June 26, 2026

REQUEST FOR PROPOSAL

EXTERNAL QUALITY ASSESSMENT

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300 NORTH LAKE AVENUE, SUITE 870
PASADENA, CA 91101

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EXHIBITS LIST

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
REQUEST FOR PROPOSAL (RFP)
EXTERNAL QUALITY ASSESSMENT OF THE INTERNAL AUDIT DIVISION
JUNE 26, 2026

1. **INTRODUCTION**

1.1. Purpose of Request

The Los Angeles County Employees Retirement Association (LACERA) is seeking proposals from qualified firms to perform an External Quality Assessment (EQA). The EQA shall include benchmarking activities and the identification and reporting of leading practices to enhance the efficiency and effectiveness of LACERA's Internal Audit function in accordance with The Institute of Internal Auditors' Global Internal Audit Standards, effective January 2025.

The EQA shall evaluate the Internal Audit Division's conformance with the Global Internal Audit Standards, including the Purpose of Internal Auditing; Ethics and Professionalism; Governing the Internal Audit Function; Managing the Internal Audit Function; and Performing Internal Audit Services. The EQA shall include a review of governing documents, policies, procedures, methodologies, selected audit workpapers, reports, quality assurance activities, and other evidence of conformance. The IIA Quality Assessment Manual and other applicable IIA guidance shall be used to guide the assessment and support evaluation.

LACERA invites qualified firms to respond to this RFP.

1.2. Background Information

LACERA, a $90 billion public pension fund, is a tax-qualified defined benefit public pension fund established to administer retirement, disability, and death benefits for the employees of the County of Los Angeles and other participating agencies pursuant to the County Employees Retirement Law of 1937 (CERL) (California Government Code Section 31450, et seq.), the California Public Employees' Pension Reform Act of 2013 (PEPRA) (California Government Code Section 7522, et seq.), LACERA's Bylaws and Board Policies, and other applicable California law. LACERA also administers the County's medical and dental retiree health benefits program.

LACERA operates as an independent governmental entity separate and distinct from Los Angeles County and the other participating agencies. LACERA has approximately 200,000 members, including 99,000 active members and 79,000 retired members. About 159,000 retired members and survivors take part in the medical and dental retiree healthcare programs. In addition to benefits administration, the fund invests in assets to support payment of the promised pension benefits as well as additional sums to support the retiree healthcare program.

The Respondent(s) selected through this RFP process will be recommended to LACERA's Joint Audit, Compliance, Risk, and Ethics (ACRE) Committee for approval. The ACRE Committee is made up of seven members: three elected annually from each Board and the ex-officio member of both Boards, the Los Angeles County Treasurer. The ACRE Committee assists the Board of Retirement (BOR) and the Board of Investment (BOI) in fulfilling their fiduciary oversight responsibilities. The ACRE Committee focuses on matters relating to finance, investments, and operations, and oversees LACERA's governance activities, including risk management practices and related internal controls. Within each organizational area, the ACRE Committee oversees four primary functions: policies and programs, monitoring and enforcement, contracting and coordination, and reporting and communication.

The Internal Audit Division.
Established in 1992, LACERA's Internal Audit is comprised of eleven employees including the Chief Audit Executive (CAE), two Principal Internal Auditors, six Senior Internal Auditors, one Internal Auditor, and an Administrative Assistant. The mission of Internal Audit is to provide independent, objective assurance and advisory services designed to add value and improve the organization's operations. The CAE reports directly to LACERA's ACRE Committee for functional purposes and administratively to LACERA's Chief Executive Officer (CEO).

2. **SCOPE OF SERVICES**

The External Assessor shall evaluate, at a minimum, the following elements of Internal Audit:

- CAE reporting lines, organizational independence, annual independence confirmation, and quality assurance framework
- Organization, structure, mandate, charter, authority, role, responsibilities, and scope of the Internal Audit function
- Board and senior management essential conditions, including ACRE Committee oversight, support, approval responsibilities, and unrestricted access expectations
- Risk assessment methodology and engagement planning processes
- Internal audit strategy, performance objectives, performance measurement methodology, and continuous improvement activities
- Professional proficiency and development of audit staff
- Financial, human, and technological resources to support audit work
- Productivity, performance, and value delivery
- Selected audit workpapers, reports, engagement planning documentation, risk assessments, work programs, supervisory review evidence, and follow-up documentation
- Interviews with the ACRE Committee Chair and Committee members
- Interviews with executive and senior management
- Interviews with Internal Audit staff and external auditor
- Review of the Internal Audit function's coordination and reliance activities with internal and external assurance providers

KEY PROCEDURES

As part of the EQA, the External Assessor shall perform the following procedures:

- Provide an independent opinion on the Internal Audit function's conformance with the Global Internal Audit Standards
- Assess the design and effectiveness of the Quality Assurance and Improvement Program (QAIP)
- Evaluate compliance with applicable laws, regulations, and governance requirements
- Assess the effectiveness of the Internal Audit function in relation to its mandate, charter, strategy, stakeholder expectations, and organizational objectives
- Identify leading practices and opportunities to enhance the Internal Audit

function's value, impact, quality, and contribution to governance, risk management, and control processes

