STATE OF NORTH CAROLINA Department of Administration Division of Purchase & Contract	**REQUEST FOR BEST AND FINAL OFFER NO.** **DPC-646236801-MT**
	Offers will be received until: 5:00 PM ET on November 15, 2023
	Issue Date: November 13, 2023
Refer ALL inquiries regarding this BAFO to the procurement lead through the Message Board in the Sourcing Tool.	**Commodity Number: 84111600**
	Description: Audit Services
See page 2 for Delivery Instructions.	

NOTICE TO VENDOR: Offers, subject to the conditions made a part hereof, will be received through the NCeP Sourcing Tool Message Board until **5:00 PM** Eastern Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions. Offers submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Offers are subject to rejection unless submitted on this form.

EXECUTION: In compliance with this Request for Best and Final Offer (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to N.C.G.S. §143B-1354 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion of fraud.

Failure to execute/sign offer prior to submittal shall render offer invalid. Late offers are not acceptable.

OFFEROR: Deloitte & Touche LLP			
STREET ADDRESS: 150 Fayetteville Street, Suite 1000		P.O. BOX: N/A	ZIP: 27601
CITY & STATE: Raleigh, NC		TELEPHONE NUMBER: 206-999-3849	TOLL FREE TEL. NO: N/A
PRINT NAME & TITLE OF PERSON SIGNING: Alexa Raimondi, Partner		FAX NUMBER: N/A	
AUTHORIZED SIGNATURE: Alexa D. Raimondi	DATE: 11/15/23	E-MAIL: araimondi@deloitte.com	

Offer valid for ninety (90) calendar days from date of offer opening unless otherwise stated here: Click here to enter text. days.

ACCEPTANCE OF OFFER: If the State accepts any or all parts of this offer, an authorized representative of the Agency shall affix his/her signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original IFB which have not been superseded by this BAFO and the Department of Information Technology Terms and Conditions. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR AGENCY USE ONLY

Offer accepted and contract awarded this 1st *day of* December 1, 2023*, 2023, as indicated on attached certification, by* P and C - Melinda Tomlinson (Authorized representative of the Agency).

DELIVERY INSTRUCTIONS: Vendor shall deliver its offer through the North Carolina eProcurement Sourcing Tool. Any files submitted shall not be password-protected and shall be capable of being copied to other media.

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO): This request is to solicit a best and final offer from Vendor for Microcomputers, Peripherals, and Related Services. The offer should integrate the previous response to the IFB and Addendum, responses to bid clarification questions, and the updated Attachment E submitted by the Vendor. Any individual Vendor can receive a different number of requests for BAFOs than other Vendors.

NOTE: This Solicitation is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the Issuing Agency, and to agencies responsible for participating in the evaluation. Vendors who attempt to gain this privileged information, or to influence the evaluation process (i.e., assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

In accordance with RFP# DPC-646236801-MT, the order of precedence will be as follows: Best and Final Offers, special terms and conditions specific to this RFP, Specifications of the RFP, the State, and the agreed portion of the awarded Vendor's offer.

The following terms of the RFP's Terms and Conditions shall be deleted and replaced with the following:

1. **Section 2: DEFAULT AND TERMINATION:**

   a) In the event of default by the Vendor and failure to cure such default within the cure period, as contemplated by (b) below, the State may, as provided by NC law, procure goods and services necessary to complete performance hereunder from other sources and the Vendor may be found responsible for any excess cost occasioned thereby, as determined by dispute resolution processes. *See,* G.S. 25-2-712. In addition, and in the event of default by the Vendor under the Contract not thus cured, or upon the Vendor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Vendor, the State may immediately cease doing business with the Vendor, terminate the Contract for cause, and take action to recover relevant damages, and if permitted by applicable law, debar the Vendor from doing future business with the State. 01 NCAC 05B.1520.

   b) If, through any cause, Vendor shall fail to fulfill in a timely and proper manner the obligations under the Contract, including, without limitation, in these North Carolina General Terms and Conditions, for reasons within its control, the State shall, if not cured by Vendor within such period, have the right to terminate the Contract by giving thirty days written notice to the Vendor and specifying the effective date thereof. In that event, any or all finished or unfinished deliverables that are prepared by the Vendor under the Contract shall, at the option of the State, become the property of the State (and under any applicable Vendor license to the extent necessary for the State to use such property), and the Vendor shall be entitled to receive just and equitable compensation for any acceptable deliverable completed (or partially completed at the State's option, on an as-is basis without warranty of any kind) as to which such option is exercised. Notwithstanding, Vendor shall not be relieved of liability to the State for damages sustained by the State by virtue of any breach of the Contract. The State, if insecure as to receiving proper performance or provision of goods deliverables, or if documented Vendor Services performance issues exist, under this Contract, may require at any time a performance bond or other alternative performance guarantees from a Vendor without expense to the State as provided by applicable law. G.S. 143-52(a); 01 NCAC 05B.1521; G.S. 25-2-609.

   c) If this Contract contemplates deliveries or performance over a period of time, the State may terminate this Contract for convenience at any time by providing 60 days' notice in writing from the State to the Vendor. In that event, any or all finished or unfinished deliverables prepared

by the Vendor under this Contract shall, at the option of the State, become its property, and under any applicable Vendor license to the extent necessary for the State to use such property. Any deliverable provided which is unfinished, is provided as-is, without warranty of any kind. If the Contract is terminated by the State for convenience, the State shall pay for those items or Services for which such option is exercised, less any payment or compensation previously made.

2. **Section 15 INSURANCE:** This section provides minimum insurance coverage rates that are applicable to most moderate risk solicitations. Agency Risk Analysis will determine if higher insurance coverage amounts are needed based on the likelihood and severity of exposure to the State. The analysis is documented in writing in the official file and considers the following non-exclusive factors:

1. Potential for damage to State property or property of a third party,
2. Potential for bodily injury to State employees or third parties,
3. Whether Vendor will transport State property, clients, or employees,
4. Use of a vehicle to accomplish the work or to travel to or from State locations,
5. Anticipated physical contacts of the Vendor with the State,
6. Anticipated number and activity of Vendor personnel within the State, and
7. Any other unique considerations that could result in harm, bodily injury, or property damage.

