



RFP 2023-01
SEALED COMPETITIVE PROPOSALS,
FOR INTERNAL AUDIT SERVICES

ADDENDUM ISSUE
DATE: 11/16/2022

Addendum No. 1 to
RFP 2023-01 for Sealed Competitive Proposals for
Internal Audit Services for the
Employees' Retirement System
of the State of Hawaii,
RFP issue date: November 16, 2022.

Attached are the potential offerors questions and the Employees' Retirement System responses to the questions, concerning the specifications of RFP 2023-01.

Point of Contact:

The State's Point of Contact for this RFP is ERS Procurement Office;
Steven J. Melendrez, PMO, Procurement Specialist, (steven.melendrez@hawaii.gov).

Mr. Thomas Williams, Procurement Officer
Executive Director



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

November 16, 2022
Addendum No. 1
To
REQUEST FOR PROPOSALS
Internal Audit services
RFP 2023-01
Issued October 31, 2022

OFFERORS:

In accordance with Administrative Overview, Section 1.7 of the Request for Proposals (RFP), the Employees' Retirement System of the State of Hawaii (ERS) is providing the following responses to questions from potential offerors:

- 1) **QUESTION:** Is a physical office in Hawaii required for the engagement?
RESPONSE: RFP Sec 4.3 Offeror to have an office in Hawaii.
- 2) **QUESTION:** How frequently does the Audit Committee meet?
RESPONSE: At least 3 times per year or more frequently as circumstances require, with prior notice and publication of the agenda as provided by law. (Per the Audit Committee Charter)
- 3) **QUESTION:** To whom will the Contactor report to?
RESPONSE: RFP Sec 1.5, Mr. Thomas Williams, Executive Director
- 4) **QUESTION:** Does ERS have a formal Ethics Officer and a formal ethics function?
RESPONSE: This function is performed by the Hawaii State Ethics Commission
- 5) **QUESTION:** What is ERS' annual budget?
RESPONSE: Administrative Budget for the fiscal year ending 6/30/23 is \$20.1 million
- 6) **QUESTION:** What is ERS' Internal Audit Budget:
RESPONSE: Approximately \$400,000.



Employees' Retirement System
of the State of Hawaii

- 7) QUESTION: Does ERS have a methodology for their internal risk assessments?
RESPONSE: The internal audit workplan was prepared every 2 years and updated annually, including the risk assessment by the internal auditor.
- 8) QUESTION: When was the last time ERS had a full risk assessment performed for its operational and IT activities?
RESPONSE: Annually, in December 2021
- 9) QUESTION: Will prior risk assessments be made available for reference and context?
RESPONSE: To be disclosed to awarded vendor after contract is signed.
- 10) QUESTION: Where are ERS' growing areas of risk?
RESPONSE: Similar to national trends in the public pension industry, cybersecurity is a growing area of risk.
- 11) QUESTION: Are the latest audit reports published and publicly available, and are there outstanding issues which require remediation?
RESPONSE: Internal Audit reports will be available to the winning bidder after the contract is signed. ERS is currently working on previous internal audit recommendations.
Public data @ERS website, (<https://ers.ehawaii.gov>)
- 12) QUESTION: Does ERS have any current or future plans for IT projects?
RESPONSE: Yes



Thomas Williams
Executive Director