- Evaluate coordination with governance stakeholders, including enterprise risk management, compliance, external auditors, and other assurance providers
- Assess the methodology used to develop the audit universe, organization wide risk assessment, and dynamic risk-based internal audit plan
- Evaluate resource adequacy, including financial, human, and technological resources, to ensure appropriate audit coverage and successful achievement of the internal audit plan
- Assess staff qualifications, professional development, competencies, use of audit tools, and adherence to documented methodologies
- Evaluate engagement-level conformance with the Standards, including engagement communication, risk assessment, objectives and scope, evaluation criteria, work programs, information gathering, analysis, findings, recommendations, conclusions, documentation, and monitoring of action plans
- Evaluate the application of the Global Internal Audit Standards in a public sector environment, including governance structure, transparency requirements, public accountability, funding considerations, and applicable legal or regulatory requirements
- Evaluate stakeholder perceptions through surveys and interviews
- Identify opportunities to enhance policies, practices, and coordination with external auditors

Refer to EXHIBIT D – STATEMENT OF WORK for further information and details.

3. MINIMUM QUALIFICATIONS

All Respondents must clearly show and document in the proposal the following minimum qualifications:

A. The consultant/firm has provided services consistent with the services requested in this RFP for the past 10 years.
B. The consultant or team lead assigned to this engagement has experience that is comparable to that of the Chief Audit Executive of LACERA
C. The consultant or at least one member of the team has a Certified Internal Auditor (CIA) Designation.
D. The consultant/team has a thorough understanding of current internal audit practices and the International Professional Practices Framework (IPPF) and its application, sound judgment, and good communication and analytical skills as they relate to external audit assessments.
E. The consultant/team possess or has ready access to all the necessary technical expertise (e.g., governance, IT, risk management, internal audit attributes, management consulting, and internal audit management).
F. The consultant or at least one team member has knowledge of the organization's industry, service, or internal audit.

4. INSTRUCTIONS TO RESPONDENTS

4.1. RFP Important Dates

The following table provides a tentative schedule of important dates and deadlines for this RFP. All dates are subject to modification by LACERA without notice.

Event Description	Date *(tentative)*
RFP release date	June 26, 2026
Intent to Respond closing date	July 17, 2026
Written questions from Respondents due date	July 17, 2026
LACERA's response to Respondents' questions	July 22, 2026
RFP due date	July 30, 2026
Selection Notification (estimate)	August 7, 2026
ACRE Approval of Selected Vendor	August 19, 2026
Commencement of work	September 1, 2026
Present EQA Report to ACRE	November 18,2026

4.2. Response Requirements and Formatting

Respondents to this RFP must submit the following for delivery no later than **5:00 PM PDT** on July 30, 2026 via email to aochoa@lacera.gov.

Respondents must provide an electronic copy of the proposal in PDF or Microsoft Word format.

If Respondent requires any confidential information to be exempt from public disclosure, then submissions should also include one **unbound** copy, and one **electronic copy**, each marked "**CONFIDENTIAL**." The redacted copies should redact all material from the proposal that the Respondent believes in good faith is exempt from disclosure under the California Public Records Act, (California Government Code section 7920.000, et seq., the "Act"). Redactions should appear as blacked out material. Large sections, tables, or entire blank page(s) shall include the word "CONFIDENTIAL" or "PROPRIETARY" inserted. Each Respondent must indicate the basis for each redaction under the Act (defined below) with a citation to the code section and subsection relied upon. LACERA cannot guarantee that redacted information will not be publicly available. Please see the **Section 6** below "*Notice to Respondents Regarding the Public Records Act AND RALPH M. BROWN ACT*" for further information. An electronic copy of both the original and the redacted response in PDF format saved on separate electronic files, each labeled accordingly.

All responses to this RFP should follow the outline of the RFP requirements and should fully respond to each section as appropriate and to all requirements in Exhibit B and should contain at a minimum:

4.2.1.1. Cover Letter. A cover letter (1 page) shall be signed by the individual(s) who is (are) authorized to bind the Respondent contractually. The letter shall contain a statement to the effect that the Respondent is not currently under investigation by any regulatory agency, state or federal, for any reason. The letter should identify your firm's competitive advantage, the specific team that will be working on the LACERA account, and the reasons why the firm should be selected.

4.2.1.2. Minimum Qualifications Certification. You must certify, by completing and signing EXHIBIT C, that your firm meets the minimum qualifications required.

4.2.1.3. Table of Contents. The response must contain a Table of Contents that identifies the major sub-sections of the Questionnaire.

4.2.1.4. Proposal Requirements. Provide your response to the Proposal Requirements (EXHIBIT B). Responses shall be in the prescribed format.

4.2.1.5. Attachments. Optional material such as brochures or company information may be included as an attachment but will not be counted as responsive to this RFP and will not be used in scoring.

4.2.2. All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the submission deadline. Responses to this RFP may be changed or withdrawn in writing if modifications are received prior to the submission deadline. Modification to or withdrawal of a proposal received after the submission deadline will not be considered. Responses received after the specified deadline may be considered for evaluation solely at the discretion of LACERA. In addition, LACERA reserves the right to request more information or clarifications from Respondents, or to allow corrections of errors or omissions.

