

David J. MacCabe
2708 Kerrybrook Lane
Austin, TX 78757-6914
(512)-567-1593
david.maccabe@austin.rr.com

August 19, 2013

Department of Employee Trust Funds
ATTN: Mark Blank
801 West Badger Road
Madison, WI 53713-2526

**RE: Simplified Bid ETD0003 –
Independent Validation of Quality Assurance Review (Internal Audit)**

Dear Mr. Blank:

Attached is my proposal to provide quality assurance review services to the Department of Employee Trust Funds (ETF) during the period September 5, 2013-December 31, 2013.

This proposal provides information that demonstrates my ability to effectively meet the requirements of the Simplified Bid Request.

Documents enclosed are as follows:

- Completed Vendor Information Form (DOA-3477)
- Completed Vendor Reference Form (DOA-3478)
- Completed and Signed Cost Sheet
- Profile of the Professional Who Will Conduct the Independent Validation Service

I appreciate the Department's consideration of my proposal. Please let me know if I can provide further information or clarification.

Sincerely,

David J. MacCabe, CIA, CGAP, CRMA, MPA
Internal Audit Consultant

PROPOSAL

Profile of the Professional Who Will Conduct the Independent Validation Service

The following information is provided for review and consideration

Work History

I have a broad base of experience combining line management, executive management, and audit leadership positions. I served for approximately 26 years as a chief audit executive or internal audit director at three major public sector organizations: the Texas state accounting authority, a large statewide human services agency, and one of the largest public pension funds in the world. In addition, I was a member of executive management teams for over 20 years.

Positions held include the following:

- 6 years as an Internal Audit Consultant, 2007-present
- 9 years as Chief Audit Executive, Teacher Retirement System of Texas, 1998-2007
- 8 years as Chief Audit Executive/ Associate Deputy Commissioner, Texas Rehabilitation Commission, 1991-1998
- 4 years as Director of Special Services, Commissioner's Office, Texas Rehabilitation Commission, 1987-1991
- Almost 3 years as Deputy Commissioner, Disability Determination, Texas Rehabilitation Commission, 1985-1987
- 5 years as Director of Internal Audit, Texas Rehabilitation Commission, 1980-1985
- 3½ years as Internal Audit Manager, Texas Comptroller of Public Accounts, 1976-1980

I was an active member of the Association of Public Pension Fund Auditors (APPFA) from 1998 to 2007 while serving as the chief audit executive at the Teacher Retirement System of Texas. I served the APPFA membership as a member of the Best Practices Committee, co-chair of the Peer Review Work Group, and as a member of the APPFA Board of Governors.

In addition, I have conducted or assisted in over 50 quality assurance reviews (QARs) of a broad range of internal audit functions including public pension funds, state and local government agencies, Fortune 500 corporations, and nonprofit organizations.

I have conducted QAR projects at seven public pension funds throughout the United States. A list of overall QAR projects conducted is included as **Exhibit A**. I have also served as a team member on eight QAR projects conducted by The Institute of Internal Auditors, Inc. (IIA), the standard-setting body for the profession.

Over the past 25 years I have regularly conducted seminars and training events for a broad range of organizations including APPFA, the Institute of Internal Auditors (IIA), the Texas State Agency Internal Audit Forum, the Texas State Auditor's Office, the Association of Local Government Auditors, the Association of Local Government Accountants, and other public sector clients. In addition, I have regularly presented information and educational topics to Board and Audit Committee members.

Further, I was a founding member and have served in leadership positions in the IIA-Austin Chapter since 1978 and also on IIA international committees since 2000 including the IIA Research Foundation, the Committee of Research and Education Advisers, and the Educational Products Committee. I also served as the founding chair of the Texas State Agency Internal Audit Forum in 1983-1984.

Education, Degrees, and Certifications

I completed the requirements for a bachelor of business administration (BBA) degree at the University of Texas at Austin in 1970. As a mid-career professional, I completed the master of public administration (MPA) degree at Texas State University in 1991. The topic for my applied research project was *A Review of the Texas State Internal Auditing Statute: A Comparative Analysis with Professional Standards and Other State Auditing Statutes*.

I am a certified internal auditor (CIA), a certified government auditing professional (CGAP), and hold the certification in risk management assurance (CRMA). I also received The IIA's accreditation in internal quality assessment/ validation.

I am a graduate of the State of Texas Governor's Office Executive Development Program and regularly attend diverse auditing and management professional development activities.

