



**REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES**
February 25, 2010



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The College Savings Plans of Mississippi Request for Proposals - Professional Auditing Services

I. INTRODUCTION

A. OVERVIEW OF THE MPACT & MACS PROGRAMS

The State of Mississippi operates two Section 529 college savings plans under the overall name “College Savings Mississippi”. Both programs are governed by The College Savings Plans of Mississippi Board of Directors. The Board is composed of nine (9) voting members. Five board members are appointed by the Governor, one from each of the State’s four congressional districts plus one at large member. The other four *ex-officio* board members are the State Treasurer, the Executive Director of the Department of Finance and Administration, the Commissioner of Higher Education, and the Executive Director of the Community and Junior College Board. There are also four legislative advisors to the Board, two appointed by the Lieutenant Governor and two appointed by the Speaker of the House of Representatives. MPACT & MACS are administered together as the College Savings Plans Division of the Mississippi Treasury Department, under the administrative authority of the State Treasurer.

The Mississippi Prepaid Affordable College Tuition (MPACT) Program was created by the Mississippi Legislature in 1996 as a program to assist Mississippians in saving for some of the costs associated with a college education; specifically tuition and mandatory fees. MPACT began operations in February, 1997. Financial statement audits have been completed for the fiscal years ended June 30, 1997 through 2009. The program’s statutory authority and purpose are controlled by Sections 37-155-1 to 37-155-27 of the Mississippi Code.

The Mississippi Affordable College Savings (MACS) Program was created in 2000 as a companion to MPACT to assist families in saving for other college expenses, including room & board, books and off-campus housing. MACS launched in March, 2001. Financial statement audits have been completed for the fiscal years ended June 30, 2001 through 2009. The program’s statutory authority and purpose are controlled by Sections 37-155-101 to 37-155-125 of the Mississippi Code.

Under its authority to appoint investment managers, adopt resolutions for the administration of the program and establish investment policies for the program, the Board contracted with TIAA-CREF Tuition Financing, Inc. (“TIAA-CREF”), to serve as MACS Program Manager. TIAA-CREF manages all investments for MACS and prepares audited statements for the investments under their management. Information from those statements is combined with Treasury Department funds to produce financial statements for the MACS Program (See Section III.C. below).

B. GENERAL INFORMATION

The College Savings Plans of Mississippi Board and the Mississippi Treasury Department are requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2010 through 2012. Separate audits and audit opinions are required for the separate financial statements of the MPACT and MACS Programs. The audits are to be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards issued by the Controller General of the United States, as well as the following additional requirements:

1. Special items or reports as prescribed by the State Auditor's office, copies of which will be furnished by the State Auditor's Office.
2. Compliance with applicable state law.

There is no expressed or implied obligation for the Board to reimburse responding firms for any expenses incurred in preparing proposals in response to this Request for Proposals (RFP).

To be considered, five copies of a proposal must be received by Kathryn Stewart, Director of College Savings Mississippi, at 501 N. West Street, Suite 1101, Jackson, MS 39201 or P.O. Box 120, Jackson, MS 39205 by no later than 5:00 PM on Thursday, March 18, 2010. The Board and the Mississippi Treasury Department reserve the right without prejudice to reject any or all proposals submitted. Proposals will be evaluated by the Budget / Audit Committee selected by the Board.

During the evaluation process, the Board, the Budget / Audit Committee and the Treasury Department reserve the right, where it may serve the best interest of the program, to request additional information or clarifications from bidders, or to allow corrections of errors or omissions. At the discretion of the Board or the Budget / Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Board reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly noted in the proposal submitted and confirmed in the contract between the Board and the selected firm.

It is anticipated that the selection of a firm will be completed by the week of April 23, 2010. Upon approval by the Board and the State Auditor's Office, a contract will be executed with the selected firm as soon as possible after that date.

C. TERM OF ENGAGEMENT

The Office of the State Auditor has given the Board the authority to execute a contract for professional auditing services for the three fiscal years ending June 30, 2010, 2011 and 2012.

