



KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

REQUEST FOR PROPOSAL ADDENDUM

SOLICITAION NO.: RFP-0341
ADDENDUM NO.: 1
RFP ISSUE DATE: February 2, 2026
ADDENDUM DATE: February 25, 2026
OPENING DATE: **March 12, 2026 @ 4:00PM EST**

The following information is being provided in response to written questions submitted for this RFP:

- 1) The following statement shall be included in the Scope of Work, Section 3:
 - a) Awarded Offeror shall proactively provide a bi-weekly report update to the KCTCS assigned designee.
- 2) Are you open to considering exceptions to your General Terms and Conditions?
 - a) KCTCS may consider minor revisions that do not conflict with the laws of the Commonwealth of Kentucky; however, limited consideration will be given to any requests for revisions to terms and conditions.
- 3) Will the contract be awarded to multiple firms:
 - a) KCTCS plans to award this contract to one (1) firm.
- 4) How many audits do you anticipate being performed annually?
 - a) KCTCS has traditionally been engaged in several audit processes (approximately 15 per year) including: College Business Office Audits; System audits (such as financial aid, accounts payable or any business functions); and IT audits. In late 2025, KCTCS also began utilizing internal auditors for consulting projects as opposed to assurance testing to provide depth to the relationship and identify areas where KCTCS could benefit from external guidance.
- 5) As audits are determined, will the awarded firm be asked to provide an estimate of the hours and fees based on the rates listed in the Financial Cost Worksheet?
 - a) The hours listed in the Financial Cost Worksheet are just an estimate used for evaluation purposes. The rates listed in the Financial Cost Worksheet are expected to be the best rates your firm can offer in response to this Request for Proposal. Hours may vary depending upon the needs of KCTCS leadership throughout the term of the contract.
- 6) Does the college currently have an internal audit provider? Is there a reason for the change?
 - a) Yes, KCTCS has a current internal audit services provider. As a state entity, KCTCS exercises reviewing the marketplace every few years to ensure appropriate use of taxpayer money.
- 7) Is the most recent risk assessment and audit plan available for review?
 - a) Please see Attachment A.
- 8) What is the college's annual budget for contracted internal audit services?
 - a) This information is not available. KCTCS asks Offerors to provide the best financial offers.
- 9) To whom will the Internal Audit provider formally report (e.g., Board of Regents, Audit Committee)?
 - a) The Internal Auditor will report to the Board of Regents formally but will provide detailed information to the Audit Committee.
- 10) Does a system wide Enterprise Risk Assessment currently exist? If yes, when was the ERA last performed, and by whom?
 - a) A system-wide Enterprise Risk Management Assessment does not currently exist but has strong internal support. This would be a new process to KCTCS but has strong support from leadership.

- 11) Does KCTCS maintain a formal risk and internal control repository or enterprise risk management tool today?
 a) **Not at this time.**
- 12) Does an audit plan exist for the current biennium or for 2026? How many audits are typically performed within an audit year, and across which categories (operational, financial, IT, compliance, grants, special projects)?
 a) **See Attachment A for most recent audit plan. KCTCS has traditionally been engaged in several audit processes (approximately 15 per year) including: College Business Office Audits; System audits (such as financial aid, accounts payable or any business functions); and IT audits. In late 2025, KCTCS also began utilizing internal auditors for consulting projects as opposed to assurance testing to provide depth to the relationship and identify areas where KCTCS could benefit from external guidance.**
- 13) Will any KCTCS staff participate in audit projects (co sourcing), or should the provider assume fully outsourced execution?
 a) **KCTCS would prefer something close to a fully outsourced execution but may determine that some new initiatives or some projects that would help KCTCS function better as a system may be subject to a co-sourcing model where management works to determine how to best serve the system. This may be discussed with the successful Offeror in the future.**
- 14) Does KCTCS use an audit management software platform, (e.g. Workiva, AuditBoard, TeamMate)? If yes, are there existing templates for audit programs, reports, and issue tracking??
 a) **KCTCS does not use an audit management software platform at this time. These have been part of the offering of the internal audit contractor.**
- 15) Does KCTCS have a defined audit methodology, policies, issue rating scale, or reporting standards?
 a) **Those have previously been developed through the internal auditor.**
- 16) Is there a coordination expectation with KCTCS's external auditor for financial statement or compliance audits in addition to the direct assist work?
 a) **Not at this time.**

