement, our firm protocol requires a Master Service Agreement (MSA) with a Scope of Work attachment to be signed. Would IMRF be amenable to signing those documents? Should we include a copy of our MSA in our response for your reference at this time?

Please submit all proposed terms and conditions, including MSA, with proposal. IMRF Legal conduct review if proposal is selected by Board of Trustees.

- 16 Several questions in the cybersecurity questionnaire request information that is sensitive in nature and specific to the firm's internal security controls, business continuity planning, and incident response processes. To protect the confidentiality of this information and to avoid unnecessary public disclosure under applicable public records laws, would IMRF accept the firm's Due Diligence Packet and Business Continuity/Disaster Recovery documentation to be provided outside of the procurement submission or upon award, subject to appropriate confidentiality protections?

IMRF is subject to the Freedom of Information Act. Any documentation received, regardless of when received in the process, may be subject to disclosure under FOIA unless protected from disclosure by statutory exemption.

- 17 What were the fees for the prior year's audits, broken down by financial statements, GASB 68 report, SOC report, census examination, and limited audit procedures?

Please submit FOIA request to obtain information on current or previous contracts or solicitation information.

- 18 How many hours did the prior audit firm propose for each service for their previous proposal?

Financial Statements = 940 hours, GASB 68 =116 Attestation Census =173 SOC 1 Type 2 = 404

- 19 Can you provide the prior year's census examination report?

Yes, prior year's report census examination report will be provided securely to qualified and interested vendors.

- 20 Have there been recent changes in key personnel in any of the department's accounting/finance functions or are there changes known for the future (retirements)?

Executive Director is retiring April 17th.

- 21 Does IMRF expect any significant changes in the accounting system or other systems relevant to financial reporting during the contract term?

Upgrade to Microsoft Dynamics GP.

- 22 Is there anything specifically that you are looking for in a potential new professional services firm?

Same services if not more than currently provided.

- 23 What engagement process would IMRF like to improve?

Communication on each step of the audit process.



- 24 How many adjusting entries were there in the prior year? And if applicable, what was the nature of those adjusting entries?
Majority of the adjusting entries are 4th quarter real estate and alternative investment manager adjustments.
- 25 What type of assistance has the Internal Audit Department provided in the past?
See page 13 paragraph two of the RFP.
- 26 What are the biggest concerns you have for the organization, and how might you look to your audit firm to help address those concerns?
Nothing at this time.
- 27 What are the top concerns and challenges IMRF for operations and financial reporting over the next several years?
Nothing at this time.
- 28 Outside of the nature of services required, are there any specific expectations or focus areas you are looking for your next service provider to prioritize?
No, refer to RFP.
- 29 Is there anything about your current audit process that you would like changed in the future?
The tracking of evidence and schedules submittals. The current system does not notify us that a new request is out there. Providing clear due dates of the sample requests.
- 30 Are there any significant organizational, governance, or administrative changes in the Fund (or pending changes) that will impact the audit process going forward?
Nothing at this time.
- 31 Have there been recent changes in key personnel in accounting or finance functions, or are future changes anticipated (e.g., retirements)?
Nothing at this time.
- 32 Have the current auditors provided any additional services outside those outlined in the RFP?
No.
- 33 Have the current auditors ever billed over their contractual fixed fee, and if so, for what reasons?
Yes, in 2024, expectation made for the new pension system duties.
- 34 Are there any changes in the scope of services compared to the previous audit cycle?
No.
- 35 Are you able to share the current service provider's budgeted hours for each service outlined in the RFP?
No, not through the RFP process. Please submit FOIA request to obtain information on current or previous contracts or solicitation information.
- 36 How many weeks is the audit team typically in the field, including planning, interim work, and final fieldwork?
Three to four weeks.
- 37 Are you able to share the fees for the prior year's audits, broken down by deliverable?



- No, not through the RFP process. Please submit FOIA request to obtain information on current or previous contracts or solicitation information.
- 38 Are there any anticipated changes in key third-party service providers during the term of the contract?
Nothing at this time.
- 39 Based on review of the ACFR, an experience study was completed for the plan. When is the next experience study expected to be performed?
2026 for the years 2023/2024/2025.
- 40 What is the timing of the pension actuarial valuation reports for GASB 67/68, and when are draft reports expected to be available for auditors to begin their review?
April
- 41 Are there known data quality, timing, or reconciliation issues with employer reporting that have driven prior audit effort?
No, except 2024 data conversion issues.
- 42 Have there been prior census findings, remediation efforts, or recurring issues that should be factored into audit planning?
No, except 2024 data conversion issues.
- 43 Are any system changes, data migrations, or employer reporting process changes expected during the engagement period?
No, just enhancements.
- 44 Are there significant changes in alternative or Level 3 investments that would require the use of third-party specialists to assist with determining fair value for harder-to-value segments of the portfolio?
- If so, who performs the valuation and how frequently?
TBD
- 45 Which audit areas does IMRF expect the external auditor to rely upon internal audit work, and to what extent?
Internal Audit provides up to 200 hours of assistance, refer to RFP page 13 paragraph 2.
- 46 During 2026, has there been, or does IMRF anticipate, any significant changes in IT systems used for benefits administration, accounting, or financial reporting?
Nothing at this time.
- 47 Does IMRF incorporate artificial intelligence (AI) into business or financial reporting processes? If not, is there a plan or desire to do so over the next several years?
IMRF does not presently use AI tools in business or financial reporting processes. Acceptance and use of AI tools will be determined by IMRF on a case-by-case basis.
- 48 Is there anything specific you are looking for in a potential new professional services firm?
All requirements and qualifications are stated in RFP.
- 49 Are there any specific challenges or areas of concern from prior audits that should be addressed in the technical approach?
No



- 50 Have there been historical auditor-proposed adjustments or management letter comments?
None
- 51 If so, can a copy of the management letter be provided?
N/A
- 52 What working papers do you typically request each year for the audit and related reports, as noted in the Working Paper Retention and Access section of the RFP?
Per the RFP , page 8, 5 year retention by the audit firm.
- 53 Does the current contract include the use of M/WBE subcontractors?
Yes
- 54 Is there an M/WBE requirement or goal for this RFP?
No, however IMRF highly encourages participation of qualified MWDBE vendors and subcontractors in the RFP process. IMRF does have an over all MWDBE spending goal of 20%. Please refer to IMRF Procurement Diversity Policy.
- 55 Will you allow the use of offshore resources for the services?
Yes
- 56 If you have restrictions in using offshore, please describe concerns or specific requirements regarding resource allocation.
As long as data is secured.
- 57 How are scope changes (new GASB standards, regulatory changes, or system implementations) expected to be handled contractually?
As new standards are applicable they are to be incorporated into the report.
- 58 Are there restrictions on what tools the service provider can use?
No, as long as data is secured.
- 59 Does IMRF have tools that it currently leverages internally for the completion of the SOC audit that the Audit firm would be required to use (i.e. internal documentation repository)?
No specific tools.
- 60 We understand the fraud risk assessment is prepared and created internally. Can you clarify what you expect the audit firm to perform related to the fraud risk assessment and any specific deliverables?
Review and provide assistance as well as changes in industry practices.