4.2.3. Proposals not following these instructions or not including complete information as requested may result in a lower evaluation score or the proposal being declared non-responsive. For each part of the response, restate the RFP item immediately above the response. Pages in the proposal shall be numbered. When asked, please provide details, and state all qualifications or exceptions. All information supplied should be concise and relevant to qualifications.

4.3. Contacts with LACERA Personnel

Contacts with LACERA personnel about this RFP, and all inquiries and requests for information shall be directed to the Point of Contact identified below:

Alex Ochoa Internal Auditor LACERA	
Gateway Plaza 300 North Lake Avenue, Suite 870 Pasadena, CA 91101-4199	Email: aochoa@lacera.gov Phone: 626-603-2477

4.4. Quiet Period

To ensure that prospective Respondents to this RFP have equal access to information about the RFP and communications related to the RFP are consistent and accurate so that the selection process is efficient and fair, a quiet period will be in effect from the date of issuance of this RFP until the selection of one or more Respondents is completed and announced.

This RFP and other relevant information related to the RFP, including addenda, modifications, answers to questions, and other updates, will be available to the public at lacera.gov. Each Respondent to this RFP will be subject to the same terms and conditions and will receive the same information.

During the quiet period, Respondents are not allowed to communicate with any LACERA staff member or Board member regarding this RFP except through the point of contact named herein. Respondents violating the quiet period may be disqualified at LACERA's discretion. Respondents who have existing relationships with LACERA must limit their communications between LACERA staff and Board members to the subject of the existing services provided by them.

4.5. Questions relating to this RFP

All questions, inquiries, and requests for additional information concerning this RFP should be received no later than 5:00 PM PDT, July 17, 2026, and should be emailed to aochoa@lacera.gov. All questions received and responses thereto will be posted on LACERA's website (www.lacera.gov) under the "Business Opportunities" section that relates to this RFP (https://www.lacera.gov/who-we-are/business-opportunities) on or about 5:00 PM PDT, July 22, 2026.

4.6. Intent to Respond

If your firm chooses to respond to this RFP, please send the Intent to Respond, EXHIBIT A, via email to aochoa@lacera.gov, by 5:00 p.m. PDT, July 17, 2026. Failure to send your Intent to Respond may disqualify your firm from submitting a response to this RFP.

5. **EVALUATION CRITERIA AND SELECTION PROCESS**

LACERA staff will review and score all complete, responsive proposals against a set criteria. LACERA may, at its option and in any order, shortlist top-ranked firms, conduct interviews or request presentations, submit written follow-up questions, and check references before recommending one or more firms to the ACRE Committee. Participation in any step does not guarantee selection, and LACERA reserves the right to request additional information at any time.

LACERA imposes a Best Value Standard and will award based on best value to LACERA — the proposal offering the optimal combination of qualifications, experience, methodology, team, and fee, as determined by LACERA in its sole discretion — which may not be the proposal offering the lowest fee or achieving the highest score.

6. **NOTICE TO RESPONDENTS REGARDING THE PUBLIC RECORDS ACT AND THE RALPH M. BROWN ACT**

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 7920.000, et. seq., the “Act”). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a Respondent believes that any portion of its proposal is exempt from public disclosure or discussion under the Act, the Respondent must provide a full explanation and mark such portion “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY,” and make it readily separable from the balance of the response. Proposals marked “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY” in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY,” a Respondent represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and a Respondent may be required to justify in writing why such material should not be disclosed by LACERA under the Act. Fee and pricing proposals are not considered “TRADE SECRET,” “CONFIDENTIAL” or “PROPRIETARY.”

If LACERA receives a request pursuant to the Act for materials that a Respondent has marked “TRADE SECRET,” “CONFIDENTIAL” or “PROPRIETARY,” and if LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will deny disclosure of those materials. LACERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed appropriate in LACERA’s sole discretion. LACERA retains the right to disclose all information provided by a Respondent and will make its own independent determinations as to what materials are subject to production under the Act without regard to redactions or markings.

If LACERA denies public disclosure of any materials designated as “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY,” the Respondent agrees to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its Boards, officers, fiduciaries, employees, and agents from and against:

1. All claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation attorneys’ fees, expenses, and court costs of any nature whatsoever (collectively, Claims) arising from or relating to LACERA’s non-disclosure of any such designated portions of a proposal; and

2. All Claims arising from or relating to LACERA’s public disclosure of any such designated portions of a proposal if LACERA determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any Respondent to the Boards for hiring, such recommendation, the reasons for the recommendation, and the relevant proposal(s) will appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

Nothing in this RFP requires LACERA to withhold any documents from production under the Act.