- 17) For the estimated hours in the Financial Cost Worksheet, please confirm these are for evaluation purposes only and that actual work will be scoped and billed based on negotiated hours after award.
 a) **KCTCS is using estimated hours in the Financial Cost Worksheet per the statement included in the worksheet:**

1) Provide the monthly fee of proposed services				
Total proposed cost will be formulated with proposed monthly fee X listed hours				
			Hourly Rate	Total
Risk Assessment & Audit Plan Development	Estimated Hours = 100		\$ -	\$ -
General Internal Audit Work	Estimated Hours = 1000		\$ -	\$ -
Information Technology Internal Audit Work	Estimated Hours = 200		\$ -	\$ -
Student Financial Aid & Grants Internal Audit Work	Estimated Hours = 100		\$ -	\$ -
External Audit Assistance	Estimated Hours = 100		\$ -	\$ -
Hours listed are estimated and used solely for calculating a proposal cost for evaluation. KCTCS may adjust hours during contract negotiation.				

- 18) Can KCTCS clarify how the estimated hours for each category were developed, and whether they reflect historical workload, anticipated annual needs, or a standardized evaluation model.
 a) **Hours listed in the Financial Cost Worksheet are just an estimation used for calculating a proposal cost. There was no formula used to develop the hours listed. Please use the information provided in other question answers to determine the Offeror's best financial offer as requested.**
- 19) For services not represented in the evaluation hour categories (e.g., fraud investigations, grant compliance, special projects), should the provider (a) include additional hourly roles/rates for as-needed services, or (b) expect to scope and negotiate such work after contract award?
 a) **Please see Attachment B for the revised Financial Cost Worksheet which now includes Section 2 where Offerors may provide additional services offered that may be contracted on an as-needed basis. These rates will be locked for the term of the resulting contract should KCTCS determine to engage such offerings.**

20) Please confirm the initial contract term will align to the FY26–28 biennium (July 1, 2026–June 30, 2028), with extensions possible as outlined in the RFP.

a) The term of contract is outlined in section 21 of the RFP.

are established. The current Biennium ends on June 30, 2026. The upcoming Biennium ends on June 30, 2028. This solicitation is expected to establish a contract in the next biennium beginning July 1, 2026 with a term to be established by KCTCS leadership within the 26-28 biennium. By mutual written agreement between KCTCS and awarded provider, the contract may be extended with additional terms. The initial term and/or renewal terms may be revised upon the sole discretion of KCTCS.

The effective date of the contract (awarded) is anticipated to be July 2026. However, the effective date may be determined, if in the best interest of KCTCS, to be effective upon the date of award, upon mutual agreement of the successful offeror and KCTCS.

21) Should hourly rates submitted in the Financial Cost Worksheet remain fixed for the full FY26–28 biennium, or may annual adjustments be proposed for post-award negotiation?

a) Hourly rates submitted will remain fixed for the entire term of the contract. The resulting contract may be established for one-year or two-year. This is to be determined by KCTCS leadership.

22) The Financial Cost Worksheet requires travel to be included in proposed rates. Please confirm no separate travel reimbursement will be permitted under the contract, even for engagement-specific on-site work requested by KCTCS.

a) Travel should be included in the rates provided. Most work may be performed remotely with some travel required as agreed upon by KCTCS leadership. Limited travel is needed with the exception of presenting to the Board of Regents directly at the KCTCS September meeting to discuss the new audit plan. There may be occasion to discuss a special audit in-person as detailed audits like financial aid have proven to be worthwhile discussing in-person.

Section 3 of the RFP will now read:

**** INDEX OF DOCUMENTS INCLUDED WITH THIS RFP****

1. RFP-0341
2. Financial Cost Worksheet (separate attachment-excel)
3. ~~KCTCS Travel Rates (separate attachment)~~
4. Sample DATA SHARING AGREEMENT (Attachment A). The DSA will be negotiated between the awarded supplier and KCTCS, which will integrate with the final contract.