Exhibit A
Quality Assurance Review Participation by David J. MacCabe
1992-2013

Team Leader Assignments (27)

Texas Education Agency, Austin, December 2013 (planned)
Texas Treasury Safekeeping Trust Company, Austin, September 2013 (planned)
North Carolina Department of Health & Human Services, Raleigh, February 2013
Texas Medical Board, Austin, June 2012
Texas Council for Developmental Disabilities, Austin, June 2012
Texas Historical Commission, Austin, June 2012
Capital Metropolitan Transit Authority, Austin, September 2011
State of Wisconsin Investment Board, Madison, August 2011
Texas Education Agency, Austin, November 2010
Los Angeles County Employees Retirement Association, Pasadena, October 2010
Orange County Employees Retirement System, Santa Ana, CA, April 2010
Virginia Retirement System, Richmond, October 2009
Texas Medical Board, Austin, October 2009
Texas Workforce Commission, Austin, September 2009
Texas Council for Developmental Disabilities, Austin, July 2009
Washington State Investment Board, Olympia, June 2009
Texas Historical Commission, Austin, June 2009
Texas General Land Office, Austin, January 2006
Los Angeles County Employees Retirement Association, Pasadena, June 2005
New York Office of the Comptroller, Albany, October 2004
Colorado Public Employees Retirement Association, Denver, July 2004
Washington State Investment Board, Olympia, June 2004
Illinois State Universities Retirement System, Champaign, December 2001
Texas Guaranteed Student Loan Corporation, Austin, February 2000
Texas Office of the Attorney General, Austin, July 1998
Texas Office of the Attorney General, Austin, July 1995
Texas Comptroller of Public Accounts, Austin, November 1992

Team Member Assignments (13)

New York City Office of the Comptroller, New York, October 2013 (planned)
Texas Department of Criminal Justice, Huntsville, July 2013
Texas Higher Education Coordinating Board, Austin, May 2013
Houston Independent School District, Houston, Texas, March 2013
National Rural Utilities Cooperative Finance Corporation, Virginia, January 2013
Ohio Office of Budget & Management, Columbus, November 2012
CPS Energy, San Antonio, October 2012
City of Greater Sudbury, Sudbury, Ontario, Canada, February 2012
Port Authority of New York & New Jersey, September 2011
New York City Office of the Comptroller, New York, October 2010

Chicago Bridge & Iron, The Woodlands, Texas, October 2006
Fannie Mae, Washington, D.C., August 2002
Texas Department of Health, Austin, November 1999

Quality Control Review/ Consulting/ Dispute Resolution/ Internal Quality Assessment Review (9)

VIA Metropolitan Transit, San Antonio, May 2012
San Antonio Water System, San Antonio, December 2010
VIA Metropolitan Transit, San Antonio, April 2009
VIA Metropolitan Transit, San Antonio, March 2008
Louisiana State Employees Retirement System, Baton Rouge, April 2006
Texas Department of Human Services, Austin, October 1999
Texas Parks & Wildlife Department, Austin, October 1998
Texas School for the Deaf, Austin, May 1994
Texas Commission for the Blind, Austin, February 1994

Quality Assurance Review Recipient (7)

VIA Metropolitan Transit, San Antonio, March 2013
Teacher Retirement System of Texas, Austin, January 2007
Teacher Retirement System of Texas, Austin, January 2004
Teacher Retirement System of Texas, Austin, January 2001
Texas Rehabilitation Commission, Austin, November 1998
Texas Rehabilitation Commission, Austin, June 1995
Texas Rehabilitation Commission, Austin, June 1992

Quality Assurance Review Training Provided (20)

Developing a Mature, Quality Audit Shop: The Value of Internal Assessments
IIA Austin Chapter, February 2010

How to Prepare for the External QAR: What Can We Learn From Recent Peer Review Reports?
IIA General Audit Management Conference, Orlando, March 2014 (tentative)
IIA San Antonio Chapter, June 2013
Texas State Auditor's Office, 2012 Audit Conference, Austin, April 2012

Quality Assurance Reviews: What Internal Auditing Standards Require
Texas State Auditor's Office, 2009 Audit Conference, Austin, July 2009
IIA Albany Chapter, The Conference That Counts, Albany, March 2009
IIA Austin Chapter, Austin, February 2009

Quality Assurance Reviews: What You Need to Know
IIA Southern Regional Conference, Austin, October 2007
IIA Portland Chapter, Tualatin, Oregon, July 2006
IIA Albany Chapter, Albany, May 2006
IIA Houston Chapter, Houston, February 2006
Texas Association of School Business Officers, Austin, October 2005

Association of Public Pension Fund Auditors, New Orleans, October 2004
IIA Austin Chapter, Austin, October 2004
Internal Audit Leadership Program, Austin, 2002-2008

Quality Assurance Review Training Seminars

IIA Public Sector Training Initiative, Austin, October 2006
IIA Public Sector Training Initiative, Salem, Oregon, September 2006
Texas State Auditor's Office, Austin, March 2005
Texas State Auditor's Office, Austin, April 2003

Audit Peer Review: What, Why, How, Who and When?