The Purchasing Agency has specified elsewhere in this Contract any increase in the minimum insurance coverage requirements below if the risk from the above factors is high.

a) REQUIREMENTS - Providing and maintaining adequate insurance coverage is a material obligation of the Vendor and is of the essence of the Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the NC Commissioner of Insurance to do business in North Carolina. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or the Contract. The limits of coverage under each insurance policy maintained by the Vendor shall not be interpreted as limiting the Vendor's liability and obligations or the indemnification requirements under the Contract. As provided above, a State agency is authorized, upon written evaluation and substantiation in the official file of the significant risk of bodily injury and/or property or other damage in the contract, to require and enforce higher coverage limits to mitigate the potential risk of liability to the State.

b) COVERAGE - During the term of the Contract, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Contract. At a minimum, the Vendor shall provide and maintain the following coverage and limits, subject to higher requirements by an agency after the risk analysis indicated above:

i. **Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as may be required by the laws of North Carolina, as well as employer's liability coverage, with minimum limits of $500,000.00, covering all of Vendor's employees who are engaged in any work under the Contract in North Carolina. If any work is sub-Contracted, the Vendor shall require the sub-contractor to provide the same coverage for any of its employees engaged in any work under the Contract within the State.

ii. **Commercial General Liability** - General Liability Coverage on a Commercial Broad Form on an occurrence basis in the minimum amount of $1,000,000.00 Combined Single Limit. Defense costs shall be in excess of the limit of liability.

iii. **Automobile** - Automobile Liability Insurance, to include liability coverage covering all owned, hired and non-owned vehicles, used within North Carolina in connection with

the Contract. The minimum combined single limit shall be $500,000.00 bodily injury and property damage combined.

3. Section 16 GENERAL INDEMNITY:

a) The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses in each case accruing or resulting from claims for payment or benefits brought by any other person, firm, or corporation furnishing or supplying work, Services, materials, or supplies in connection with the performance of the Contract as a subcontractor or personnel of Vendor, and also from any and all claims and losses accruing or resulting to any person, firm, or corporation that may suffer personal injury or whose real or tangible property is damaged by the Vendor in the performance of the Contract that are attributable to the negligence or intentionally tortious acts of the Vendor, provided that the Vendor is notified in writing within 30 days from the date that the State has knowledge of such claims.

b) The Vendor, at its own expense, shall defend any action brought against the State under this section. The Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that the State shall have the option to participate in such action at its own expense.

c) The Vendor represents and warrants that it shall make no claim of any kind or nature against the State's agents who are involved in the delivery or processing of Vendor deliverables or Services as part of this Contract with the State.

d) As part of this provision for General indemnity, if federal funds are involved in this procurement, the Vendor warrants that it will comply with all relevant and applicable federal requirements and laws, and will indemnify, defend and hold and save the State harmless from any claims or losses resulting to the State from the Vendor's noncompliance with such federal requirements or law in the performance of this Contract. The representations and warranties in the preceding two sentences shall survive the termination or expiration of the Contract.

e) The State does not participate in indemnification due to Constitutional restrictions, or arbitration, which effectively and unacceptably waives jury trial. *See,* G.S. 22B-3, -10.

4. Section 20 CARE OF STATE DATA AND PROPERTY: Any State property, information, data, instruments, documents, studies or reports given to or prepared or assembled by or provided to the Vendor under the Contract shall be kept as confidential, used only for the purpose(s) required to perform the Contract and not divulged or made available to any individual or organization without the prior written approval of the State.

The State's data and property in the hands of the Vendor shall be protected from unauthorized disclosure, loss, damage, destruction by a natural event or another eventuality. The Vendor agrees to reimburse the State for loss or damage of State property while in Vendor's custody and for loss of or damage to State Data, the cost to restore the State Data to its most recent State backup. Such State Data shall be returned to the State in a form acceptable to the State upon the termination or expiration of this Agreement.

The Vendor shall notify the State of any security breaches within 24 hours as required by G.S. 143B-1379. For further information, *see*, G.S. 75-60 *et seq.* **Notice** is given to the Vendor that the NC Department of Information Technology (DIT) has requirements relating to the security of the State network, and rules relating to the use of the State network, IT software and equipment, that the Vendor must comply with, as applicable. *See,* e.g., G.S. 143B-1376.

In addition, The Vendor would like to add the following provision to the NC Terms and Conditions:

5. **Section 29 LIMITATION OF LIABILITY** Vendor's aggregate liability for damages, claims, losses or liability of any kind arising under or related to this Contract or any SOW shall be limited to two times the value of the applicable SOW. The foregoing limitation of liability shall not apply to claims for bodily or personal injury (including death) to persons or damage to real or tangible personal property, recklessness, willful misconduct or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. 1B-1 et seq., the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on the Contract. In no event shall a party be liable to the other party for any consequential or punitive loss, damage, or expense, relating to or in connection with this Contract or any SOW, except if arising from a party's recklessness, willful misconduct or wanton conduct."

IT SECURITY SPECIFICATIONS

1.1 FOR SOLUTIONS HOSTED ON STATE INFRASTRUCTURE

For Vendors who only want to be considered for Agency solutions hosted on State Infrastructure, those Vendors shall provide a completed Vendor Readiness Assessment Report State Hosted Solutions ("VRAR") as soon as possible after receipt of this BAFO. This report is located at the following website:

https://it.nc.gov/documents/vendor-readiness-assessment-report

The Supplemental Internal Audit Services vendors will be required to receive and securely manage data that may be classified as high as Statewide Critical - High. Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding this data classification. The policy is located at the following website: https://it.nc.gov/document/statewide-data-classification-and-handling-policy

To comply with the State's Security Standards and Policies, State agencies are required to perform annual security/risk assessments on their information systems using NIST 800-53 controls.

1.2 FOR SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE

For Vendors who want to be considered for Agency solutions hosted on State AND Vendor Infrastructure, those Vendors shall comply with the requirements of this section. Specifically, the Supplemental Internal Audit Services vendors will be required to receive and securely manage data that is classified as high as Statewide Critical - High. Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding data classification. The policy is located at the following website: https://it.nc.gov/document/statewide-data-classification-and-handling-policy.

To comply with the State's Security Standards and Policies, State agencies are required to perform annual security/risk assessments on their information systems using NIST 800-53 controls. This requirement additionally applies to all Vendor-provided, agency-managed Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS) solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted) data.

(a) Vendors shall provide a completed Vendor Readiness Assessment Report Non-State Hosted Solutions ("VRAR") as soon as possible after receipt of this BAFO. This report is located at the following website: https://it.nc.gov/documents/vendor-readiness-assessment-report

(b) Vendors shall also provide, upon receipt of this BAFO, a current independent 3rd party assessment report in accordance with the following subparagraphs (i)-(iii). Contract award will be dependent upon approval of the report as defined in subparagraphs (i)-(iii).

(i) Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, ISO 27001, or HITRUST are the preferred assessment reports for any Vendor

solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted).

(ii) A Vendor that cannot provide a preferred independent 3rd party assessment report as described above may submit an alternative assessment, such as a SOC 2 Type 1 assessment report. The Vendor shall provide an explanation for submitting the alternative assessment report. If awarded this contract, a Vendor who submits an alternative assessment report shall submit one of the preferred assessment reports no later than 365 days of the Effective Date of the contract. Timely submission of this preferred assessment report shall be a material requirement of the contract.

(iii) An IaaS vendor cannot provide a certification or assessment report for a SaaS provider UNLESS permitted by the terms of a written agreement between the two vendors and the scope of the IaaS certification or assessment report clearly includes the SaaS solution.