II. NATURE OF SERVICES REQUIRED

A. GENERAL

The Board is soliciting the services of qualified firms of certified public accountants to audit the financial statements of both the MPACT and MACS Programs for the fiscal years ending June 30, 2010 through 2012. Separate audit opinions are required. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. SCOPE OF WORK TO BE PERFORMED

The Board desires the auditor to express an opinion on the fair presentation of the MPACT and MACS financial statements in conformity with generally accepted accounting principles.

The auditor is not required to audit the supporting schedules. However, the auditor is to provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The audit firm shall also perform the following procedures at the request of the State Auditor:

1. Examine the GAAP reporting packages and underlying records prepared by Treasury Department staff for completeness and accuracy for inclusion in the State of Mississippi's comprehensive annual financial report.
2. Assist and advise Treasury Department staff in preparing adjusting entries to the trial balances prepared by the Department of Finance and Administration (DFA) based on the GAAP Packages in order to adjust the trial balances.
3. The CPA firm should review the notes for compliance with applicable GASB statements and notify the State Auditor's authorized representative of noncompliance and errors.
4. Perform extensive audit work pertaining to disclosures related to Deposits and Investments in accordance with relevant GASB Statements.

5. Make available for review to the State Auditor's Office at the completion of the audit originals of all audit work papers, audit programs, audit planning materials, budget and time summaries, questionnaires, checklists, internal control evaluations, systems documentation, audit testing materials and related conclusions, and other work papers and memoranda.
6. Issue audit conclusion memoranda related to financial statements.
7. Prepare management letters in accordance with instructions provide by the State Auditor's Office.
8. Conduct an exit conference (upon giving prior notice to the State Auditor's office).
9. Obtain a plan of corrective action for MPACT and/or MACS in accordance with instructions provided by the State Auditor's Office.
10. Submit to the State Auditor's Office a letter of representation.

C. AUDITING STANDARDS TO BE FOLLOWED

To meet the requirements of this RFP, the audit shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the standards for financial audits set forth in the U. S. General Accounting Office's Government Auditing Standards.
2. Special items or reports prescribed by the State Auditor's Office, copies of which will be furnished by the State Auditor.
3. Compliance with applicable state laws.

D. REPORTS TO BE ISSUED

Following the completion of the audits of each fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
2. A report on the auditor's consideration of the Plans' internal control over financial reporting based upon an audit preferred in accordance with Governmental Auditing Standards.

In the required report on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process,

summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are considered to be material weaknesses shall be identified as such in the report.

Deficiencies that were not considered significant enough to be communicated as reportable conditions shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

3. A report on irregularities and illegal acts (if applicable).

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Budget / Audit Committee of the Board of Directors.

4. Reporting to the budget / audit committee.

Auditors shall assure themselves that the Budget / Audit Committee is informed of each of the following:

- a. The auditor's responsibility under generally accepted auditing standards
- b. Significant accounting policies
- c. Management judgments and accounting estimates
- d. Significant audit adjustments
- e. Other information in documents containing audited financial statements
- f. Disagreements with management
- g. Management consultation with other accountants
- h. Major issues discussed with management prior to retention
- i. Difficulties encountered in performing the audit

E. SPECIAL CONSIDERATIONS

1. The financial statements of MPACT and MACS are included as departments of the primary government of the State of Mississippi in the financial statements of the State of Mississippi. The auditor will be required to provide special assistance to the State of Mississippi's auditors, as necessary.
2. The MPACT Trust Fund's investment portfolio includes not only domestic equity and fixed income securities, but also international equity securities. Bidders should indicate in their proposals their level of experience in auditing such investments.

F. ACCESS TO WORKING PAPERS

The firm shall respond to the reasonable request of successor auditors relating to matters of continuing accounting significance. Working papers will be made available to the State Auditor's Office or Treasury Department staff.