Association of Public Pension Fund Auditors, Toronto, May 2001

Quality Assurance Review Special Projects (4)

IIA *Quality Assessment Manual* for the Internal Audit Activity, Reviewer,
2011-2012

IIA Practice Guide re: *Quality Assurance and Improvement Program*, Reviewer, 2011-2012

IIA *Quality Assurance Manual*, 5th edition, Co-Project Leader, 2006

Texas State Agency Internal Audit Forum, Peer Review Committee Member, 1993-2007

**BID DEADLINE: August 26, 2013, at 2 p.m. CDT
ETD0003 – Independent Validation of Quality Assurance Review**

VENDOR INFORMATION (DOA-3477)

1.	BIDDING / PROPOSING COMPANY NAME						David J. MacCabe, Internal Audit Consultant											
	FEIN																	
	Phone			(512)-567-1593			Toll Free Phone			(None)								
	FAX			(None)			E-Mail Address			davidmaccabe@austin.rr.com								
	Address						2708 Kerrybrook Lane											
	City			Austin			State		Texas		Zip + 4		78757-6914					
2.	Name the person to contact for questions concerning this bid / proposal.																	
	Name						David J. MacCabe, CIA, CGAP, CRMA						Title		Internal Audit Consultant			
	Phone			(512)-567-1593			Toll Free Phone			(None)								
	FAX			(None)			E-Mail Address			davidmaccabe@austin.rr.com								
	Address						2708 Kerrybrook Lane											
	City			Austin			State		Texas		Zip + 4		78757-6914					
3.	Any vendor awarded over \$50,000 on this contract must submit affirmative action information to the department. Please name the Personnel / Human Resource and Development or other person responsible for affirmative action in the company to contact about this plan.																	
	Name						N/A						Title					
	Phone			()			Toll Free Phone			()								
	FAX			()			E-Mail Address											
	Address																	
	City						State				Zip + 4							
4.	Mailing address to which state purchase orders are mailed and person the department may contact concerning orders and billings.																	
	Name						David J. MacCabe						Title		Internal Audit Consultant			
	Phone			(512)-567-1593			Toll Free Phone			(None)								
	FAX			(None)			E-Mail Address			davidmaccabe@austin.rr.com								
	Address						2708 Kerrybrook Lane											
	City			Austin			State		Texas		Zip + 4		78757-6914					
5.	CEO / President Name						David J. MacCabe											

This document can be made available in accessible formats to qualified individuals with disabilities.

**BID DEADLINE: August 26, 2013, at 2 p.m. CDT
ETD0003 – Independent Validation of Quality Assurance Review**

VENDOR REFERENCE (DOA-3478)

FOR VENDOR: David J. MacCabe

Provide company name, address, contact person, telephone number, and appropriate information on the product(s) and/or service(s) used for four (4) or more installations with requirements similar to those included in this solicitation document. If vendor is proposing any arrangement involving a third party, the named references should also be involved in a similar arrangement.

Company Name Virginia Retirement System (VRS)

Address (include Zip + 4) P. O. Box 2500, Richmond, VA 23218-2500 [FBerry@varetire.org]

Contact Person Mr. Frank Berry, Internal Audit Director Phone No. (804)-344-3145

Product(s) and/or Service(s) Used External Quality Assurance Review of Internal Audit (October 2009)

Company Name State of Wisconsin Investment Board (SWIB)

Address (include Zip + 4) 1221 East Wilson Street, Madison, WI 53702 [Brandon.Duck@swib.state.wi.us]

Contact Person Brandon Duck, Director, Enterprise Risk Management Phone No. (608)-261-2417

Product(s) and/or Service(s) Used External Quality Assurance Review of Internal Audit (August 2011)

Company Name Los Angeles County Employees Retirement Association (LACERA)

Address (include Zip + 4) 300 North Lake Avenue, Pasadena, CA 91101-4199 [rbendall@lacera.com]

Contact Person Richard Bendall, Chief, Internal Audit or Sarah Marks, Assistant Chief Phone No (626)-564-6000 x3523 (626)-564-6000 x3520

Product(s) and/or Service(s) Used External Quality Assurance Review of Internal Audit (October 2010)

Company Name Washington State Investment Board (WSIB)

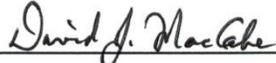
Address (include Zip + 4) P. O. Box 40916, Olympia, WA 98504-0916 [SKillman@sib.wa.gov]

Contact Person Ms. Shawna Killman, Internal Audit Director Phone No. (360)-956-4607

Product(s) and/or Service(s) Used External Quality Assurance Review of Internal Audit (June 2009)

**BID DEADLINE: August 26, 2013, at 2 p.m. CDT
ETD0003 – Independent Validation of Quality Assurance Review**

This document can be made available in accessible formats to qualified individuals with disabilities.

ETD0003 - COST SHEET		TOTAL PRICE
<ul style="list-style-type: none"> • Independent validation per Scope, included in this Simplified Bid. • A formal validation review report as to whether the OIA complies with the <i>International Standards for the Professional Practice of Internal Auditing</i> and the Code of Ethics. • All travel and expenses 		\$ 9,875.00
√	We certify this price includes the following: (Not applicable to this Procurement)	
<p>In signing this bid we also certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a bid; that this bid has been independently arrived at without collusion with any other bidder, competitor or potential competitor; that this bid has not been knowingly disclosed prior to the opening of bids to any other bidder or competitor; that the above statement is accurate under penalty of perjury.</p>		
<p>We will comply with all terms, conditions and specifications required by the state in this simplified bid and all terms of our bid.</p>		
Company	David J. MacCabe, Internal Audit Consultant	
Authorized Company Representative (Print)	David J. MacCabe, CIA, CGAP, CRMA, MPA	
Title	Internal Audit Consultant	
Signature		
Date	August 19, 2013	