

SPRINGFIELD INTERNATIONAL CHARTER SCHOOL

ADDENDUM NO. 2 Request For Proposal (RFP) For: Internal Controls Audit

REQ Number: FY26-011

Date Issued: October 8, 2025

To: All Prospective Bidders

From: Dr. White, Board Chair, Springfield International Charter School

Subject: Responses to Pre-Proposal Questions and Clarification of Submission Requirements

This Addendum No. 2 is issued to provide responses to pre-proposal questions received by the October 1, 2025, deadline and to clarify submission requirements for the RFP for Internal Controls Audit (FY26-011) released on August 29, 2025.

CLARIFICATION - SUBMISSION REQUIREMENTS:

To clarify submission requirements, proposals may be submitted in either of the following ways by the October 17, 2025, 4:00 PM EST deadline:

Option 1: Electronic Submission (Preferred)

- Email to: BOT@sics.org
- Subject Line: "Internal Controls Audit Proposal - Springfield International Charter School"
- Format: PDF preferred

Option 2: Sealed Hard Copy Submission

- Deliver to: Springfield International Charter School, 160 Joan St., Springfield, MA 01129
- Attention: Board of Trustees
- Clearly mark envelope: "RFP FY26-011 - Internal Controls Audit"
- Must be received by 4:00 PM EST on October 17, 2025 (not postmarked)

Both submission methods are acceptable. Proposals submitted after the deadline will not be accepted, regardless of submission method.

QUESTIONS AND RESPONSES:

Question 1: What is the primary driver behind this project? Is it being initiated as a proactive best practice, or are there specific events, concerns, or deficiencies that have prompted the issuance of this RFP?

Response: This project is a proactive initiative driven by the Board of Directors' commitment to strong governance. Four years ago, SICS transitioned from management company oversight to full self-management. As part of our continued evolution and commitment to operational excellence, the Board is seeking a comprehensive evaluation of internal controls, risk management practices, and compliance procedures to ensure they align with best practices for a self-managed charter school.

Question 2: If applicable, who is the incumbent firm(s) that performed the scope of services?

Response: This is the first comprehensive internal controls audit SICS has undertaken since transitioning to self-management. There is no incumbent firm for this specific scope of work. Please note that firms providing any services to SICS within the past five years remain ineligible per RFP requirements.

Question 3: Does SICS have an existing internal controls register/listing?

Response: SICS maintains a policies and procedures manual that will be made available to the selected firm. Part of the engagement scope includes reviewing and assessing existing documentation to identify any gaps or areas that require enhanced controls documentation.

Question 4: Are there any specific terms and conditions in this RFP that we need to review, acknowledge, or formally address? If so, will SICS consider exceptions proposed by the firm?

Response: Yes. Proposers must address the following in their proposals:

- Independence confirmation (no services to SICS within the past 5 years)
- Understanding of FERPA compliance requirements for student records access
- Acknowledgment of Massachusetts conflict of interest law (M.G.L. c. 268A)
- Commitment to maintaining confidentiality

The independence requirement is non-negotiable. SICS will consider reasonable exceptions to other terms on a case-by-case basis during contract negotiations with the selected firm. Any requested exceptions should be clearly noted in the proposal.

Question 5: Are there any required forms or contractual documents we need to complete or sign as part of this RFP submission? If so, could you please provide a copy?

Response: No additional forms are required with proposal submission. Proposers should provide narrative confirmations of eligibility and independence as outlined in the RFP. Contract terms and any required documentation will be finalized during negotiations with the selected firm.

Question 6: Which Enterprise Resource Planning (ERP) system does SICS currently use?

Response: We do not currently use an ERP.

Question 7: What is the established budget for this project?

Response: SICS has not disclosed a budget for this engagement. Price is the primary evaluation factor among all factors considered. Proposers should provide competitive pricing based on the scope of services described in the RFP. SICS seeks the best overall value, considering both price and qualitative factors.

Question 8: In the initial assessment, is SICS seeking to evaluate the design of key internal controls, or to perform sample-based testing of their operating effectiveness?

Response: The initial engagement should include both design evaluation and assessment of operating effectiveness. The scope includes:

- Review and assessment of existing policies and procedures (design)
- Evaluation of compliance with established policies (operating effectiveness)
- Risk assessment to identify control weaknesses
- Development of a recommended testing scope based on risk assessment findings

The firm should propose the extent of sample-based testing in the initial phase based on its professional judgment and risk assessment methodology.