III. DESCRIPTION OF THE GOVERNMENT ENTITY

A. NAME AND TELEPHONE NUMBERS OF CONTACT PERSONS

The auditor's principle contact with the Board and the Treasury Department will be Kathryn Stewart, Director, 359-2486, who will coordinate the assistance to be provided by the Treasury Department to the auditor.

B. LOCATION OF OFFICES

The Treasury Department's College Savings Plans Division offices are located in the Woolfolk State Office Building, 501 N. West Street, Suite 1101, Jackson, MS 39201. The mailing address is P. O. Box 120, Jackson, MS 39205.

C. FUND STRUCTURE AND BUDGETARY BASIS OF ACCOUNTING

MPACT operates two funds (a Trust Fund and an Administrative Fund) classified as Enterprise Funds under GAAP. Annual budgets are legally adopted as specified under GAAP for Enterprise Funds. The Trust Fund records all funds received from MPACT Purchasers and the investment of those funds. Payments of tuition benefits to educational institutions are also recorded in the Trust Fund. Portions of investment earnings and administrative fees charged are transferred to the Administrative Fund as authorized by legislative appropriation. The Administrative Fund records all administrative expenses for MPACT, including salaries, purchases of supplies and equipment, and contractual expenses.

MACS operates three funds (a Trust Fund, an Administrative Fund and an Endowment Fund) classified as private purpose trust funds (fiduciary funds) under GAAP and GASB 34. The Trust Fund records funds paid in by investors and the returns on the investment of those funds. Participant withdrawals are also recorded here. TIAA-CREF is responsible for the management of these funds and their investment, and provides to the Board and the Treasury Department annual audited statements on the funds under their management. The Administrative Fund records payments received into the State Treasury from TIAA-CREF for use in administering and marketing the Program, as well as the expenditure of those funds under legislative appropriation. The Endowment Fund records donations received for the purpose of providing scholarships and the investment of any such funds.

IV. TIME REQUIREMENTS

A. PROPOSED CALENDAR

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for Proposals Issued:	February 25, 2010
Deadline for Written Questions to be submitted:	March 5, 2010
Written Answers to Questions mailed by:	March 11, 2010
Due Date for Proposals:	March 18, 2010

B. NOTIFICATION AND CONTRACT DATES

Oral Presentations (If any)	Early April, 2010
Selected Audit Firm Notified:	Week of April 19, 2010
Contract Date:	As soon as possible after notification

C. DATE AUDIT MAY COMMENCE

Preliminary audit work on the June 30, 2010 audits may begin during the spring of 2010 at such time after the contract is signed as may be mutually agreed to by the auditor and the College Savings Plans Director.

Trial Balances on the MPACT and MACS funds as of June 30, 2010 will be completed by Treasury Department staff by the first week of August, 2010.

D. SCHEDULE FOR FISCAL YEAR 2010 AUDITS

1. The auditor shall provide the Treasury Department with a complete audit plan and a list of all schedules to be prepared by Treasury staff by August 6, 2010.
2. The auditor should complete all audit fieldwork by no later than September 30, 2010.
3. The auditor shall have a preliminary draft of the audit report available for review by the Budget / Audit Committee and the State Auditor's Office by October 18, 2010.

E. ENTRANCE CONFERENCE, PROGRESS REPORTING AND EXIT CONFERENCES

At a minimum, the following conferences should be held by the dates indicated on the schedule.

Entrance Conference with the College Savings Plans Director, staff and representative of the Budget / Audit Committee and the State Auditor's Office: April, 2010 *

- * This meeting will be used to establish overall liaison for the audit, to schedule preliminary audit work, and to make arrangements for work space and other needs of the auditor.