(c) Additional Security Documentation. Prior to contract award, the State may in its discretion require the Vendor to provide additional security documentation, including but not limited to vulnerability assessment reports and penetration test reports. The awarded Vendor shall provide such additional security documentation upon request by the State during the term of the contract.

1.3 LOCATION OF WORKERS UTILIZED BY VENDOR

In accordance with N.C.G.S. §143B-1361(b), Vendor must identify how it intends to utilize resources or workers located outside the U.S., and the countries or cities where such are located. The State will evaluate additional risks, costs, and other factors associated with the Vendor's utilization of resources or workers prior to making an award for any such Vendor's offer. The Vendor shall provide the following:

a) The location of work to be performed by the Vendor's employees, subcontractors, or other persons, and whether any work will be performed outside the United States. The Vendor shall provide notice of any changes in such work locations if the changes result in performing work outside of the United States.

b) Any Vendor or subcontractor providing support or maintenance Services for software, call or contact center Services shall disclose the location from which the call or contact center Services are being provided upon request.

Will Vendor perform any work outside of the United States? ☑ YES ☐ NO

If **YES**, please indicate below:
a) where the work will be performed: Depending on the specific scope of work, and only after consultation with the state and by mutual agreement, work may be performed by professionals in our Deloitte US firm that are located in one of seven offices in India.
b) what type of work is being performed (Help Desk, Coder, etc.): Internal audit staff
c) what type of work that employee performs (help desk support, coding, etc.): Internal audit testing, documentation, report writing, or related internal audit support.

2.0 TERMS AND CONDITIONS APPLICABLE TO AUDITING SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE

a) All materials, including software, Data, information and documentation provided by the State to the Vendor (State Data) during the performance or provision of Services hereunder are the property of the State of North Carolina and must be kept secure and returned to the State. The Vendor will protect State Data in its hands from unauthorized disclosure, loss, damage, destruction by natural event, or other eventuality. Proprietary Vendor materials shall be identified to the State by Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services

hereunder shall be provided to the State as part of the Services. The Vendor shall not access State User accounts, or State Data, except (i) during data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State's written request. The Vendor shall protect the confidentiality of all information, Data, instruments, studies, reports, records and other materials provided to it by the State or maintained or created in accordance with this Agreement. No such information, Data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written agreement with the State. The Vendor will have written policies governing access to and duplication and dissemination of all such information, Data, instruments, studies, reports, records and other materials.

b) The Vendor shall not store or transfer non-public State data outside of the United States. This includes backup data and Disaster Recovery locations. The Service Provider will permit its personnel and contractors to access State of North Carolina data remotely only as required to provide technical support.

c) Protection of personal privacy and sensitive data. The Vendor acknowledges its responsibility for securing any restricted or highly restricted data, as defined by the Statewide Data Classification and Handling Policy (https://it.nc.gov/document/statewide-data-classification-and-handling-policy) that is collected by the State and stored in any Vendor site or other Vendor housing systems including, but not limited to, computer systems, networks, servers, or databases, maintained by Vendor or its agents or subcontractors in connection with the provision of the Services. The Vendor warrants, at its sole cost and expense, that it shall implement processes and maintain the security of data classified as restricted or highly restricted; provide reasonable care and efforts to detect fraudulent activity involving the data; and promptly notify the State of any breaches of security within 24 hours of confirmation as required by N.C.G.S. § 143B-1379.

d) The Vendor will provide and maintain secure backup of the State Data. The Vendor shall implement and maintain secure passwords for its online system providing the Services, as well as all appropriate administrative, physical, technical and procedural safeguards at all times during the term of this Agreement to secure such Data from Data Breach, protect the Data and the Services from loss, corruption, unauthorized disclosure, and the introduction of viruses, disabling devices, malware and other forms of malicious or inadvertent acts that can disrupt the State's access to its Data and the Services. The Vendor will allow periodic back-up of State Data by the State to the State's infrastructure as the State requires or as may be provided by law.

e) The Vendor shall certify to the State:
   i) The sufficiency of its security standards, tools, technologies and procedures in providing Services under this Agreement;
   ii) That the system used to provide the Subscription Services under this Contract has and will maintain a valid 3rd party security certification not to exceed 1 year and is consistent with the data classification level and a security controls appropriate for low or moderate information system(s) per the National Institute of Standards and Technology NIST 800-53 revision 4The State reserves the right to independently evaluate, audit, and verify such requirements.
   iii) That the Services will comply with the following:
      (1) Any DIT security policy regarding Cloud Computing, and the DIT Statewide Information Security Policy Manual; to include encryption requirements as defined below:
         (a) The Vendor shall encrypt all non-public data in transit regardless of the transit mechanism.
         (b) For engagements where the Vendor stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Vendor's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the Service Provider cannot offer encryption at rest, it must maintain, for the duration of the contract, cyber security liability insurance coverage

for any loss resulting from a data breach. Additionally, where encryption of data at rest is not possible, the Vendor must describe existing security measures that provide a similar level of protection;

(2) Privacy provisions of the Federal Privacy Act of 1974;
(3) The North Carolina Identity Theft Protection Act, N.C.G.S. Chapter 75, Article 2A (e.g., N.C.G.S. § 75-65 and -66);
(4) The North Carolina Public Records Act, N.C.G.S. Chapter 132; and
(5) Applicable Federal, State and industry standards and guidelines including, but not limited to, relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCIDSS) including the PCIDSS Cloud Computing Guidelines, Criminal Justice Information, The Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA);
(6) Any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377.

f) Security Breach. "Security Breach" under the NC Identity Theft Protection Act (N.C.G.S. § 75-60*ff*) means (1) any circumstance pursuant to which applicable Law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (e.g., N.C.G.S. § 75-65); or (2) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security (as such terms are defined below) in a fashion that either does or could reasonably be expected to permit unauthorized Processing (as defined below), use, disclosure or acquisition of or access to any the State Data or state confidential information. "Physical Security" means physical security at any site or other location housing systems maintained by Vendor or its agents or subcontractors in connection with the Services. "Systems Security" means security of computer, electronic or telecommunications systems of any variety (including data bases, hardware, software, storage, switching and interconnection devices and mechanisms), and networks of which such systems are a part or communicate with, used directly or indirectly by Vendor or its agents or subcontractors in connection with the Services. "Processing" means any operation or set of operations performed upon the State Data or State confidential information, whether by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying.

g) Breach Notification. In the event Vendor becomes aware of any Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement, Vendor shall, at its own expense, (1) immediately notify the State's Agreement Administrator of such Security Breach and perform a root cause analysis thereon, (2) investigate such Security Breach, (3) provide a remediation plan, acceptable to the State, to address the Security Breach and prevent any further incidents, (4) conduct a forensic investigation to determine what systems, data and information have been affected by such event; and (5) cooperate with the State, and any law enforcement or regulatory officials, credit reporting companies, and credit card associations investigating such Security Breach. The State shall make the final decision on notifying the State's persons, entities, employees, service providers and/or the public of such Security Breach, and the implementation of the remediation plan. If a notification to a customer is required under any Law or pursuant to any of the State's privacy or security policies, then notifications to all persons and entities who are affected by the same event (as reasonably determined by the State) shall be considered legally required.