See Attachment C of this Addendum for the sample Data Sharing Agreement.

23) Will all internal audit reports or workpapers be subject to the Kentucky Open Records Act?

a) Reports and records submitted to KCTCS regarding the engagement of Internal Audit Services is subject to the Open Records Act per KRS 61.870 – 61.884 established in 1976.

24) Will internal audit engagements require access to FERPA-protected student information, and are there specific handling or storage requirements?

a) Please refer to KCTCS Administrative Policy 6.2 on FERPA protected student information which complies with the federal compliance requirements for FERPA: [Family Educational Rights and Privacy Act](#)

Also see this link regarding federal guidelines:

https://studentprivacy.ed.gov/sites/default/files/resource_document/file/Guidance_for_Reasonable_Me...

Successful Offeror will be expected to follow all confidentiality requirements both federal and state (Commonwealth of Kentucky) in handling any student information the contractor is given access to for any required audits.

25) Given KCTCS's 16 colleges and ~70 campuses, how would you prefer the provider structure coordination and communication across the system (centralized vs. campus-level engagement)?

a) Generally, KCTCS prefers that coordination occur in a centralized manner, unless a specific college business office, for example, is being audited. KCTCS has generally had campus level communication if one campus is involved, systemwide communication if all campuses are involved.

- 26) Can you please provide the KCTCS Travel Rates and Sample Data Sharing Agreement attachments to the RFP?
- a) Travel should be included in the rates provided. Most work may be performed remotely with some travel required as agreed upon by KCTCS leadership. Limited travel is needed with the exception of presenting to the Board of Regents directly at the KCTCS September meeting to discuss the new audit plan. There may be occasion to discuss a special audit in-person as detailed audits like financial aid have proven to be worthwhile discussing in-person.

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- 27) Where is the place of performance for the project, with there being over 70 campuses, will this work require on site presence or can it be performed remotely?
- a) This may depend on the type of audit. The majority of audits performed for KCTCS can be done remotely but something that involves a physical process may require the internal auditor to travel to the campuses. However, primarily the majority of the work has been remote.
- 28) Is this a new requirement or is there an incumbent currently performing the work?
- a) There is an incumbent currently performing internal audit services for KCTCS.
- 29) **Current-state internal audit function:** What is KCTCS's current internal audit model (in-house vs. outsourced/co-sourced), what work is currently being performed and by whom, and what are the primary gaps you want this contract to address? If outsourced or co-sourced, who is the incumbent? What fees were paid to the incumbent?
- a) KCTCS currently outsources all internal audit services with no internal auditors on staff. Offerors are welcome to submit an open records request for information on incumbent providers.
- 30) **Engagement volume and expectations:** Over the initial term (anticipated July 2026 start), approximately how many audits/advisory projects/fraud or special investigations do you expect per year, and what is your estimated annual hours or budget range (if available)?
- a) KCTCS does not anticipate any fraud/investigatory audits at this time. KCTCS has traditionally been engaged in several audit processes (approximately 15 per year) including: College Business Office Audits; System audits (such as financial aid, accounts payable or any business functions); and IT audits. In late 2025, KCTCS also began utilizing internal auditors for consulting projects as opposed to assurance testing to provide depth to the relationship and identify areas where KCTCS could benefit from external guidance.
- 31) **Top risk priorities and audit universe:** Do you have a recent enterprise risk assessment, prior audit plan(s), or an "audit universe" you can share—and what are the Board/leadership's top risk areas for the next 12–24 months (e.g., IT/security, grants, finance, procurement, HR/payroll, student financial aid, auxiliary operations)?
- a) A system-wide Enterprise Risk Management Assessment does not currently exist but has strong internal support. This would be a new process to KCTCS but has strong support from leadership. Although there has been no formal recommendation from the Board of Regents, campus security seems to be a topic the Board mentions regularly. There is a current security master plan in place that may be reviewed.
- 32) **Key systems, data, and access:** What are the primary enterprise systems and key data sources (ERP/finance, HRIS, SIS, grant management, ticketing, etc.), and what level of data access (read-only, extracts, secure environments) will be available to support data analytics?
- a) KCTCS' ERP system of record is Oracle PeopleSoft (Finance, HCM, SIS). We have some other systems such as BankMobile for student refunds, NelNet for our student self-service payment gateway and payment plans, our ticketing system is Anthology/Blackboard; however, KCTCS is currently transitioning ticketing systems. KCTCS also has an external database for reporting Decision Support System (DSS). In most cases the level of access to external vendors will be extracts, in some cases Affiliate Access is granted.