An Exit Conference with the College Savings Plans Director, staff and representative of the Budget / Audit Committee and the State Auditor's Office shall be held within thirty (30) days after the completion of all fieldwork. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings:

F. DATE FINAL REPORT IS DUE

Treasury Department staff shall prepare draft financial statements, GAAP Packages, notes and all required supplementary schedules for the MPACT and MACS Annual Financial Report by September 21, 2010. The auditor shall provide all recommendations, revisions and suggestions for improvement to the MPACT Director by September 30, 2010. A preliminary draft of the audit report, financial statements, notes and all required supplementary schedules shall be delivered to the College Savings Plans Director by October 18, 2010. *These dates are contingent upon the timely receipt of actuarial information from MPACT's consulting actuaries.*

The Director and the Budget / Audit Committee will complete their review of the preliminary draft as expeditiously as possible. During that period the auditor should be available for any meetings that may be necessary to discuss the audit report. Once all issues for discussion are resolved, the final signed report shall be delivered to the College Savings Plans Director within twenty (20) working days.

A sufficient number of copies of the final report to present one to each member of the Board of Directors shall be delivered to Kathryn Stewart, Director, College Savings Plans, at the Treasury Department's Offices.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. ADMINISTRATIVE AND CLERICAL ASSISTANCE

Treasury staff will be available during the audit to assist the audit firm by providing information, documentation and explanations.

B. WORK AREA, TELEPHONES, PHOTOCOPYING AND FAX MACHINES

The Treasury Department will provide the auditor with reasonable work space, desks and chairs. The auditor will also have access to telephones, photocopying facilities and a fax machine.

C. FINANCIAL STATEMENT PREPARATION

Treasury Department staff will prepare the financial statements, notes and supporting schedules for auditor review.

VI. PROPOSAL REQUIREMENTS

A. GENERAL REQUIREMENTS

1. Inquiries

Respondents are encouraged to submit any questions they may have regarding this RFP by 5:00 p.m. CDT on Friday, March 5, 2010 to:

Kathryn Stewart
Director, College Savings Plans
Mississippi Treasury Department
P.O. Box 120
Jackson, MS 39205-0120
Fax: (601) 359-5234
E-mail: kstewart@treasury.state.ms.us

Written questions may be submitted by mail, fax or e-mail. The Mississippi Treasury Department accepts no responsibility for late delivery or failed transmission. Written responses to all written questions will be sent to all firms receiving this RFP as soon as possible, but by no later than 5 p.m. CDT on Thursday, March 11, 2010.

Contact with members of the Board or personnel of the Treasury Department other than Kathryn Stewart regarding this request for proposals may be grounds for elimination from the selection process.

2. Submission of proposals

The following material is required to be received by 5:00 PM on Thursday, March 18, 2010 in order for a proposing firm to be considered for this engagement:

A. Five copies of a proposal, including the following:

(1) Title Page

A title page showing the firm's name, address, telephone number, contact person and the date of the proposal.

(2) Table of Contents

(3) Transmittal Letter

A signed letter of transmittal briefly stating the bidder's understanding of the work to be done, the commitment to perform the work within the specified guidelines and time period, a statement as to why the firm believed itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for two (2) months.

(4) Detailed proposal

The detailed technical proposal should follow the order set forth below in Section VI. B of this RFP.

(5) Executed copies of Bidder Guarantees and Warranties attached to this RFP (Appendix A).

(6) A completed cost proposal (Appendixes B & C)

B. Bidders should deliver the completed proposal as specified above to the following address:

Kathryn Stewart
Director, College Savings Plans
Mississippi Treasury Department
501 West Street, Suite 1101
Jackson, MS 39201

OR

P. O. Box 120
Jackson, MS 39205

B. TECHNICAL PROPOSAL

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of MPACT and MACS in conformity with the requirements of the RFP. As such, the substance of proposals will carry more weight than their form or method of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The technical proposal should address all the points outlined in the RFP and cover letter. The proposal should be prepared simply and economically, providing a straightforward, concise description of the bidder's capabilities to satisfy the requirements of this RFP. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

2. Specific Requirements

- A. Independence: The firm should provide an affirmative statement that it is independent of the Board, the State of Mississippi, the Mississippi Treasury Department and any other component units of that entity, as defined by generally accepted auditing standards.
- B. License to Practice in Mississippi: An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Mississippi.
- C. Firm Qualifications and Experience: The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of professional staff to be assigned to this engagement.