h) Notification Related Costs. Vendor shall reimburse the State for all Notification Related Costs incurred by the State arising out of or in connection with any such Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement resulting in a requirement for legally required notifications. "Notification Related Costs" shall include the State's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (1) preparation and mailing or other transmission of legally required notifications; (2) preparation and mailing or other transmission of such other communications to customers, agents or others as the State deems reasonably appropriate; (3) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (4) public relations and other similar crisis management services; (5) legal and accounting fees and expenses

associated with the State's investigation of and response to such event; and (6) costs for credit reporting services that are associated with legally required notifications or are advisable, in the State's opinion, under the circumstances. If the Vendor becomes aware of any Security Breach which is not due to Vendor acts or omissions other than in accordance with the terms of the Agreement, Vendor shall immediately notify the State of such Security Breach, and the parties shall reasonably cooperate regarding which of the foregoing or other activities may be appropriate under the circumstances, including any applicable Charges for the same.

i) Vendor shall allow the State reasonable access to Services security logs, latency statistics, and other related Services security data that affect this Agreement and the State's Data, at no cost to the State.

j) In the course of normal operations, it may become necessary for Vendor to copy or move Data to another storage destination on its online system, and delete the Data found in the original location. In any such event, the Vendor shall preserve and maintain the content and integrity of the Data, except by prior written notice to, and prior written approval by, the State.

k) Remote access to Data from outside the continental United States, including, without limitation, remote access to Data by authorized Services support staff in identified support centers, is prohibited unless approved in advance by the State Chief Information Officer or the Using Agency.

l) In the event of temporary loss of access to Services, Vendor shall promptly restore continuity of Services, restore Data in accordance with this Agreement and as may be set forth in an SLA, restore accessibility of Data and the Services to meet the performance requirements stated herein or in an SLA. As a result, Service Level remedies will become available to the State as provided herein, in the SLA or other agreed and relevant documents. Failure to promptly remedy any such temporary loss of access may result in the State exercising its options for assessing damages under this Agreement.

m) In the event of disaster or catastrophic failure that results in significant State Data loss or extended loss of access to Data or Services, Vendor shall notify the State by the fastest means available and in writing, with additional notification provided to the State Chief Information Officer or designee of the contracting agency. Vendor shall provide such notification within twenty-four (24) hours after Vendor reasonably believes there has been such a disaster or catastrophic failure. In the notification, Vendor shall inform the State of:

    (1) The scale and quantity of the State Data loss;
    (2) What Vendor has done or will do to recover the State Data from backups and mitigate any deleterious effect of the State Data and Services loss; and
    (3) What corrective action Vendor has taken or will take to prevent future State Data and Services loss.
    (4) If Vendor fails to respond immediately and remedy the failure, the State may exercise its options for assessing damages or other remedies under this Agreement.

    Vendor shall investigate the disaster or catastrophic failure and shall share the report of the investigation with the State. The State and/or its authorized agents shall have the right to lead (if required by law) or participate in the investigation. Vendor shall cooperate fully with the State, its agents and law enforcement.

n) In the event of termination of this contract, cessation of business by the Vendor or other event preventing Vendor from continuing to provide the Services, Vendor shall not withhold the State Data or any other State confidential information or refuse for any reason, to promptly return to the State the State Data and any other State confidential information (including copies thereof) if requested to do so on such media as reasonably requested by the State, even if the State is then or is alleged to be in breach of the Agreement. As a part of Vendor's obligation to provide the State Data pursuant to this Paragraph 18) n), Vendor will also provide the State any data maps, documentation, software, or other materials necessary, including, without limitation, handwritten notes, materials, working papers or documentation, for the State to use, translate, interpret, extract and convert the State Data.

o) Secure Data Disposal. When requested by the State, the Vendor shall destroy all requested data in all of its forms, for example: disk, CD/DVD, backup tape, and paper. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction shall be provided to the State.

Vendor shall select which level of clearance it would like to be reviewed and approved:

☑ Hosted on State Infrastructure

☐ Not Hosted on State Infrastructure

State of North Carolina

STC# 8411A Supplemental Audit Services

Request for Proposal (RFP): DPC-646236801-MT

Technical Proposal

August 25, 2023

Submitted by:

Deloitte & Touche LLP

1919 North Lynn Street
Arlington, VA 22209

Technical POC and Authorized Negotiator:

[redacted]

Contracts POC:

[redacted]

Reference Number: JO-069782

Submitted To:
Melinda Y. Tomlinson, State Procurement Manager
Tel: +1 (984) 236-0238
Email: Melinda.tomlinson@doa.nc.gov

This proposal or quotation includes data that shall not be disclosed outside of the Government and shall not be duplicated, used, or disclosed in whole or in part for any purpose other than to evaluate this proposal or quotation. If, however, a contract is awarded to this Offeror or Quoter as a result of or in connection with the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from other sources without restriction. The data subject to this restriction are contained in this entire proposal.

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1.0 Execution Pages

RFP Reference: 2.8 Proposal Contents, b) Signed Execution Page, page 9

As per the RFP requirement, please find a signed copy of the RFP Execution Page.

STATE OF NORTH CAROLINA *Division of Purchasing & Contract*	
Refer ***ALL*** Inquiries regarding this RFP to the procurement lead through the Message Board in the Sourcing Tool. See section 2.6 for details.	Request for Proposal #: DPC-646236801-MT
	Proposals will be publicly opened: September 6, 2023, @2:00 PM EST
Using Agency: STATEWIDE	Commodity No. and Description: 84111600 – Audit Services
Requisition No.: STC# 8411A	

Execution

In compliance with this Request for Proposals (RFP), and subject to all the conditions herein, the undersigned Vendor offers and agrees to furnish and deliver any or all items upon which prices are bid, at the prices set opposite each item within the time specified herein.

By executing this proposal, the undersigned Vendor understands that false certification is a Class I felony and certifies that:

- this proposal is submitted competitively and without collusion (G.S. 143-54),
- none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and
- it is not an ineligible Vendor as set forth in G.S. 143-59.1.

Furthermore, by executing this proposal, the undersigned certifies to the best of Vendor's knowledge and belief, that:

- it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal or State department or agency.

As required by G.S. 143-48.5, the undersigned Vendor certifies that it, and each of its sub-Contractors for any Contract awarded as a result of this RFP, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system.

As required by Executive Order 24 (2017), the undersigned vendor certifies will comply with all Federal and State requirements concerning fair employment and that it does not and will not discriminate, harass, or retaliate against any employee in connection with performance of any Contract arising from this solicitation.