- 33) **Implementation and transition needs:** If KCTCS is transitioning from another provider (or launching a new model), what transition deliverables and timeline do you expect in the first 30/60/90 days (e.g., kickoff workshops, risk assessment refresh, draft annual plan, audit charter updates, stakeholder interviews)?
- a) The audit charter was recently updated. We envision a risk assessment refresh and the FY 27 audit plan will need to be presented to the Audit Committee in late August and the Full Board of Regents in mid-September.
- 34) **On-site vs remote and travel assumptions:** For a typical year, what is your expectation for on-site presence by engagement type (system office vs. colleges/campuses), and are there specific events (e.g., Board meetings, entrance/exit conferences) that require in-person attendance?
- a) Travel should be included in the rates provided. Most work may be performed remotely with some travel required as agreed upon by KCTCS leadership. Limited travel is needed with the exception of presenting to the Board of Regents directly at the KCTCS September meeting to discuss the new audit plan. There may be occasion to discuss a special audit in-person as detailed audits like financial aid have proven to be worthwhile discussing in-person.

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- 35) **Independence/conflict considerations:** Do you anticipate awarding one or multiple contracts under this RFP for different types of work?
- a) KCTCS plans to award one (1) contract under this RFP.
- 36) **Pricing worksheet intent and evaluation:** For the Financial Cost Worksheet (hourly rates), is it acceptable to use a blended rate for each item in the worksheet? Are these rates expected to be fixed / "not-to-exceed" across the entire term of the agreement or may vendors build in assumptions for an annual increase in rates?
- a) Hourly rates submitted will remain fixed for the entire term of the contract. The resulting contract may be established for one-year or two-year. This is to be determined by KCTCS leadership.
- 37) What are **KCTC's** requirements, if any, for a mandatory rotation for the College's internal audit service providers?
- a) There is not currently a law requiring mandatory rotation. However, as a state entity, KCTCS exercises reviewing the marketplace every few years to ensure appropriate use of taxpayer money.
- 38) What is the estimated **annual spend** for the services under this contract?
- a) This information is not available. KCTCS asks Offerors to provide the best financial offers.
- 39) In RFP section, 15. *Proposal Instructions, C. Proposed Solution/Services* it states, "Include examples/exhibits of any reporting that would be available." Can you please clarify if you would like firms to submit sample documents and if so, are these to be included within the 30-page limit?
- a) Offerors may provide snips of the samples offered to help evaluators to get clarity on the type of reports that can be expected. This should be included in the requested 30-page limit.
- 40) In RFP section, 15. *Proposal Instructions, F. Staffing*, states, "Staffing – Provide a summary of the staffing plan and key personnel qualifications involved in the management of the solution, implementation, and continued management of the requirements of the proposal." Can you please clarify like firms to just provide a summary of their background and qualifications, or resume explaining qualifications?
- a) Please provide a summary of the staffing plan and key personnel qualifications of individuals your firm plans to assign to the KCTCS account. This information should allow the evaluators to glean an understanding of the qualifications including skill and experience in your best judgement.
- 41) Will you please provide the prior year's internal audit budgeted hours to help with the cost estimate?
- a) This information is not available. KCTCS asks Offerors to provide the best financial offers.
- 42) Is there an internal audit team currently in place including a Chief Audit Executive or would we be reporting directly to the board of regents?
- a) The successful Offeror would report directly to the Board of Regents.