The MPACT Trust Fund's investment portfolio includes not only domestic equity and fixed income securities, but also international equity securities. Bidders should indicate in their proposals their level of experience in auditing such investments.

If the bidder is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations. The firm shall also provide a copy of the report on the firm's most recent external quality control review, with a statement whether that quality review included a review of specific government engagements.

- D. Partner, Supervisory and Staff Qualifications and Experience: The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who will be assigned to this engagement and indicate whether each such person is licensed to practice as a certified public accountant in Mississippi. The proposal should also provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement.

The firm should also indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Board. However, the Board retains the right, in either case, to approve or reject replacements.

Consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written approval of the Board, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the bidder provided that replacements have substantially the same or better qualifications or experience.

- E. **Prior Engagements with the Board or the Mississippi Treasury Department:** The firm should list all engagements performed within the past five (5) years for the Board or the Mississippi Treasury Department. For each engagement, the firm should indicate the scope of the work, date, engagement partners, and the total hours.
- F. **Similar Engagements with Other Governmental Entities:** For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (Maximum of five) performed in the last five years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work performed, date, engagement partners, total hours, and name and telephone number of the principal client contact.
- G. **Specific Audit Approach:** The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this RFP. In developing the work plan, reference should be made to such sources of information as the MPACT and MACS draft financial statements and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Bidders will be required to provide the following information on their audit approach:

1. Proposed segmentation of the engagement.
2. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
3. Sample sizes and the extent to which statistical sampling is to be used in the engagement.
4. Extent of use of EDP software in this engagement.

5. Type and extent of analytical procedures to be used in the engagement.
6. Approach to be taken to gain and document an understanding of MPACT's internal control structure.
7. Approach to be taken in determining laws and regulations that will be subject to audit test work.
8. Approach to be taken in drawing audit samples for purposes of tests of compliance.

G. Identification of anticipated Potential Audit Problems: The proposal should identify and describe any anticipate potential audit problems, the firm's response to resolving those problems and any special assistance that will be requested from Treasury Department staff.

H. Report Format: The proposal should include sample formats for the required reports.

C. DOLLAR COST BID

1. Total all-inclusive maximum price: The dollar cost bid should contain all pricing information relative to performing the audit engagement. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The format should be as shown in Appendix B to this RFP.

The Board requests a detailed bid for the fiscal year ending June 30, 2010 and a combined bid for the three fiscal years ending June 30, 2010 through 2012 (See Appendix B). The Board reserves the right to award a contract for only the first year, or for multiple years under one contract.

The Board will not be responsible for expenses incurred in preparing and submitting the firm's proposal. Such costs should not be included in the proposal.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each: The dollar cost bid should included a schedule of professional fees and expense, presented in the format provided in the attachment (Appendix B) that supports the total all-inclusive maximum price.
3. Out-of-Pocket Expenses Included in the Total All-Inclusive Maximum Price Bid: Out-of-pocket expenses for firm personnel (e.g. travel, lodging and subsistence) will be reimbursed at the rates used by the Treasury Department for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented in the dollar cost bid as shown on Appendix B. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.
4. Rates for Additional Professional Services: If it should become necessary for the Board to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the

contract between the Board and the firm. Any such additional work agreed to between the Board and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.

5. Manner of Payment: Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost proposal. Interim billings shall cover a period of not less than a calendar month. In no case will the Treasury Department pay in advance for work not yet performed. The Board and the Treasury Department reserves the right to withhold up to ten percent (10%) from each invoice pending completion of the firm's final report and delivery of all requested memoranda, notes and adjustments, if any, as identified in Section II.B of this RFP.