7. **<u>DIVERSITY, EQUITY, AND INCLUSION</u>**

LACERA values diversity, equity, and inclusion ("DEI"), and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA takes a broad view of diversity, inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender identity, disability status, national origin, and culture. LACERA expects its business partners to respect and reflect LACERA's value of DEI.
With respect to diversity, please include in your proposal responses to the following:

- Description of diversity policies, practices, and procedures maintained by the firm regarding equal employment opportunity, including the recruitment, development, retention, and promotion of a diverse and inclusive workforce, non-discrimination based on gender, race, ethnicity, sexual orientation, age, disability status, veteran's status, and other legally protected categories, and prohibition of sexual harassment in the workplace. If the Respondent has written policies that address these matters, provide copies along with the response to this RFP.
- The oversight, monitoring, and other compliance processes for implementation and enforcement of the firm's diversity policies, practices, and procedures, including the name of the individual who is responsible for oversight of the firm's method to measure the effectiveness of the policies, and conclusions as to effectiveness.
- Any judicial, regulatory, or other legal findings, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past ten (10) years

8. **<u>NOTICE TO RESPONDENTS REGARDING LACERA DATA PROTECTION</u>**

LACERA, its consultants, vendors, and contractors have a duty to protect all LACERA data, including without limitation, information related to members and beneficiaries, finances, systems, and operations.

The finalist selected through this procurement will have access to sensitive information protected by LACERA's internal policies, State, and Federal law. In such a case, by submitting a proposal, Respondent agrees to subject itself to certain contractual terms designed to protect such information, including without limitation cyber liability insurance, SOC-2 reports (or, in the alternative, a Security Controls Assessment as per EXHIBIT E). Respondents shall inform LACERA in their response if they have any limitations to agreeing to such terms. Respondents that do not make reservations shall lose their right to do so at the contracting phase.

9. **<u>CONTRACT NEGOTIATIONS</u>**

Upon ACRE Committee approval, staff will enter contract negotiations with the approved

Respondent(s). LACERA may end negotiations, at its sole discretion, if it believes a satisfactory agreement cannot be negotiated. LACERA reserves the right to award a contract based upon proposals received; you should not rely upon the opportunity to alter your proposal (e.g., services to be provided, fees, etc.) during contract negotiations.

The final contract must allow LACERA to terminate a) for its convenience, b) if funds are not appropriated for the services to be provided, and c) for default.

10. SUBCONTRACTORS

Respondents must disclose in their proposals any subcontractors they intend to use in performing the services under this RFP, including the identity and proposed role of each subcontractor. LACERA must approve all subcontractors in advance and reserves the right to reject any proposed subcontractor in its sole discretion. All approved subcontractors shall be bound by the same terms and obligations as the Respondent under any resulting agreement, including without limitation confidentiality, data protection, insurance, and compliance requirements. The Respondent remains fully responsible to LACERA for all work performed by any approved subcontractor.

11. RESERVATIONS BY LACERA

In addition to the other provisions of this RFP, LACERA reserves the right to:

11.1. Cancel or modify this RFP, in whole or in part, at any time.

11.2. Make such investigation as it deems necessary to determine the Respondent's ability to furnish the required services, and the Respondent agrees to furnish all such information for this purpose as LACERA may request.

11.3. Reject the proposal of any Respondent who has failed to comply with the requirements of this RFP, or who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner or for any other reason in LACERA's sole discretion.

11.4. Waive irregularities to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.

11.5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of LACERA in LACERA's sole discretion, which may not be the proposal offering the lowest fees or achieving the highest score.

11.6. Request additional documentation or information from Respondents. Requested information may vary by Respondent. LACERA may ask questions of any Respondent to seek clarification of a proposal or to ensure the Respondent understands the scope of the work or other terms of the RFP.

11.7. The right to choose to not enter into an agreement with any of the Respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.

11.8. Determine the extent, without limitation, to which the services of a successful Respondent are or are not actually utilized.

11.9. Defer selection of a winning bidder to a time of LACERA's choosing.

11.10. Consider information about a Respondent in addition to the information submitted in the response or interview.

11.11. Add terms and conditions during contract negotiations.

11.12. The information that a Respondent submits in response to this RFP becomes the exclusive property of LACERA. LACERA will not return any proposal or reimburse proposal preparation expenses.

LACERA shall not be liable for any costs Respondents incur in connection with the preparation or submission of a proposal.

12. **PROTEST AND APPEALS PROCEDURE**

Any Respondent that believes LACERA has failed to follow the procedures set forth in this RFP may file a written protest with LACERA's Vendor Management Team. The protest must: (a) be submitted in writing within ten (10) calendar days of the date the Respondent knew or should have known of the action or omission giving rise to the protest; (b) clearly identify the grounds for the protest and cite the specific section(s) of this RFP allegedly not followed; (c) describe the harm suffered or anticipated; and (d) propose a specific remedy.

Protests must be submitted in writing to: Vendor Management Team, Los Angeles County Employees Retirement Association, 300 North Lake Avenue, Suite 650, Pasadena, CA 91101, vendormanagement@lacera.gov. LACERA's Vendor Management Team, in coordination with LACERA's Legal Office and Compliance functions, will review all written protests and provide a written response within thirty (30) calendar days of receiving a complete protest.

The filing of a protest does not stay the procurement process unless LACERA determines, in its sole discretion, that a stay is warranted. LACERA reserves the right to award contracts or take other actions while a protest is pending. LACERA's final determination on all protests is binding.

(*The rest of this page is left intentionally blank*)

EXHIBIT A

INTENT TO RESPOND

Intent to Respond.

If you choose to respond to this RFP, please send this form to aochoa@lacera.gov via email no later than 5:00 p.m. PT, July 17, 2026. Failure to send your Intent to Respond may disqualify your firm from submitting a proposal.