- 43) In RFP section 1. KCTCS Overview, it states, “*composed of 16 comprehensive two-year colleges with more than 70 campuses throughout the state.*” Would the awarded firm be expected to visit or rotate through all of those campuses, if so, what’s the typical cycle?
- a) It would be beneficial to the successful Offeror to visit the campuses to understand the breadth and scope of the system, although that could be a multi-year plan.
- 44) What is your expectation of firms to perform the work on-site vs. remote work?
- a) KCTCS expects much of the work can be done remotely; however there may be instances where the nature of work is better accomplished on-site. A best guess estimate would be 85% remote, 15% in person, but that depends on the audit plan.
- 45) Can you specify which areas (operational, financial, IT, compliance audits, etc.) are the highest priorities for KCTCS in the next year?
- a) From a leadership perspective, compliance audits are a high priority. In each category, some work has been done, but consistent IT review audits are important.
- 46) Are there any specific departments or processes that have been identified as needing more immediate attention or audit focus?
- a) Compliance areas are an area where management would request immediate prioritization.
- 47) Is there a preferred timeline for the initial enterprise risk assessments and the development of audit plans?
- a) The first year audit plan would need to be developed by mid-August, but an enterprise risk assessment would be preferred in the first year.
- 48) Does KCTCS have preferred audit software or tools that the selected firm should use?
- a) KCTCS has no preference.
- 49) Are there specific requirements or constraints regarding data access and security?
- a) Requirements are for multi-factor authentication to be enabled to all accounts. Network segmentation is implemented.
- 50) On-Site vs. Remote Work: are there requirements or expectations for on-site vs. remote audit execution?
- a) KCTCS expects much of the work can be done remotely; however there may be instances where the nature of work is better accomplished on-site. A best guess estimate would be 85% remote, 15% in person, but that depends on the audit plan.
- 51) Are there any facilities or campuses that may pose logistical challenges during audits?
- a) If needed, on-site presence of staff may be inconvenient.
- 52) Are there specific guidelines on how travel costs must be integrated into the pricing model? Can you share your travel policy?
- a) Travel should be included in the rates provided. Most work may be performed remotely with some travel required as agreed upon by KCTCS leadership. Limited travel is needed with the exception of presenting to the Board of Regents directly at the KCTCS September meeting to discuss the new audit plan. There may be occasion to discuss a special audit in-person as detailed audits like financial aid have proven to be worthwhile discussing in-person.

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- 53) In the past, we have provided services to KCTCS and we have negotiated terms and conditions, can we leverage those terms previously agreed upon for this opportunity?
- a) KCTCS may consider minor revisions to terms and conditions that do not conflict with the laws of the Commonwealth of Kentucky; however, limited consideration will be given to requests. Past agreed upon terms will not be considered for this award.

- 54) How many internal audit practitioners KCTCS currently have?
a) KCTCS does not have any internal audit practitioners.
- 55) Understanding that the risk assessment will help develop the internal audit plan for the function, can you share how many audits have been conducted or areas audited in the past two years?
a) It is estimated that through several audit processes there may have been approximately 35.
- 56) Can you share the auditable entities or results from the most recent internal audit risk assessment?
a) See Attachment A for most recent audit plan.
- 57) Could you share the budget set aside for managing your internal audit function?
a) This information is not available. KCTCS asks Offerors to provide the best financial offers.
- 58) Is KCTCS satisfied with the current internal audit services provided by the current incumbent?
a) KCTCS will not provide an opinion on this question. Please provide your best proposal in response to this RFP and the scope of work contained therein. KCTCS will provide award on best value.
- 59) What would another provider need to demonstrate to exceed the value the current incumbent has provided to KCTCS?
a) KCTCS will not provide an opinion on this question. Please provide your best proposal in response to this RFP and the scope of work contained therein. KCTCS will provide award on best value.
- 60) Are there any pain points from prior audits or consulting engagements that you would like the selected firm to be aware of?
a) KCTCS will not provide an opinion on this question. Please provide your best proposal in response to this RFP and the scope of work contained therein. KCTCS will provide award on best value.
- 61) Can you provide the anticipated budget range that KCTCS expects for the project?
a) This information is not available. KCTCS asks Offerors to provide the best financial offers.
- 62) Will the contract be awarded to a single vendor or a vendor pool? If a vendor pool, how many vendors will be included?
a) KCTCS plans to award one (1) contract under this RFP.
- 63) Which systems, processes, campuses, and organizational risks are considered in-scope?
a) All systems, business processes, individual colleges and campuses, and organizational risk areas are part of the scope of this audit. KCTCS is composed of 16 colleges supported by the System Office and the selected firm is expected to assess risks and controls across both college-level and system operations.
- 64) Are there emerging risks or priority areas (e.g., cybersecurity, grants, enrollment reporting) that KCTCS expects to be addressed early in the audit cycle?
a) From a leadership perspective, compliance audits are a high priority. In each category, some work has been done, but consistent IT review audits are important.
- 65) Within the Financial Submission Worksheet, how should the 'monthly fee' be interpreted, and are the estimated hours provided in the form aligned with what KCTCS is expecting?
a) The hours listed in the Financial Cost Worksheet are just an estimate used for evaluation purposes. The rates listed in the Financial Cost Worksheet are expected to be the best rates your firm can offer in response to this Request for Proposal. Hours may vary depending upon the needs of KCTCS leadership throughout the term of the contract. KCTCS is not interested in establishing monthly flat fees. Please provide hourly rates in the financial model as requested.
- 66) Does KCTCS have any in-house internal audit function, or is the need for a fully outsourced function? Assuming this would be an outsourced function, is there an in-house liaison assigned to support relationship building and logistics?
a) KCTCS does not have in-house internal audit function. The Chief Financial Officer serves as the management relationship liaison.
- 67) Has KCTCS used outsourced internal audit resources before, and if so what were the key success factors or challenges in that relationship that you would want a partner to consider?
a) KCTCS has outsourced internal audit services currently. KCTCS will not provide an opinion on success factors or challenges. Please provide your firms best proposal on how you would approach the scope of work outlined in the RFP document.