D. BACKGROUND INFORMATION TO BE PROVIDED

1. Does your firm have any current or previous audit clients that have filed for bankruptcy or reorganization in the past five years? If so, what type of opinion was given in an audit report submitted by your firm within eighteen months prior to the initial filing? If an unqualified opinion was given, did your report include an explanatory paragraph in accordance with the provisions of Statement of Auditing Standards Number 59, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"?
2. Is there any pending or settled litigation against your firm relating to accounting auditing, tax or other services within the last five years?
3. Does your firm have any current or previous clients who are or were under investigation by any federal or state regulatory, governing or oversight entity within the past five years?
4. Provide a list of your firm's largest ten current and previous audit and tax clients ranked by fees for your fiscal years 2008 and 2009.
5. Has your firm received notice of any request to appear or respond to inquiries of the State Board of Public Accountancy concerning your firm or any of your clients during the past five years? If so, please provide information on the nature of these inquiries.

VII. EVALUATION PROCEDURES

A. BUDGET / AUDIT COMMITTEE

Proposals submitted will be evaluated by the Budget / Audit Committee selected by The Board of Directors, as well as by Treasury Department staff.

B. REVIEW OF PROPOSALS

The Budget / Audit Committee will use a point formula during the review process to score proposals. Each member will first score each technical proposal by each of the criteria described in Section VII.C. below. The Budget/ Audit Committee will convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from consideration.

After the composite technical score is established, a price score will be established following the same procedure as above.

The technical score and the price score will be added together to determine a total score for each proposal. The firms with the highest technical scores will receive primary consideration for contract. The price will also be an important factor, since the Board wants the highest qualified firm at the lowest possible price. On this basis, the Board retains the right to negotiate with any firm. The Board reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. EVALUATION CRITERIA

Proposals will be evaluated using three (3) sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Mississippi.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the Board or the State of Mississippi.
- d. The firm adheres to the instructions in the RFP on preparing and submitting the proposal.

2. Technical Qualifications: (Maximum Points - 75)

- a. Expertise and Experience: (Maximum Points - 38)

- 1) The firm's past experience and performance on comparable governmental engagements.
 - 2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
 - 3) The firm's past experience and performance on audits of investment programs, such as pension funds.
- b. Audit Approach (Maximum Points - 37)
- 1) Adequacy of proposed staffing plan for various segments of the engagement.
 - 2) Adequacy of sampling techniques.
 - 3) Adequacy of analytical procedures.
 - 4) Adequacy of audit plan for electronic data processing function.
 - 5) Adequacy of review procedures relating to actuarial results.
3. Price: (Maximum Points - 25)
- Cost will be important, although not the primary factor in the selection of an audit firm.

D. ORAL PRESENTATIONS

During the evaluation process, the Budget / Audit Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Budget/ Audit Committee may have on the firm's proposal. Not all firms may be asked to make such oral presentations.

E. FINAL SELECTION

The College Savings Plans of Mississippi Board of Directors will select a firm based upon the recommendation of the Budget / Audit Committee.

F. RIGHT TO REJECT PROPOSALS

The Board reserves the right to award by item, part or portion of an item, group of items or total proposal, to reject any and all proposals in whole or in part, and to waive any informality or technical defects if, in the Board's judgment, the best interest of the Board will be so served.

G. CONTRACT APPROVAL

The Board reserves the right to incorporate standard State of Mississippi contractual provisions into any agreement executed as a result of this RFP. Appropriate State contract laws, terms, and conditions will apply. The contract will be reviewed by the Board's legal counsel as to legality of form and compliance with State laws and the terms and conditions of this RFP. The contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of laws provisions, and any litigation with respect thereto shall be brought in the courts of the state. The contractor shall comply with applicable federal and state local laws and regulations. The contract shall also be governed by the applicable provisions of the Personal Service Contract Review Board Regulations, a copy of which is available at 301 North Lamar Street, Jackson, MS for inspection.

The content of the proposal of the successful Respondent, or parts thereof, together with the specifications contained in this RFP, will become part of any duly issued contract between the Board and the successful Respondent. Failure of the Respondent to accept these provisions may result in cancellation of the award.