LACERA's responses to written requests for clarification or other information will be provided to all Respondents that have submitted an Intent to Respond.

To:	Alex Ochoa	**From:**	
Co.:	LACERA – Internal Audit	**Title:**	
		Co.:	
Phone:	626-603-2477	**Phone:**	
Email:	aochoa@lacera.gov	**Email:**	
Re:	Intent to Respond	**Date:**	

Our firm intends to submit a response for LACERA's RFP for External Quality

Assessment of the Internal Audit Division. Please send inquiries to the following contact:

Name: ______________________________

Title: ______________________________

Company: ______________________________

Mailing Address: ______________________________

Telephone: ______________________________

Facsimile: ______________________________

Email Address: ______________________________

EXHIBIT B

PROPOSAL REQUIREMENTS
(TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)

PROPOSAL REQUIREMENTS
Proposal Contents
Response to this RFP must be prepared and submitted according to the specifications set forth below, both for content and sequence. The proposal must provide a straightforward and concise description of the Proposer's capabilities to satisfy the requirements indicated in this RFP. Failure to adhere to these specifications may be cause for rejection of the proposal.

Section Title
1. Cover Letter
2. Table of Contents
3. Company Background & Experience
4. Qualifications and Experience of Team
5. References
6. Project Planning and Approach
7. Pricing

1. Cover Letter

This letter should provide a statement to explicitly affirm that the signatory on the cover letter is empowered and authorized to bind the vendor to the contract.

2. Table of Contents

Your proposal must include a table of contents identifying the proposal sections and corresponding page numbers.

3. Company Background & Experience

In this section we request that you provide an overview of your company including, but not limited to:
a) A brief history of your company that includes the number of years your firm has been in existence, and experience directly related to the services that we are seeking.

b) The location of your corporate headquarters. Be sure to provide the address and contact information of your headquarters and, if applicable, local offices.

c) Key success factors and what differentiates you from your competitors as well as any awards or certificates received.

d) A Statement indicating the Proposer's understanding and commitment to providing LACERA with the consulting services as described in the Scope of Work in this RFP.

e) Describe any known or perceived conflicts of interest which may result if your firm were engaged to perform this service. Has your firm provided consulting services to LACERA within the past five years? If so, please describe.

4. Qualifications and Experience of Assigned Consultant/Team

a) Include the names of all personnel, including the lead consultant, expected to be assigned to the project. Include a detailed profile for each person, including any professional certifications held, detailing years of experience conducting services as requested in this RFP, for the past five years.

b) Include the lead consultant's and team's successful history and experience in meeting the objectives of similar engagements.

5. References

The Proposer shall provide three references for whom it has provided services as stated in this RFP from the past 10 years. For each client reference listed, please include:

- Entity name, address, and key contact person
- Date of service(s)
- Nature of business
- Primary contact name, title, telephone number, and email address
- Nature and length of Proposer's relationship with said entity
- Description of services provided by Proposer

6. Project Planning and Approach

Provide a detailed work plan and summary of criteria that your firm will employ to accomplish the objectives of this review. Your work plan should be prepared in a manner that demonstrates your understanding of the requirements described in this RFP as well as relevant IIA Standards.

7. Pricing

Provide all standard and foreseeable fees relevant to your proposal. Pricing should include billing rates, estimated number of billable hours, as well as other billable expenses such as travel and accommodations.

EXHIBIT C

MINIMUM QUALIFICATIONS CERTIFICATION
(TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)

All Respondents must sign and return this attachment, along with written evidence of how you meet each qualification. The undersigned hereby certifies that the Respondent submitting this response fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

Minimum Qualifications include:

A. The consultant/firm has provided services consistent with the services requested in this RFP for the past 10 years.
B. The consultant/team leader assigned to this engagement has experience that is comparable to that of the Chief Audit Executive of LACERA
C. The consultant or at least one person on the team has a Certified Internal Auditor designation.
D. The consultant/team has a thorough understanding of current internal audit practices and the International Professional Practices Framework (IPPF) and its application, sound judgment, and good communication and analytical skills as they relate to external audit assessments.
E. The consultant/team possess or has ready access to all of the necessary technical expertise (e.g., governance, IT, risk management, internal audit attributes, management consulting, and internal audit management).
F. The consultant or at least one team member has knowledge of the organization's industry, service, or internal audit.
G. The signatory below is authorized to bind the Respondent contractually

____ ____________________
Authorized Signature Date

____
Name and Title (please print)

____
Name of Firm

EXHIBIT D
STATEMENT OF WORK

GENERAL SCOPE

The External Quality Assessment (EQA) shall include benchmarking activities and the identification and reporting of leading practices to enhance the efficiency and effectiveness of LACERA's Internal Audit function in accordance with The Institute of Internal Auditors' Global Internal Audit Standards, effective January 2025.