- 68) Has KCTCS performed an enterprise risk assessment in the past two years, and if so is that possible to share? Does KCTCS have an enterprise risk management program?
- a) A system-wide Enterprise Risk Management Assessment does not currently exist but has strong internal support. This would be a new process to KCTCS but has strong support from leadership.
- 69) With respect to the 30 page limit, would KCTCS be willing to allow the Required Additional Information (section 15F of the RFP) to not count towards this limit?
- a) Section 15F should be included in the requested 30-page limit.
- 70) What is your desired on-site presence of the internal audit team during the phases of activities? If it differs from each phase (i.e. 'Risk Assessment & Audit Plan Development' compared to 'General Internal Audit work', as an example) please let us know your expectations?
- a) KCTCS is open to discussion and counsel. However, it would be helpful to meet initially to establish a strong working relationship.
- 71) Is there a primary location(s) where the internal audit team will be on site?
- a) It would depend on what audits occur.
- 72) Is there an existing in-house team or are activities provided by an outside provider?
- a) KCTCS does not have internal KCTCS audit staff currently providing these services. Internal audit services are currently outsourced.
- 73) Are there any restrictions to the location of resources performing internal audit work such as leveraging offshore resources for remote work?
- a) Please refer to section 40 in regard to subcontracting.
- 74) Would you please provide a landscape of the systems utilized by KCTCS for key financial processes?
- a) KCTCS' ERP system of record is Oracle PeopleSoft (Finance, HCM, SIS). We have some other systems such as BankMobile for student refunds, NelNet for our student self-service payment gateway and payment plans, our ticketing system is Anthology/Blackboard; however, KCTCS is currently transitioning ticketing systems. KCTCS also has an external database for reporting Decision Support System (DSS).
- 75) Would you please provide an example of the categories of internal audits performed in the past 2 years?
- a) See Attachment A for most recent audit plan.
- 76) Are there any particular key performance indicators (KPIs) that you expect to prioritize to measure your provider's performance?
- a) Not at this time, but a strategic plan to include them is expected to be approved by the Board of Regents by May 2026.
- 77) What is the anticipated start date and contract term??
- a) Please refer to the RFP section 21 for the contract term and anticipated start date.
- 78) The estimated hours listed in the Financial Cost Worksheet has a total estimate of 2000 hours, are the total hours estimated for a full year or are the estimated hours an expected monthly hours?
- a) The hours listed in the Financial Cost Worksheet are just an estimate used for evaluation purposes. The rates listed in the Financial Cost Worksheet are expected to be the best rates your firm can offer in response to this Request for Proposal. Hours may vary depending upon the needs of KCTCS leadership throughout the term of the contract.
- 79) Has a budgeted amount been identified for this requested RFP?
- a) This information is not available. KCTCS asks Offerors to provide the best financial offers.
- 80) Are there KPIs you are seeking for audit effectiveness during the contract?
- a) Not at this time, but a strategic plan to include them is expected to be approved by the Board of Regents by May 2026.
- 81) Is this a fully outsourced Internal Audit function, or are there internal resources within KCTCS to be utilized and/or report to during this engagement?
- a) KCTCS expects services to be fully outsourced.
- 82) Can KCTCS provide prior system-wide enterprise risk assessment results, including high-risk areas across the 16 colleges?
- a) See Attachment A for most recent audit plan.