Question 9: We would like to confirm SICS's expectations regarding the following objective: "Propose a detailed testing scope for the Board following preparation of the Risk Assessment, including evaluation of accuracy, completeness, compliance, and proposed efficiencies." Specifically, is the Board seeking: a) A recommended internal audit plan to further evaluate the operating effectiveness of internal controls, or b) A testing scope developed in direct response to the risk assessment findings, intended to inform a subsequent follow-up compliance assessment?

Response: Both elements are valuable. The Board seeks a recommended testing scope/internal audit plan based on the risk assessment that:

1. Addresses high-risk areas identified during the initial assessment
2. Provides a framework for ongoing monitoring of internal controls effectiveness
3. May inform a subsequent optional follow-up compliance assessment (6-12 months post-implementation)

The proposed testing scope should be risk-based, prioritizing areas with the greatest potential impact on operations, compliance, and governance. This will help the Board make informed decisions about implementation priorities and potential follow-up services.

Question 10: Can you clarify which specific internal control frameworks (e.g., COSO, IIA, GAGAS) you prioritize for this audit, and are there any areas where you expect deeper coverage or emphasis?

Response: SICS prioritizes the COSO Internal Control Framework as the primary assessment methodology. The audit should be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) and/or Institute of Internal Auditors (IIA) Standards as appropriate. Areas requiring deeper emphasis include: business office operations (grant compliance, segregation of duties), board governance oversight mechanisms, procurement procedures, and risk management practices related to our transition from management company oversight to self-management.

Question 11: Are there any recent changes in your administrative operations, board governance, or procurement procedures that you believe may impact the audit scope or require special attention?

Response: The most significant operational change occurred four years ago when SICS transitioned from management company oversight to full self-management. This transition represents the primary context for this audit. The school has been operating independently for four years and seeks to ensure that internal controls, governance structures, and operational procedures are appropriately designed for a self-managed charter school. There have been no major recent changes to governance or procurement procedures; however, this audit may identify areas where policies should be updated or enhanced.

Question 12: What are your preferred methods and frequency for communication and reporting during the audit process (e.g., weekly updates, milestone reviews, board presentations)?

Response: SICS prefers bi-weekly status updates via email or brief calls with the designated board representative and school point of contact. Milestone reviews should occur at key project phases (completion of risk assessment, preliminary findings, draft report). A formal presentation of findings to the full Board of Directors will be required in April 2026. The selected firm should propose a detailed communication plan as part of its methodology.

Question 13: Are there any known operational "gray areas" or ambiguities that you would like the audit to address in particular?

Response: Yes. As stated in the RFP scope, one objective is to "identify operational gray areas and ambiguities requiring clarification." Areas of particular interest include: authorization and approval hierarchies, delegation of authority from the board to administration, procurement thresholds and procedures, and cross-training/backup procedures in the business office. The auditor should identify any areas where policies are unclear, incomplete, or where actual practice may deviate from documented procedures.

Question 14: Can you clarify the expected level of access to sensitive data (e.g., student records, personnel files), and are there any restrictions or protocols beyond FERPA and Massachusetts law that we should be aware of?

Response: The selected firm will be granted access to records necessary to complete the audit scope, including financial records, personnel files, and operational documentation. If access to student records is required, the firm must comply with FERPA and Massachusetts student records regulations (603 CMR 23.00). Personnel files will be accessed under supervision and with appropriate confidentiality protocols. The firm should propose its approach to handling sensitive information and any data security measures in its proposal. No additional restrictions beyond FERPA and Massachusetts law are anticipated, but the firm must maintain strict confidentiality of all school information.

Question 15: For the optional HR Policy Assessment, are there specific HR processes or pain points you want prioritized (e.g., staff retention, disciplinary procedures, succession planning)?

Response: If the optional HR Policy Assessment is pursued, priority areas include: staff evaluation processes and performance management systems, disciplinary procedures and documentation requirements, succession planning and cross-training initiatives (particularly in key administrative roles), and training and professional development programs. The assessment should evaluate whether current HR policies align with best practices for charter schools and support operational continuity.

Question 16: Are there any anticipated scheduling constraints or blackout periods (e.g., school holidays, testing windows) that may impact on-site work or interviews?

Response: There are no calendar constraints, but availability for on-site work or interviews must be confirmed by school personnel.

