



## Internal Auditor – RFP Response to Questions

Question	Response
What is the overall process and timing of CHEFA for selecting an internal audit consultant?	As described in the RFP, CHEFA will accept proposals up until January 16, 2026 at 5pm EST. Based on the strength of those proposals, CHEFA will select finalists with notification provided by January 26, 2026. Finalists will then be invited to present to the Audit Finance Committee
Are there particular areas within CHEFA or its subsidiaries (CHESLA, CSLF, CHEFA CDC) that you wish to prioritize or reinforce through internal audit activities during this engagement?	<p>A risk assessment by the internal audit consultant will drive the areas of audit focus over the 3-year engagement.</p> <p>An IT security review, thorough audit of accounting procedures, and a review of payroll have been primary areas of focus.</p>
Are there specific types of agreements, programs, or transactions (e.g., bond issuances, loan programs, vendor contracts) that are of heightened concern or interest for internal audit review?	<p>Bond issue agreements and loan agreements should be reviewed as the primary drivers of Authority revenue.</p> <p>Outside vendor agreements can also be evaluated in terms of loan servicing and originations.</p>
What prompted the issuance of this RFP for internal audit services? Is this engagement driven by best practices, recent events, regulatory changes, or identified deficiencies?	CHEFA selects an internal audit consultant every 3 years based on internal policy (not a state requirement). A one-year delay in the RFP was approved by the Audit-Finance Committee. The term of the audit engagement would be 7/1/26-6/30/29.



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Are there any critical deadlines, milestones, or reporting requirements (e.g., audit plan completion dates, Audit-Finance Committee deliverables) that the selected firm should be aware of?	After the initial risk assessment, audit work for at least one audit area each quarter with a presentation at CHEFA's quarterly Audit-Finance Committee. The overall engagement is for three years and all audit areas should be covered during that time.
Will any portion of this engagement be funded by Federal dollars, and if so, are there Federal contractor requirements that must be met?	No federal funding is part of this engagement. Compliance with federal student loan requirements is conducted by external audit firm.
Have prior service providers for internal audit been required to comply with Federal or State contractor requirements? If so, please describe the nature and scope of those requirements.	All vendor contracts require compliance with State of Connecticut contracting statutes as noted in the RFP document. The RFP also includes exhibits for consultant acceptance regarding state contracting requirements as well as a campaign contribution certification.
Are there any recent or anticipated changes in CHEFA's operations, programs, or risk profile that may impact the scope or focus of the internal audit engagement?	CHEFA has expanded its lending requirements in the Capital Investments Loan Program and it is expected to grow that portfolio. For CHESLA there may be new loan programs or scholarships for students during the three-year engagement that may require review for the first time.
Will the selected firm have access to management, staff, and relevant documentation across all subsidiaries and component units, including outsourced service providers?	Yes. CHEFA does not have an internal audit staff, so all areas are open to the internal audit consultant for review.
The Authority's request mentions the possibility of additional services/functions being performed Are there any specific areas or services beyond internal audit—such as cybersecurity, ERP implementation, or other consulting—where CHEFA sees particular benefit or interest?	<p>For IT, we will do a deep risk assessment next fiscal year as part of a 5-year rotation. Internal Audit consultants should do a lesser review as part of the 3-year internal audit work plan.</p> <p>Arbitrage rebate calculations are not part of the scope of internal audit as we use a separate consultant for that. Internal Audit may test a</p>



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	few calculations to determine this area is being properly addressed.
Does the Authority have an anticipated outsourced provider budget for the year? Are you able to disclose a general idea of the amount of project volume expected from this request? Additionally, does the Authority have an annual expectation for the number of hours associated with this work?	The three-year engagement would be under a fixed annual fee set by the internal audit consultant. This annual fee was approximately \$45,000 in CHEFA's most recent fiscal year. CHEFA's budget will be set going forward based on the new agreement coming from this RFP. CHEFA does not track hours for the engagement.
Has CHEFA undergone internal audits conducted by other independent firms in the past several years, and if so, are there any statutory or policy requirements regarding the frequency of such audits?	CHEFA has had internal audit engagements stretching back many years. Per internal policy, an RFP for internal audit services is delivered every 3 years. There is no state policy requirement for internal audit.
Can engagement be conducted remotely? If office visits are required, are expenses reimbursed?	Remote work is the expectation. Any expenses related to necessary office visits would be reimbursed.
Should internal audit consultant perform follow-up or remediation on findings/recommendations?	No. It is CHEFA's responsibility to follow through on recommendations and demonstrate their implementation to the Audit Finance Committee. In a subsequent three-year cycle, the implementation of prior recommendations could be revisited by the Internal Audit consultant.
What information is necessary for references? What information is necessary for demonstration of equal opportunity and community investment?	CHEFA will reach out to references for firms that are considered finalists to meet with the Audit Finance Committee. Contact information via email or telephone is all that is required.  Any information provided regarding equal opportunity or community investment is beneficial toward our final selection.