G.S. 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing plans, specifications, estimates for public contracts; or awarding or administering public contracts; or inspecting or supervising delivery of the public contract of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of this response to the RFP, the undersigned certifies, for

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Vendor's entire organization and its employees or agents, that Vendor is not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

By executing this bid, Vendor certifies that it has read and agreed to the **INSTRUCTION TO VENDORS** and the **NORTH CAROLINA GENERAL TERMS AND CONDITIONS incorporated herein.** These documents can be accessed from the Ariba Sourcing Tool.

Failure to execute/sign proposal prior to submittal may render proposal invalid and it MAY BE REJECTED. Late proposals shall not be accepted.

COMPLETE/FORMAL NAME OF VENDOR: Deloitte & Touche LLP		
STREET ADDRESS: 150 Fayetteville Street, Suite 1000	**P.O. BOX:** N/A	**ZIP:** 27601
CITY & STATE & ZIP: Raleigh, NC, 27601	**TELEPHONE NUMBER:** 206-999-3849	**TOLL FREE TEL. NO:** N/A
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE (SEE INSTRUCTIONS TO VENDORS ITEM #21): N/A		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF VENDOR: [redacted]		**FAX NUMBER:** N/A
VENDOR'S AUTHORIZED SIGNATURE*: [redacted]	**DATE:** 8/31/23	**EMAIL:** [redacted]

Validity period

Offer shall be valid for at least 120 days from date of bid opening, unless otherwise stated here: days, or if extended by mutual agreement of the parties in writing. Any withdrawal of this offer shall be made in writing, effective upon receipt by the agency issuing this RFP.

Acceptance of proposal

If your proposal is accepted, all provisions of this RFP, along with the written results of any negotiations, shall constitute the written agreement between the parties ("Contract"). The NORTH CAROLINA GENERAL TERMS AND CONDITIONS are incorporated herein and shall apply. Depending upon the Services being offered, other terms and conditions may apply, as mutually agreed.

FOR STATE USE ONLY: Offer accepted and Contract awarded this_____day of ___, 20_____, as indicated on The attached certification, by _____.

(Authorized Representative of Division of Purchase and Contract)

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CONFIDENTIAL

STATE OF NORTH CAROLINA

Division of Purchase and Contract

Request for Proposal #: DPC-646236801-MT

Supplemental Internal Audit, Assurance, Accounting, Data Analytics, and Managerial Advisory Services

Date of Issue: July 14, 2023

Proposal Opening Date: August 22, 2023

At 2:00 PM ET

Direct all inquiries concerning this RFP to:

Melinda Y. Tomlinson

State Procurement Manager

Email: Melinda.tomlinson@doa.nc.gov

Phone: 984-236-0238

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STATE OF NORTH CAROLINA

Request for Proposal #

DPC-646236801-MT

For internal State agency processing, including tabulation of proposals, provide your company's eVP (Electronic Vendor Portal) Number. Pursuant to G.S. 132-1.10(b) this identification number shall not be released to the public. **This page will be removed and shredded, or otherwise kept confidential**, before the procurement file is made available for public inspection.

This page shall be filled out and returned with your proposal.
Failure to do so may subject your proposal to rejection.

Deloitte and Touche LLP
Vendor Name

[redacted]
Vendor eVP#

Note: For a contract to be awarded to you, your company (you) must be a North Carolina registered vendor in good standing. You must enter the vendor number assigned through eVP (Electronic Vendor Portal). If you do not have a vendor number, register at https://vendor.ncgov.com/vendor/login

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Proposal Number: DPC-646236801-MT *Vendor:* Deloitte and Touche LLP

STATE OF NORTH CAROLINA *Division of Purchasing & Contract*	
Refer *ALL* Inquiries regarding this RFP to the procurement lead through the Message Board in the Sourcing Tool. See section 2.6 for details.	**Request for Proposal #: DPC-646236801-MT** **Proposals will be publicly opened: August 22, 2023, @2:00 PM EST**
Using Agency: STATEWIDE	**Commodity No. and Description: 84111600 – Audit Services**
Requisition No.: STC# 8411A	

EXECUTION

In compliance with this Request for Proposals (RFP), and subject to all the conditions herein, the undersigned Vendor offers and agrees to furnish and deliver any or all items upon which prices are bid, at the prices set opposite each item within the time specified herein.

By executing this proposal, the undersigned Vendor understands that false certification is a Class I felony and certifies that:

- this proposal is submitted competitively and without collusion (G.S. 143-54),
- none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and
- it is not an ineligible Vendor as set forth in G.S. 143-59.1.

Furthermore, by executing this proposal, the undersigned certifies to the best of Vendor's knowledge and belief, that:

- it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal or State department or agency.

As required by G.S. 143-48.5, the undersigned Vendor certifies that it, and each of its sub-Contractors for any Contract awarded as a result of this RFP, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system.

As required by Executive Order 24 (2017), the undersigned vendor certifies will comply with all Federal and State requirements concerning fair employment and that it does not and will not discriminate, harass, or retaliate against any employee in connection with performance of any Contract arising from this solicitation.

G.S. 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing plans, specifications, estimates for public contracts; or awarding or administering public contracts; or inspecting or supervising delivery of the public contract of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of this response to the RFP, the undersigned certifies, for Vendor's entire organization and its employees or agents, that Vendor is not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

By executing this bid, Vendor certifies that it has read and agreed to the **INSTRUCTION TO VENDORS** and the **NORTH CAROLINA GENERAL TERMS AND CONDITIONS incorporated herein.** These documents can be accessed from the Ariba Sourcing Tool.

Failure to execute/sign proposal prior to submittal may render proposal invalid and it MAY BE REJECTED. Late proposals shall not be accepted.

COMPLETE/FORMAL NAME OF VENDOR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE (SEE INSTRUCTIONS TO VENDORS ITEM #21):		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF VENDOR:	FAX NUMBER:	

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Proposal Number: DPC-646236801-MT *Vendor:* Deloitte and Touche LLP

VENDOR'S AUTHORIZED SIGNATURE*:	DATE:	EMAIL:

VALIDITY PERIOD

Offer shall be valid for at least 120 days from date of bid opening, unless otherwise stated here: _____ days, or if extended by mutual agreement of the parties in writing. Any withdrawal of this offer shall be made in writing, effective upon receipt by the agency issuing this RFP.

ACCEPTANCE OF PROPOSAL

If your proposal is accepted, all provisions of this RFP, along with the written results of any negotiations, shall constitute the written agreement between the parties ("Contract"). The NORTH CAROLINA GENERAL TERMS AND CONDITIONS are incorporated herein and shall apply. Depending upon the Services being offered, other terms and conditions may apply, as mutually agreed.

FOR STATE USE ONLY: Offer accepted and Contract awarded this_____ day of _____, 20____, as indicated on

The attached certification, by _____.