Question 17: Will the Board of Directors or designated representatives be available for interviews or governance assessment, and what is the preferred process for scheduling these interactions?

Response: Yes, the Board of Directors and designated representatives will be available for interviews and governance assessment. The preferred process is to coordinate through the Board Chair (Dr. White at BOT@sics.org) to schedule board member interviews. Individual board member availability varies, so advance notice (minimum 2 weeks) is preferred for scheduling. The auditor may attend a board meeting if appropriate for the assessment. Key administrative staff will also be made available for interviews as coordinated through the designated school point of contact.

Question 18: Are there any specific deliverable formats or templates you prefer for the final report, executive summary, and recommendations?

Response: SICS does not require a specific template format. The final report should include: (1) Executive Summary with key findings and priority recommendations, (2) Detailed findings organized by functional area with supporting evidence, (3) Risk assessment results, (4) Specific, actionable recommendations with implementation timelines, and (5) Assessment of board governance oversight effectiveness. Reports should be clear, professional, and accessible to

board members who may not have technical audit backgrounds. An electronic format (PDF) is required; proposals should indicate if the firm has a standard report format we can review.

Question 19: Is there a preferred approach for handling recommendations that may require changes to current procurement policies or board governance procedures? Should these be presented separately or integrated into the main report?

Response: Recommendations requiring board policy changes should be clearly identified within the main report with a summary section highlighting items requiring board action versus administrative implementation. Given that this audit is examining procurement procedures (including this RFP process itself), recommendations about procurement policy should be presented objectively with a rationale for any suggested changes. Board governance recommendations should be presented respectfully with recognition of the board's fiduciary role and decision-making authority.

Question 20: Has SICS had a comprehensive risk assessment in the past?

Response: SICS has not conducted a comprehensive, formal risk assessment using frameworks such as COSO since transitioning to self-management. The annual financial audit addresses financial statement risk, but this engagement represents the first comprehensive operational risk assessment and internal controls evaluation since becoming fully self-managed.

Question 21: What internal resources does SICS foresee assigning to the Internal Auditors to ensure success? Who will be the point of contact within SICS to assist in coordinating project initiatives and identifying internal financial, accounting, and reporting resources?

Response: The point of contact for the school would be Justin Baker, Director.

Question 22: Are approved policies in place pertaining to the financial, accounting, and reporting process?

Response: Yes, SICS maintains approved policies and a policies and procedures manual that includes financial, accounting, and reporting processes. One objective of this audit is to "review and assess the existing policies and procedures manual" to ensure policies are comprehensive, current, and appropriately implemented. The auditor will have access to all existing policy documentation.

Question 23: Are there documented procedures for the financial, accounting, and reporting processes?

Response: Yes, SICS has documented procedures for financial, accounting, and reporting processes within the policies and procedures manual. The audit scope includes evaluating the adequacy of these documented procedures and identifying any gaps or areas requiring enhancement.

Question 24: Does SICS have compliance requirements that should be considered as part of this Internal Audit function? If so, which one(s)?

Response: Yes. Key compliance requirements include:

- Massachusetts Department of Elementary and Secondary Education (DESE) requirements
- Charter school-specific regulatory obligations under 603 CMR 1.00
- Federal grant compliance (if applicable - SICS should comply with Uniform Guidance 2 CFR Part 200 if expending \$750,000+ in federal funds)
- Massachusetts conflict of interest law (M.G.L. c. 268A)
- FERPA and Massachusetts student records regulations (603 CMR 23.00)
- Financial reporting and transparency requirements for charter schools
- IRS requirements for 501(c)(3) organizations (though the annual financial audit addresses this)

The RFP specifies these compliance areas in the scope of services.

Question 25: Have there been internal audits performed in the past pertaining to SICS's internal controls? If yes, are the reports available for review? How many hours and fees?

Response: No comprehensive internal controls audits have been performed since SICS transitioned to self-management. SICS undergoes annual financial audits as required for charter schools and 501(c)(3) organizations, but those audits focus on financial statement accuracy and compliance rather than a comprehensive operational internal controls assessment. This engagement represents the first dedicated internal controls audit.

Question 26 & 27: In addition to the annual risk assessment, how many internal audits does SICS plan to perform? How many internal audits/reviews does SICS plan to have each fiscal year?