The assessment shall evaluate the Internal Audit function's conformance with the Global Internal Audit Standards, including the Purpose of Internal Auditing; Ethics and Professionalism; Governing the Internal Audit Function; Managing the Internal Audit Function; and Performing Internal Audit Services. The assessment shall include a review of governing documents, policies, procedures, methodologies, selected audit workpapers, reports, quality assurance activities, and other evidence of conformance. The IIA Quality Assessment Manual and other applicable IIA guidance shall be used to guide the assessment and support evaluation of the following areas:

- Governance processes, including those involving executive management and the Boards
- Enterprise risk management processes
- Organizational control environment established by executive management
- Opportunities for assurance and advisory services
- Operations of the Internal Audit function, including perspectives from the Chief Audit Executive (CAE), the ACRE Committee, senior management, Internal Audit staff, and other key stakeholders
- Public sector considerations, including governance structure, legal and regulatory requirements, public accountability, resource constraints, and the application of the Standards in a public pension fund environment

ASSESSMENT ELEMENTS

The External Assessor shall evaluate, at a minimum, the following elements of the Internal Audit function:

- CAE reporting lines, organizational independence, annual independence confirmation, and quality assurance framework
- Organization, structure, mandate, charter, authority, role, responsibilities, and scope of the Internal Audit function
- Board and senior management essential conditions, including ACRE Committee oversight, support, approval responsibilities, and unrestricted access expectations
- Risk assessment methodology and engagement planning processes
- Internal audit strategy, performance objectives, performance measurement methodology, and continuous improvement activities
- Professional proficiency and development of audit staff
- Financial, human, and technological resources, including information technology audit capabilities and technology used to support audit work
- Productivity, performance, and value delivery
- Selected audit workpapers, reports, engagement planning documentation, risk assessments, work programs, supervisory review evidence, and follow-up

documentation
- Interviews with the ACRE Committee Chair and Committee members
- Interviews with executive and senior management
- Interviews with Internal Audit staff
- Interviews with external auditor
- Review of the Internal Audit function's coordination and reliance activities with internal and external assurance providers

KEY PROCEDURES
As part of the EQA, the External Assessor shall perform the following procedures:

- Provide an independent opinion on the Internal Audit function's conformance with the Global Internal Audit Standards
- Assess the design and effectiveness of the Quality Assurance and Improvement Program (QAIP)
- Evaluate compliance with applicable laws, regulations, and governance requirements
- Assess the effectiveness of the Internal Audit function in relation to its mandate, charter, strategy, stakeholder expectations, and organizational objectives
- Identify leading practices and opportunities to enhance the Internal Audit function's value, impact, quality, and contribution to governance, risk management, and control processes
- Evaluate coordination with governance stakeholders, including enterprise risk management, compliance, external auditors, and other assurance providers
- Assess the methodology used to develop the audit universe, organization wide risk assessment, and dynamic risk-based internal audit plan
- Evaluate resource adequacy, including financial, human, and technological resources, to ensure appropriate audit coverage and successful achievement of the internal audit plan
- Assess staff qualifications, professional development, competencies, use of audit tools, and adherence to documented methodologies
- Evaluate engagement-level conformance with the Standards, including engagement communication, risk assessment, objectives and scope, evaluation criteria, work programs, information gathering, analysis, findings, recommendations, conclusions, documentation, and monitoring of action plans
- Evaluate the application of the Global Internal Audit Standards in a public sector environment, including governance structure, transparency requirements, public accountability, funding considerations, and applicable legal or regulatory requirements
- Evaluate stakeholder perceptions through surveys and interviews
- Identify opportunities to enhance policies, practices, and coordination with external auditors

DELIVERABLES
The External Assessor shall provide the following deliverables:
- A detailed project plan, including timelines and periodic status updates to the Project Coordinator and relevant stakeholders
- A preliminary summary report outlining key observations and themes
- A final External Quality Assessment Report (Report), including an overall

conclusion on conformance with the Global Internal Audit Standards, detailed findings, identified deficiencies or opportunities for improvement, and practical recommendations or action plan considerations

- Complete assessment results provided directly to the ACRE Committee, including sufficient detail to support the Committee's oversight of the Internal Audit function's quality, independence, resources, and conformance with the Standards
- A formal presentation of the EQA results for the LACERA ACRE Committee and attend the November 2026 ACRE meeting to discuss the report.

ASSESSOR QUALIFICATIONS AND INDEPENDENCE

The External Assessor or assessment team shall be qualified and independent in accordance with the Global Internal Audit Standards. At least one member of the assessment team shall hold an active Certified Internal Auditor designation. The assessor shall demonstrate knowledge of the Global Internal Audit Standards, external quality assessment practices, public sector internal auditing, and governance structures applicable to LACERA. The assessor shall disclose any actual, potential, or perceived conflicts of interest before the engagement begins and throughout the engagement if circumstances change.

REPORTING

All reports and presentations shall be written in a clear, objective, concise, constructive, complete, and professional manner suitable for review by executive management and the ACRE Committee. Findings, conclusions, and recommendations shall be supported by relevant, reliable, and sufficient information. The final report shall clearly identify the Standards assessed, the basis for the assessor's conclusion, significant observations, opportunities for improvement, and any limitations affecting the assessment.

EXHIBIT E

If applicable, respondent may need to provide an initial Security Controls Report in the form attached hereto prior to executing the agreement. The questionnaires are to focus on security as it applies to the technologies, impacting services provided in relation to the scope of work in this RFP.