- 83) Outside of the system-wide enterprise risk assessment, are there other assessments performed to influence the audit plan?
a) There could be several outside factors such as any type of legislative action, a resignation of the KCTCS President or Chief Financial Officer, or any type of legal action.
- 84) Additionally, are there upcoming strategic initiatives, new programs, or regulatory changes that should influence the audit plan?
a) A new strategic plan to be approved by the Board of Regents will affect the plan. Additionally, a governance bill has been submitted by the General Assembly (HB 619,) the results of which could influence the audit plan.
- 85) Which campuses, departments, or operational processes are priority areas for operational and financial audits?
a) From a leadership perspective, compliance audits are a high priority. In each category, some work has been done, but consistent IT review audits are important.
- 86) Are there known internal control weaknesses or recurring audit findings to address?
a) No.
- 87) Is the IT governance framework for the IT Internal Audit work developed by KCTCS or does KCTCS use NIST, ISO, COBIT, etc.?
a) KCTCS aligns with NIST CSF 2.0. For reference purposes, the KCTCS IRP (Incident Response Plan) was built with respect to this version of NIST.

Bidders must acknowledge receipt of this and any addenda either with solicitation or by separate letter or email prior to award of contract. If by separate letter, the following information should be placed in the lower left-hand corner of the envelope:

RFP No.: RFP-0341 Addendum 1

Title: Internal Audit Services

Name of Firm: _____

Authorized Signature: _____

Current Internal Audit Plan for Fiscal Year Ending June 30, 2026.

Meet with KCTCS Board Chair and Audit Committee Chair, College presidents and senior management, including key personnel from IT, student financial aid, grants, accounting/financial reporting, purchasing and human resources. Review prior year internal audit findings and financial statements; review Ethics Point reports; brainstormed risks to consider based on industry knowledge; considered external audit and other KCTCS monitoring activities.

Developing risk population through the risk assessment process, by identifying a population of risks currently affecting KCTCS. These risks are prioritized to develop an internal audit plan. The priority ratings used for each of the risks are based upon the following considerations: Potential magnitude of the financial, operational or reputational cost to KCTCS. Assessment of the existence of controls based upon our interviews and understanding of KCTCS .

Audit Plan Calendar for FY26

- First quarter: Bad Debt (College Level); Business Office Audit (stage 2)
- Second quarter: Fraudulent Student Financial Aid Applications review of practices; Onboarding Practices; Business Office Audit (stage 3)
- Third quarter: Peoplesoft Effective Usage; Enterprise Risk Management Support; Policies and Procedure (follow up)
- Fourth quarter: Capital Projects (System Process Reviews); Safety and Security (follow up); Risk Assessment and FY2027 Internal Audit Plan

Audit Plan Calendar for FY26 Information Technology Plan

- First quarter: Governance; IT Policies; IT Documentation/SOPs (Standard Operating Procedures)
- Second quarter: System Development Life Cycle
- Third quarter: Recovery/Availability; Business Continuity Plan; Disaster Recovery Plan
- Fourth quarter: Data classification