Response: This initial engagement is the first comprehensive internal controls audit. SICS does not currently have an ongoing internal audit function or plan for multiple audits per year. The scope of this engagement is a one-time comprehensive assessment with optional follow-up compliance review (6-12 months post-implementation). Future internal audit needs will be determined based on the findings and recommendations from this initial engagement.

Question 28: Does SICS plan to update its initial risk assessment annually during the contract period?

Response: The initial contract is for a one-time comprehensive assessment (December 2025 - March 2026) with an optional follow-up review. SICS does not currently plan annual risk assessment updates as part of this contract. However, the auditor should recommend an appropriate risk assessment refresh cycle as part of their deliverables. Any ongoing risk assessment services would be subject to separate procurement in accordance with the school's three-year contract limitation policy.

Question 29: What is SICS's process for assigning internal audit projects, and how is project performance measured?

Response: SICS does not currently have an established internal audit function or committee. This Board-directed engagement will establish baseline internal controls and may result in recommendations for ongoing risk monitoring. The Board of Directors provides oversight for this project. Project performance will be measured by: quality and comprehensiveness of deliverables, adherence to timeline, clarity and actionability of recommendations, and successful board presentation of findings.

Question 30: How often will the Audit Committee review and potentially amend the Audit plan?

Response: SICS does not currently have a standing Audit Committee. The full Board of Directors provides governance oversight and will review the audit plan, findings, and recommendations. Board review will occur at key milestones (risk assessment completion, preliminary findings, final report presentation in April 2026).

Question 31: What specific risks have been historically prioritized by SICS, and how have these influenced past audit plans?

Response: As this is the first comprehensive internal controls audit since transitioning to self-management, there is no historical internal audit plan for comparison. The transition from management company oversight to self-management represents the primary context for identifying and prioritizing operational risks. The selected firm's risk assessment will establish the baseline for future risk prioritization.

Question 32: What is the expected turnaround time for draft and final audit reports after completing fieldwork?

Response: The project timeline anticipates fieldwork completion by March 2026, with board presentation in April 2026. Proposers should include their proposed timeline for draft report delivery after fieldwork completion and expected turnaround time for the final report after receiving SICS comments on the draft. A reasonable timeline would be 2-3 weeks for the draft report after fieldwork, 1-2 weeks for SICS review and comments, and 1 week for the final report. Proposals should specify the firm's standard timeframes.

Question 33: Will the Internal Auditor have remote view-only access to pertinent records?

Response: No

Question 34: Does SICS utilize separate systems for payroll, human resources, and revenue?

Response: Yes

Question 35: Will SICS prefer rates by staff level or a blended rate?

Response: Proposers should provide a detailed fee structure, including hourly rates by team member/staff level as specified in the RFP cost proposal requirements. This allows SICS to understand the team composition and associated costs. If the firm also wishes to provide a blended rate for comparison, that is acceptable, but should not replace the detailed rate structure.

Question 36: Number of total employees at SICS, broken out into the number of W2 and 1099 employees.

Response: Currently 261 W2 Employees and 0 1099 Employees.

Question 37: How many employees work within the HR Department?

Response: Two (2) Full-Time Employees

Question 38: If available, please provide an organization chart for SICS.

Response: SICS is currently updating its organizational chart. The current organizational chart will be made available to the selected firm during the contracting process to support their understanding of organizational structure and reporting relationships

Question 39: Is it correct to assume that SICS does not require either a payroll or compensation analysis?

Response: Correct. Payroll and compensation analysis are not included in the scope of this engagement. The optional HR Policy Assessment, if pursued, would focus on HR policies, procedures, evaluation processes, and governance rather than compensation structure or payroll operations.

ACKNOWLEDGMENT:

All proposers **must acknowledge receipt of both addenda** in their proposal submission. Include the following statement in your proposal cover letter:

"[Firm Name] acknowledges receipt of Addendum No. 1, dated October 3, 2025, and Addendum No. 2, dated October 8, 2025, to RFP FY26-011."

ALL OTHER TERMS AND CONDITIONS:

All other terms, conditions, specifications, and requirements of the original RFP dated August 29, 2025, remain unchanged and in full effect.

QUESTIONS:

Any questions regarding this addendum should be directed to Dr. White (Board Chair) at BOT@sics.org.

Dr. White

Board Chair

Springfield International Charter School

Date: October 8, 2025

END OF ADDENDUM NO. 2