VENDOR QUESTIONNAIRE

Last Updated: April 2026

1. GENERAL INFORMATION

Name of Vendor: Click or tap here to enter text.

Vendor is a(an): ☐Individual ☐Corporation ☐ Partnership ☐Other Click or tap here to enter text.

2. SAFEGAURDS ON LACERA CONFIDENTIAL INFORMATION

a) Does / will the vendor hold LACERA Confidential or LACERA member PII information? ☐Yes ☐No
If yes, please provide details. Response: Click or tap here to enter text.

b) Is LACERA information physically or virtually segregated from the vendor and its vendor's other clients? ☐Yes ☐No
If yes, please provide details. Response: Click or tap here to enter text.

c) Provide brief description on the type of connection (encryption and authentication) for information exchange between LACERA and the vendor organization. Response: Click or tap here to enter text.

d) Is LACERA information encrypted at rest? ☐Yes ☐No

e) Describe the teams within vendor's organization that have access to the LACERA information:
Response: Click or tap here to enter text.

f) Are vendor's production and test/development areas separated? ☐Yes ☐No
If yes, please provide brief details. Response: Click or tap here to enter text.

3. VENDOR Security and INCIDENT RESPONSE PROGRAM

a) Provide documentation on vendor Information Security Policy and Incident Response programs.
Response: Click or tap here to enter text.

b) Provide confirmation and/or attestation to a 48-hour breach notification.
Response: Click or tap here to enter text.

c) Vendor agrees to a periodic review for compliance to LACERA policies and security requirements.
Response: Click or tap here to enter text.

4. VENDOR PENETRATION TEST AND SOC2 REPORTS

a) Has the vendor completed a Penetration test? ☐Yes ☐No
Provide summary report of the latest Penetration Test. Response: Click or tap here to enter text.

b) Has the vendor completed an Independent Service Auditors compliance exam such as SOC 2? ☐Yes ☐No
If yes, please provide the latest SOC 2 audit report. Response: Click or tap here to enter text.

5. EMAIL SECURITY CONTROLS

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

a) Do you tag external emails to alert employees that the message originated from outside the organization? ☐Yes ☐No

b) Do you pre-screen emails for potentially malicious attachments and links? ☐Yes ☐No
If "Yes", complete the following:
Provide your email security provider. Response: Click or tap here to enter text.
Do you have the capability to automatically detonate and evaluate attachments in a sandbox to determine if they are malicious. ☐Yes ☐No

c) Have you implemented any of the following to protect against phishing messages? (check all that apply):
☐ Sender Policy Framework (SPF)
☐ DomainKeys Identified Mail (DKIM)
☐ Domain-based Message Authentication, Reporting & Conformance (DMARC)
☐ None of the above

d) Can your users access email through a web application or a non-corporate device? ☐Yes ☐No
If "Yes", do you enforce Multi-Factor Authentication (MFA)? ☐Yes ☐No

e) Do you use Office 365 in your organization? ☐Yes ☐No
If "Yes", do you use the Office 365 Advanced Threat Protection add-on? ☐Yes ☐No

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: Click or tap here to enter text.

6. INTERNAL SECURITY

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

a) Do you use a cloud provider to store data or host applications? ☐Yes ☐No
If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.

b) Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)? ☐Yes ☐No

c) Do you encrypt all sensitive and confidential information? ☐Yes ☐No
If "No", are the following compensating controls in place:
1. Segregation of servers that store sensitive and confidential information? ☐Yes ☐No
2. Access control with role-based assignments? ☐Yes ☐No

d) Do you allow remote access to your network? ☐Yes ☐No
If "Yes", do you use MFA to secure all remote access to your network? ☐Yes ☐No

e) Do you use a next-generation antivirus (NGAV) product to protect all endpoints across your enterprise? ☐Yes ☐No
If "Yes", provide name of your NGAV provider. Response: Click or tap here to enter text.

f) Do you use an endpoint detection and response (EDR) tool that includes monitoring and logging? ☐Yes ☐No
If "Yes", provide name of your EDR provider. Response: Click or tap here to enter text.

g) Do you manage privileged accounts using privileged account management software (PAM) ☐Yes ☐No
If "Yes", provide name of your PAM provider. Response: Click or tap here to enter text.

h) Do you roll out a hardened baseline configuration across servers, laptops, desktops? ☐Yes ☐No

i) Do you record and track all software and hardware assets deployed across your organization? ☐Yes ☐No

j) How frequently do you install critical and high severity patches across your enterprise? ☐Yes ☐No

k) Do you use a protective DNS service (PDNS) to block access to known malicious websites? ☐Yes ☐No

l) Do you implement PowerShell best practices as outlined by Microsoft? ☐Yes ☐No

m) Do you utilize a Security Information and Event Management system (SIEM)? ☐Yes ☐No

n) Do you utilize a Security Operations Center (SOC)? ☐Yes ☐No
If "Yes", complete the following:
Is your SOC monitored 24 hours a day, 7 days a week? ☐Yes ☐No
If your SOC is outsourced, provide name of your SOC provider. Response: Click or tap here to enter text.

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: Click or tap here to enter text.

7. PHISHING CONTROLS

a) Do all employees at your company complete mandatory cybersecurity training? ☐Yes ☐No
If "Yes", does such training include phishing simulation? ☐Yes ☐No
How often is mandatory cybersecurity training required?
Response: Click or tap here to enter text.