ATTACHMENT C

DATA SHARING AGREEMENT

1. This Data Sharing Agreement (“Agreement”) is made by and between _____ (“Consultant”), _____ and the Kentucky Community and Technical College System, (“Institution”), 300 North Main Street, Versailles, KY 40383.
2. The terms of this Agreement shall commence on [INSERT DATE] and expire on [INSERT DATE]. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. Upon termination or expiration of this agreement, Institution shall provide written instructions to the Consultant to dispose of or return confidential information to the Institution.
3. For purposes of the Family Educational Rights and Privacy Act (“FERPA”), Institution designates Consultant an “authorized representative” pursuant to 20 U.S.C. 1232g(b)(1)(C) and 34 C.F.R. 99.31(a)(3). Consultant and the Institution shall comply with the provisions of FERPA in all respects. Nothing in this Agreement may be construed to allow either party to maintain, use, disclose or share personally identifiable student information in a manner not allowed by state or federal law or regulation.
4. “Confidential Information” shall include any personally identifiable employee information, as that term is defined 34 C.F.R. § 99.3.
5. "Disclose" or "disclosure" means to permit access to or the release, transfer, or other communication of Confidential Information contained in education records by any means, including oral, written, or electronic means, to any party except the party identified as the party that provided or created the record.
6. The Institution may disclose Confidential Information to Consultant for the purpose of conducting services on behalf of the institution. Further disclosure by Consultant of any Confidential Information released to Consultant by the Institution is prohibited by this Agreement.
7. Consultant shall not: (i) disclose any Confidential Information to any unauthorized third party; (ii) make any use of Confidential Information except to perform its obligations under this Agreement; or (iii) make Confidential Information available to any of its employees, officers, or agents except those individuals who have been authorized by Consultant to use the information as a component of their project assignment(s). The term “unauthorized third party” for purposes of this Agreement does not include employees, officers, or agents of the Institution who are authorized to have access to the Confidential Information.
8. Institution will disclose the following aggregate data to Consultant under this Agreement:
 - a. employee name
 - b. address
 - c. email address
 - d. telephone number
 - e. date of birth
 - f. dates of employment

- g. other information as required for enrollment process. This may include protected identifying information and/or protected health information.

Institution shall not disclose the information of students who have a documented request to opt out of the release of directory information under FERPA. Institution may share additional aggregate data with Consultant upon mutual agreement of the Parties. However, no personally identifiable information will be disclosed to Consultant without a signed written amendment to this Agreement.

9. Consultant agrees to use Confidential Information provided by the only for the purposes of the _____ project or any other projects for which it is contracted with the Institution.
10. Consultant understands that the Confidential Information is protected under state and federal law and agrees to immediately notify the Institution within 24 hours if any of the Confidential Information is disclosed, either intentionally or inadvertently.
11. Consultant agrees to protect Confidential Information in such a manner that it will be disclosed only to Consultant staff whose duties under this Agreement specifically require them to have access to the Confidential Information.
12. Consultant and the Institution shall identify at least one authorized representative or data custodian from their respective agencies who shall be responsible for processing and responding to data requests from the other party.
13. Upon request of the Institution, Consultant shall agree to permit the Institution to review or shall provide written assurances to the Institution regarding the use of Confidential Data under this Agreement. The purpose of this provision is to ensure that appropriate policies and procedures are in place to protect the Confidential Information and that there has been no further Disclosure of the Confidential Information.
14. All Consultant employees, officers, and agents with access to the Confidential Information must acknowledge that they are aware of and will abide by the provisions of this Agreement. Consultant agrees to remove any person from performing work who has, or is suspected to have, violated the terms of this Agreement.
15. By disclosing Confidential Information to Consultant, the Institution is in no way assigning ownership of the Confidential Information to Consultant. Upon the termination of this Agreement for any reason, or at the conclusion of the project, Consultant shall immediately return all Confidential Information, including all copies, to the Institution or destroy all Confidential Information in its possession, custody, or control unless otherwise agreed to in writing by both parties. Consultant will provide the Institution with affidavits to this effect.

16. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any lawsuit pertaining to or affecting this Agreement shall be filed in Franklin County, Kentucky Circuit Court. Violation of this Agreement is cause for immediate termination.

The undersigned hereby warrant and represent that they have read, understood, and agree to comply with all the terms and conditions stated above.

Consultant

[Insert printed name and title]

Date

Institution

[insert printed name and title]

Date