Mississippi State Personnel Board regulations require approval of audit service contracts by the State Auditor's Office and prior to execution of a contract. There is no contract prior to the execution and signing of a contract by the Board and the bidder.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Board and the firm selected.

H. ACKNOWLEDGMENT OF AMENDMENTS.

Should any amendments to this RFP be necessary, Bidders shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the bid, by identifying the amendment number and date in the space provided for this purpose on the bid form, or by letter. The acknowledgment must be received by the Treasury by the time and at the place specified for receipt of bids.

Appendix A: Bidder Guarantees & Warranties

1. The bidder certifies it can and will provide and make available, at a minimum, all services set forth in Section II (Nature of Services Required) of this Request for Proposals for Professional Auditing Services dated February 25, 2010. The bidder warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of officers, employees or agents thereof.
2. The bidder warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Board.
3. The bidder warrants that all information provided by it in connection with this proposal is true and accurate.
4. The prospective contractor represents as a part of such contractor's bid or proposal that such contractor has not retained any person or agency on a percentage, commission, brokerage or other contingent arrangement to solicit or secure this contract.
5. The bidder represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 7-204 (Gratuities) of the Mississippi Personal Service Contract Procurement Regulations.
6. The bidder certifies that the prices submitted in response to the solicitation have been arrived at independently and without - for the purpose of restricting competition - any consultation, communication or agreement with any other bidder or competitor relating to those prices, the intent to submit a bid, or the methods or factors used to calculate the prices bid.

Signature of Official: _____

Name (Typed): _____

Title: _____

Firm Name: _____

Date: _____

**Appendix B:
Schedule of Professional Fees and Expenses
for the Audit of the MPACT Fiscal Year 2010, 2011 and 2012
Financial Statements**

	Hours	Standard Hourly Rates	Quoted Hourly Rates *	Total
Partner	_____	\$ _____	\$ _____	\$ _____
Manager	_____	\$ _____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____	\$ _____
Staff	_____	\$ _____	\$ _____	\$ _____
Other (Specify)	_____	\$ _____	\$ _____	\$ _____
			Sub-total:	\$ _____

Total for services described in Section II of the Request for Proposals (Detail on subsequent schedules):

Out-of-Pocket Expenses:

Meals & Lodging:	\$ _____		
Transportation:	\$ _____		
Other (Specify)	\$ _____	Total Out-of-Pocket Expenses	\$ _____

Total All-Inclusive maximum price for fiscal year 2010 MPACT audit: \$ _____

Total All-Inclusive maximum price for fiscal year 2011 MPACT audit: \$ _____

Total All-Inclusive maximum price for fiscal year 2012 MPACT audit: \$ _____

Total All-Inclusive maximum price for fiscal year 2010 through 2012 MPACT audits: \$ _____

* NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total.

**Appendix C:
Schedule of Professional Fees and Expenses
for the Audit of the MACS Fiscal Year 2010, 2011 and 2012
Financial Statements**

	Hours	Standard Hourly Rates	Quoted Hourly Rates *	Total
Partner	_____	\$ _____	\$ _____	\$ _____
Manager	_____	\$ _____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____	\$ _____
Staff	_____	\$ _____	\$ _____	\$ _____
Other (Specify)	_____	\$ _____	\$ _____	\$ _____
			Sub-total:	\$ _____

Total for services described in Section II of the Request for Proposals (Detail on subsequent schedules):

Out-of-Pocket Expenses:

Meals & Lodging:	\$ _____		
Transportation:	\$ _____		
Other (Specify)	\$ _____	Total Out-of-Pocket Expenses	\$ _____

Total All-Inclusive maximum price for fiscal year 2010 MACS audit: \$ _____

Total All-Inclusive maximum price for fiscal year 2011 MACS audit: \$ _____

Total All-Inclusive maximum price for fiscal year 2012 MACS audit \$ _____

Total All-Inclusive maximum price for fiscal year 2010 through 2012 MACS audits: \$ _____

* NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total.