(Authorized Representative of Division of Purchase and Contract)

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1.0 PURPOSE AND BACKGROUND

1.1 PURPOSE

The Department of Administration (DOA) serves as the business manager for North Carolina state government and provides leadership to state government for the effective, efficient, economical, and equitable delivery of services to the public. The department also aids and services many advocacy programs that serve diverse segments of the state's population that have traditionally been underserved. The Division of Purchase and Contract (P&C) is the strategic force behind providing the State's entities with a catalog of Statewide Term Contracts (STC) that provide for an encompassing organized and efficient manner to pool resources to provide goods and services.

The State, through the DOA P&C, is seeking proposals from qualified Vendors, to establish a STC to provide for the State's need of pre-qualified Vendors for supplemental internal auditing assurance, accounting and managerial advisory services through subsequently issued Statements of Work (SOW) to be further competed to awarded qualified vendors, on an **"As-Needed"** basis, if and when requested by State Departments, Agencies, Higher Education Entities, and Other Eligible Entities during the contract period. The intent of this Request for Proposals (hereinafter, "RFP") is to receive pricing from Vendors who will offer savings to the State and who confirm, through Vendors' submission of proposals, an ability to meet the State's needs.

The Contract resulting from this RFP is **mandatory** for State Departments, most State Agencies, and State Higher Education Institutions (except under the conditions specified in G.S. 115D-58.14(a) and G.S. 116-13). The Contract may also be utilized by non-mandatory State Agencies and Other Eligible Entities.

Proposals shall be submitted in accordance with the terms and conditions of this RFP and any addenda issued hereto.

1.2 BACKGROUND

The NC General Assembly passed Session Law 2007-424 creating the Council of Internal Auditing (Council) and requiring most State agencies and universities to establish an internal audit function. There are forty-seven (47) State agencies and Universities with mandated internal audit functions. The Council identified staffing shortages in many State agency and university internal audit functions. Further, pursuant to NCGS 143D, the State Governmental Accountability and Internal Control Act, mandates that all state agencies continually improve their internal controls and agency procedures to ensure the agency's governing body, management, and other personnel, have designed their operations and systems to provide reasonable assurance regarding the achievement of objectives related to the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. To comply with the above statutory mandates, agencies on a periodic basis will need to secure professional services of auditors, accountants, data analyst and managerial advisors who assist in the performance of these critical business functions.

The State is soliciting Vendors under this RFP to address staffing shortages. State agency and university locations are listed in Exhibit 1 attached.

1.3 CONTRACT TERM

The Contract shall have a term of *five (5)* years, beginning on final Contract execution. The State reserves the right to extend a contract term after the last active term.

Proposals shall be submitted in accordance with the terms and conditions of this RFP and any addenda issued hereto.

1.4 ESTIMATED SPEND

Based on the historical usage of the STC, the estimated annual spend is $2,500,000.00. The inclusion of accounting, finance, managerial advisory and data analytic services, will likely increase annual spend significantly.

This amount is not guaranteed and could be more or less than the estimated spend during the contract period. No maximum or minimum quantities are guaranteed.

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2.0 GENERAL INFORMATION

2.1 REQUEST FOR PROPOSAL DOCUMENT

This RFP is comprised of the base RFP document, any attachments, and any addenda released before Contract award, which are incorporated herein by reference.

2.2 E-PROCUREMENT FEE

ATTENTION: This is an NC eProcurement solicitation facilitated by the Ariba Network. Pursuant to current state law, no e-procurement fees will be imposed upon approved vendors who provide services associated with this solicitation.

General information on the E-Procurement Services can be found at: http://eprocurement.nc.gov/.

What is the Ariba Network?

The Ariba Network is a web-based platform that serves as a connection point for buyers and vendors. Vendors can log in to the Ariba Network to view purchase orders, respond to electronic requests for quotes, participate in Sourcing Events, and collaborate with buyers on contract documents.

For training on how to use the Sourcing Tool to view solicitations, submit questions, develop responses, upload documents, and submit offers to the State, Vendors should go to the following site:

http://eprocurement.nc.gov/training/vendor-training.

2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS

It shall be the Vendor's responsibility to read the Instructions to Vendors, the North Carolina General Terms and Conditions, all relevant exhibits and attachments, and any other components made a part of this RFP and comply with all requirements and specifications herein. Vendors are also responsible for obtaining and complying with all Addenda and other changes that may be issued in connection with this RFP.

If Vendors have questions, issues, regarding any component of this RFP, those must be submitted as questions in accordance with the instructions in the PROPOSAL QUESTIONS Section. If the State determines that any changes will be made as a result of the questions asked, then such decisions will be communicated in the form of an RFP addendum. The State may also elect to leave open the possibility for later negotiation of specific provisions of the Contract that have been addressed during the question-and-answer period, prior to contract award.

Other than through the process of negotiation under 01 NCAC 05B.0503, the State rejects and will not be required to evaluate or consider any additional or modified terms and conditions submitted with Vendor's proposal or otherwise. This applies to any language appearing in or attached to the document as part of the Vendor's proposal that purports to vary any terms and conditions or Vendors' instructions herein or to render the proposal non-binding or subject to further negotiation. Vendor's proposal shall constitute a firm offer that shall be held open for the period required herein ("Validity Period" above).

The State may exercise in its discretion to consider Vendor proposed modifications. By execution and delivery of this RFP Response, the Vendor agrees that any additional or modified terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect, and will be disregarded unless expressly agreed upon through negotiations and incorporated by way of a Best and Final Offer (BAFO). Noncompliance with, or any attempt to alter or delete, this paragraph shall constitute sufficient grounds to reject Vendor's proposal as nonresponsive.

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Proposal Number: DPC-646236801-MT *Vendor:* Deloitte and Touche LLP

2.4 RFP SCHEDULE

The table below shows the *intended* schedule for this RFP. The State will make every effort to adhere to this schedule.

Event	Responsibility	Date and Time
Issue RFP	State	July 14, 2023
Urged & Cautioned Pre-Proposal Conference	State	July 27, 2023 @ 2:00 PM EST
Submit Written Questions	Vendor	August 2, 2023 @ 5:00 PM EST
Provide Response to Questions	State	August 8, 2023
Submit Proposals	Vendor	August 22, 2023 @ 2:00 PM EST **Microsoft Teams meeting** **Join on your computer, mobile app or room device** Click here to join the meeting Meeting ID: 258 653 933 303 Passcode: 5booFX **Join with a video conferencing device** ncgov@m.webex.com Video Conference ID: 117 730 666 7 Alternate VTC instructions **Or call in (audio only)** +1 984-204-1487,,184281593# United States, Raleigh Phone Conference ID: 184 281 593#
Contract Award	State	TBD
Contract Effective Date	State	TBD

2.5 URGED AND CAUTIONED PRE-PROPOSAL CONFERENCE

Date: July 27, 2023
Time: 2:00 PM Eastern Time
Location: **Microsoft Teams Meeting**
Join on your computer, mobile app or room device
Click here to join the meeting
Meeting ID: 212 589 357 587
Passcode: tztzDQ
Join with a video conferencing device
ncgov@m.webex.com
Video Conference ID: 116 055 337 0
Alternate VTC instructions
Or call in (audio only)
+1 984-204-1487,,895953297# United States, Raleigh
Phone Conference ID: 895 953 297#

Contact #: Melinda Tomlinson
984-236-0238
Melinda.tomlinson@doa.nc.gov

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Proposal Number: DPC-646236801-MT *Vendor:* Deloitte and Touche LLP

Instructions: Vendor representatives are URGED and CAUTIONED to attend the pre-proposal conference and apprise themselves of the conditions and requirements which will affect the performance of the work called for by this RFP. A non-mandatory pre-proposal conference is scheduled for this RFP. Submission of a proposal shall constitute sufficient evidence of this compliance and no allowance will be made for unreported conditions which a prudent Vendor would recognize as affecting the performance of the work called for in this RFP.