8. BACKUP AND RECOVERY

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

Do you use a data backup solution? ☐Yes ☐No
If "Yes":

a) Which best describes your data backup solution?
☐ Backups are kept locally but separate from your network (offline/air-gapped backup solution).
☐ Backups are kept in a dedicated cloud backup service.
☐ You use a cloud-syncing service (e.g. Dropbox, OneDrive, SharePoint, Google Drive).
☐ Backup strategy aligns with your defined Return Time Objective/Return Point (RTO/RPO) objectives.

b) Check all that apply:
☐ Your backups are encrypted
☐ You have immutable backups
☐ Your backups are secured with different access credentials from other administrator credentials
☐ You utilize MFA for both internal and external access to your backups
☐ You have tested the successful restoration and recovery of key server configurations and data from backups
☐ You are able to test the integrity of backups prior to restoration to ensure that they are free of malware

c) Estimated amount of time it will take to restore essential functions using backups in the event of a widespread malware or ransomware attack within your network.
☐0-24 hours ☐1-3 days ☐4-6 days ☐1 week or longer

d) Has the vendor completed Disaster Recovery testing? ☐Yes ☐No
If yes, please provide RTO/RPO objectives (Return Time or Return Point Objectives).
Response: Click or tap here to enter text.

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: Click or tap here to enter text.

9. INCIDENTS

a) Has the vendor received any complaints or written demands or been a **subject in litigation** involving matters of privacy injury, breach of private information, network security, defamation, content infringement, identity theft, denial of service attacks, computer virus infections, theft of information, damage to third party networks or the ability of third parties to rely on the vendor's network? ☐Yes ☐No

b) Has the vendor been the subject of any government action, investigation, or other proceedings regarding any alleged violation of privacy law, regulation or contractual obligation? ☐Yes ☐No

c) Has the vendor notified customers, clients or any third party of any security breach or privacy breach? ☐Yes ☐No

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: Click or tap here to enter text.

10. ARTIFICIAL INTELLIGENCE (AI)

Do you incorporate artificial intelligence (AI) into your operations? ☐Yes ☐No
If "Yes":

a) Do you maintain a formal Artificial Intelligence (AI) policy? ☐Yes ☐No

b) Do you have an established governance structure for AI use? ☐Yes ☐No

c) Do you follow an AI risk management framework (e.g., the NIST AI RMF)? ☐Yes ☐No
If "Yes", provide name of the framework. Response: Click or tap here to enter text.

d) Is the AI utilization embedded in your product / services? ☐Yes ☐No
If "Yes", provide name of the product/service. Response: Click or tap here to enter text.

e) Do any of your AI models use client data for training or fine-tuning? ☐Yes ☐No

f) Do you obtain client approval before using client data with any AI platform or tool? ☐Yes ☐No

g) Is LACERA data submitted to any AI system for inference (prompting) or stored in AI-related logs/indexes (e.g., chat history, vector databases), even if not used for training? ☐Yes ☐No
If "Yes", provide name of the AI system. Response: Click or tap here to enter text.

Check all that apply to AI platform ingesting LACERA data:
☐ Defined retention/deletion controls
☐ Security monitoring for AI prompts/outputs involving LACERA data (including encryption, access controls, and audit logs)
☐ Retrieval-Augmented Generation (RAG) framework
☐ Third-party large language models (LLM)
☐ Commingle data from multiple clients within the same AI model or training dataset

CERTIFICATION, CONSENT AND SIGNATURE

The vendor has read the foregoing and understands that completion of this questionnaire does not bind LACERA to procure vendor's products or services. I hereby declare that, after inquiry, the above statements and particulars are true, and I have not suppressed or misstated any material fact.

Print or Type Vendor's Name: Click or tap here to enter text. Title of Signee: Click or tap here to enter text.

Signature of Signee: Click or tap here to enter text. Date signed: Click or tap here to enter text.

EXHIBIT F

DIVERSITY, EQUITY, AND INCLUSION REQUIREMENTS

LACERA Due Diligence Regarding Diversity, Equity, and Inclusion

LACERA values **diversity, equity, and inclusion ("DEI")**, and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA takes a broad view of diversity, inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender, gender identity, disability status, national origin, and culture. LACERA expects consultants, vendors, and other third-party providers to respect and reflect LACERA's value of DEI.

1. Describe your firm's approach to diversity, equity, and inclusion ("DEI") in the workplace and its relation to your strategic objectives.

2. Provide a description of DEI policies, practices, and procedures maintained by the firm that defines their commitment regarding equal employment opportunity, including the recruitment, development, retention and promotion of a diverse and inclusive workforce and non-discrimination based on gender, race, ethnicity, sexual orientation, gender identity, age, veteran's status, and other legally protected categories and prohibition of sexual harassment in the workplace. If the respondent has written policies that address these matters, provide copies with the response to this RFP.

3. Describe the oversight, monitoring, and other compliance processes for implementation and enforcement of the firm's diversity policies, practices, and procedures, including the name of the individual who is responsible for oversight of the firm's method to measure the effectiveness of the policies, and conclusions as to effectiveness.