Vendor is cautioned that any information released to attendees during the pre-proposal conference, other than that involving the physical aspects of the facility referenced above, and which conflicts with, supersedes, or adds to requirements in this RFP, must be confirmed by written addendum before it can be considered to be a part of this RFP and any resulting contract.

2.6 PROPOSAL QUESTIONS

Upon review of the RFP documents, Vendors may have questions to clarify or interpret the RFP in order to submit the best proposal possible. To accommodate the Proposal Questions process, Vendors shall submit any such questions by the "Submit Written Questions" date and time provided in the RFP SCHEDULE Section above, unless modified by Addendum.

Questions related to the content of the solicitation, or the procurement process should be directed to the person on the title page of this document via the Sourcing Tool's message board by the date and time specified in the RFP SCHEDULE Section of this RFP. Vendors will enter "**RFP # DPC-646236801-MT – Questions**" as the subject of the message. Question submittals should include a reference to the applicable RFP section. This is the only manner in which questions will be received.

Questions or issues related to using the Sourcing Tool itself can be directed to the North Carolina eProcurement Help Desk at 888-211-7440, Option 2. Help Desk representatives are available Monday through Friday from 7:30 AM ET to 5:00 PM ET.

Questions received prior to the submission deadline date, the State's response, and any additional terms deemed necessary by the State will be posted in the Sourcing Tool in the form of an addendum and shall become an Addendum to this RFP. No information, instruction or advice provided orally or informally by any State personnel, whether made in response to a question or otherwise in connection with this RFP, shall be considered authoritative or binding. Vendors shall rely *only* on written material contained in the RFP and an addendum to this RFP.

2.7 PROPOSAL SUBMITTAL

IMPORTANT NOTE: This is an absolute requirement. Late bids, regardless of cause, will not be opened or considered, and will be automatically disqualified from further consideration. Vendor shall bear the sole risk of late submission due to unintended or unanticipated delay. It is the Vendor's sole responsibility to ensure its proposal has been received as described in this RFP by the specified time and date of opening. Failure to submit a proposal in strict accordance with instructions provided shall constitute sufficient cause to reject a Vendor's proposal(s). Solicitation responses are subject to Sealed Bidding requirements.

Vendor's proposals for this procurement must be submitted through the Sourcing Tool. For training on how to use the Sourcing Tool to view solicitations, submit questions, develop responses, upload documents, and submit offers to the State, Vendors should go to the following site: https://eprocurement.nc.gov/training/vendor-training

Questions or issues related to using the Sourcing Tool itself can be directed to the North Carolina eProcurement Help Desk at 888-211-7440, Option 2. Help Desk representatives are available Monday through Friday from 7:30 AM EST to 5:00 PM EST.

Tips for Using the Sourcing Tool

1. Vendors should review available training and confirm that they are able to access the Sourcing Event, enter responses, and upload files well in advance of the date and time response are due to allow sufficient time to seek assistance from the North Carolina eProcurement Help Desk.
2. Vendors may submit their responses early to make sure there are no issues, and then submit a revised response any time prior to the response due date and time. The State will only review the most recent response.
3. Vendors should respond to all relevant sections of the Sourcing Event. Certain questions or items are required in order to submit a response and are denoted with an asterisk. The Sourcing Tool will not allow a response to be submitted unless

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all required items are completed. The Sourcing Tool will provide error messages to help identify any required information that is missing when response is submitted.

4. Simply saving your response in the Sourcing Tool is not the same as submitting your response to the State. Vendors should make sure they complete the submission process and receive a message that their response was successfully submitted.

P&C recommends the following naming conventions when uploading files:

- **Solicitation Number-Proposal Response-Vendor Name**
- **Solicitation Number-Proposal Response-Vendor Name-Pricing Catalog**
- **Solicitation Number-Proposal Response-Vendor Name-Attachment**

Example:

- **DPC-467952775-BJ -Office Supplies-Response-Xyz Corporation**
- **DPC-467952775-BJ -Office Supplies-Response-Xyz Corporation-Pricing Catalog**
- **DPC-467952775-BJ -Office Supplies-Response-Xyz Corporation-Attachment D**

If confidential and proprietary information is included in the proposal, also submit one (1) signed, REDACTED copy of the proposal. Such information may include trade secrets defined by N.C. Gen. Stat. § 66-152 and other information exempted from the Public Records Act pursuant to N.C. Gen. Stat. §132- 1.2. Vendor may designate information, Products, Services or appropriate portions of its response as confidential, consistent with and to the extent permitted under the statutes and rules set forth above. By so redacting any page, or portion of a page, the Vendor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors, that the portions determined to be confidential and proprietary and redacted as such, meet the requirements of the Rules and Statutes set forth above. However, under no circumstances shall price information be designated as confidential.

If the Vendor does not provide a redacted version of the proposal with its proposal submission, the Department may release an unredacted version if a record request is received.

2.8 PROPOSAL CONTENTS

Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's proposal, in the State's sole discretion.

Vendor shall include the following items and attachments in the Sourcing Tool:

a) Title Page: Include the company name, address, phone number and authorized representative along with the Proposal Number.

b) Completed and signed version of all EXECUTION PAGES, along with the body of the RFP.

c) Signed receipt pages of any addenda released in conjunction with this RFP, if required to be returned.

d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.4, 5.5, 6.1

e) Completed version of ATTACHMENT A: COST PROPOSAL

f) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION

g) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM

h) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR

i) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL

j) Vendor's Response and Documentation for:

   a. Legal Right to practice in the State of North Carolina
   b. External Review and Regulatory Action

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c. Financial Statements

2.9 ALTERNATE PROPOSALS

Unless provided otherwise in this RFP, Vendors may submit alternate proposals for comparable services, various methods or levels of Service(s), or that propose different options. Alternate proposals must specifically identify the RFP requirements and advantage(s) addressed by the alternate proposal. Each proposal must be for a specific set of Services and must include specific pricing. Each proposal must be complete and independent of other proposals offered. If a Vendor chooses to respond with various offerings, Vendor shall follow the specific instructions for uploading Alternate Proposals in the Sourcing Tool.

2.10 DEFINITIONS, ACRONYMS, AND ABBREVIATIONS

Relevant definitions for this RFP are provided in 01 NCAC 05A .0112 and in the Instructions to Vendors found in the Sourcing Tool, which are incorporated herein by this reference.

The following definitions, acronyms, and abbreviations are also relevant to this RFP:

a) **COBIT**: Control Objectives for Information and Related Technology (COBIT) issued by the Information Systems Audit and Control Association

b) **GAGAS**: Generally Accepted Government Auditing Standards issued by the United States General Comptroller.

c) **IIA**: International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditor's.

d) **ISO Standards**: Issued by the International Organization for Standardization.

e) **GAAP** – Generally Accepted Accounting Principles issued by the Financial Accounting Standards Board.

3.0 METHOD OF AWARD AND PROPOSAL EVALUATION PROCESS

3.1 METHOD OF AWARD

North Carolina G.S. 143-52 provides a general list of criteria the State shall use to award contracts, as supplemented by the additional criteria herein. The Services being procured shall dictate the application and order of criteria; however, all award decisions shall be in the State's best interest. All qualified proposals will be evaluated, and awards will be made to the Vendor(s) meeting the specific RFP Specifications and achieving the best final evaluation, based on the criteria described below.

While the intent of this RFP is to award a Contract(s) to multiple Vendors, the State reserves the right to make separate awards to different Vendors for one or more line-items, to not award one or more line-items or to cancel this RFP in its entirety without awarding a Contract, if it is considered to be most advantageous to the State to do so.

The State reserves the right to waive any minor informality or technicality in proposals received.

3.2 CONFIDENTIALITY AND PROHIBITED COMMUNICATIONS DURING EVALUATION

While this RFP is under evaluation, the responding Vendor, including any subcontractors and suppliers, is prohibited from engaging in conversations intended to influence the outcome of the evaluation. See Paragraph 29 of the Instructions to Vendors entitled COMMUNICTIONS BY VENDORS.

Each Vendor submitting a proposal to this RFP, including its employees, agents, subcontractors, suppliers, subsidiaries and affiliates, is prohibited from having any communications with any person inside or outside the using agency; issuing agency; other government agency office or body (including the purchaser named above, any department secretary, agency head, members of the General Assembly and Governor's office); or private entity, if the communication refers to the content of Vendor's proposal or qualifications, the content of another Vendor's proposal, another Vendor's qualifications or ability to perform a resulting contract, and/or the transmittal of any other communication of information that could be reasonably considered to have the effect of directly or indirectly influencing the evaluation of proposals, the award of a contract, or both.

Any Vendor not in compliance with this provision shall be disqualified from evaluation and award. A Vendor's proposal may be disqualified if its subcontractor and/or supplier engage in any of the foregoing communications during the time that the

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procurement is active (*i.e.*, the issuance date of the procurement until the date of contract award or cancellation of the procurement). Only those discussions, communications or transmittals of information authorized or initiated by the issuing agency for this RFP or inquiries directed to the purchaser named in this RFP regarding requirements of the RFP (prior to proposal submission) or the status of the award (after submission) are excepted from this provision.

3.3 PROPOSAL EVALUATION PROCESS

Only responsive submissions will be evaluated.

The State will conduct a One-Step evaluation of Proposals:

Proposals will be received according to the method stated in the Proposal Submittal Section above.

All proposals must be received by the Division of Purchase and Contract not later than the date and time specified in the RFP SCHEDULE Section above, unless modified by Addendum. Vendors are cautioned that this is a request for offers, not an offer or request to contract, and the State reserves the unqualified right to reject any and all offers at any time if such rejection is deemed to be in the best interest of the State.

At the date and time provided in the RFP SCHEDULE Section above, unless modified by Addendum, the proposal from each responding Vendor will be opened publicly and all offers (except those that have been previously withdrawn, or voided bids) will be tabulated. The tabulation shall be made public at the time it is created. When negotiations after receipt of bids are authorized pursuant to G.S. 143-49 and 01 NCAC 05B.0503, only the names of offerors and the Services offered shall be tabulated at the time of opening. If negotiation is anticipated, cost and price shall become available for public inspection at the time of the award. Interested parties are cautioned that these costs and their components are subject to further evaluation for completeness and correctness and therefore may not be an exact indicator of a Vendor's pricing position.

At their option, the evaluators may request oral presentations or discussions with any or all Vendors for clarification or to amplify the materials presented in any part of the proposal. Vendors are cautioned, however, that the evaluators are not required to request presentations or other clarification—and often do not. Therefore, all proposals should be complete and reflect the most favorable terms available from the Vendor.

If negotiation is anticipated under 01 NCAC 05B.0503, pricing may not be public until award.

Upon completion of the evaluation process, the State will make award(s) based on the evaluation and post the award(s) to the electronic Vendor Portal (eVP), https://evp.nc.gov under the RFP number for this solicitation. Award of a Contract to one Vendor does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed most advantageous and represented the best value to the State.

The State reserves the right to negotiate with one or more vendors, or to reject all original offers and negotiate with one or more sources of supply that may be capable of satisfying the requirement, and in either case to require Vendor to submit a Best and Final Offer (BAFO) based on discussions and negotiations with the State.

3.4 EVALUATION CRITERIA

In addition to the general criteria in G.S. 143-52 which may or may not be relevant to this RFP, all qualified proposals will be evaluated, and award made based on considering the following criteria, to result in an award most advantageous to the State. Note that absolute requirements of verified documentation are required for further evaluation, to include:

1. Legal Right to practice in the State of North Carolina
2. External Review and Regulatory Action

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Evaluation Criteria	RFP Section	Points
Vendor's Relevant Background and Experience	4.4, 4.5	300
Financial Statements	4.8	200
Personnel	4.11	350
Cost Proposal	4.9, Attachment A	150
TOTAL	**700 required for award**	**1000**
NC License to Practice	4.6	Pass/Fail
External Review/Regulatory Action	4.7	Pass/Fail

3.5 PERFORMANCE OUTSIDE THE UNITED STATES

Vendor shall complete ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR. In addition to any other evaluation criteria identified in this RFP, the State may also consider, for purposes of evaluating proposed or actual contract performance outside of the United States, how that performance may affect the following factors to ensure that any award will be in the best interest of the State:

a) Total cost to the State
b) Level of quality provided by the Vendor
c) Process and performance capability across multiple jurisdictions
d) Protection of the State's information and intellectual property
e) Availability of pertinent skills
f) Ability to understand the State's business requirements and internal operational culture
g) Particular risk factors such as the security of the State's information technology
h) Relations with citizens and employees
i) Contract enforcement jurisdictional issues

3.6 INTERPRETATION OF TERMS AND PHRASES

This RFP serves two functions: (1) to advise potential Vendors of the parameters of the solution being sought by the State; and (2) to provide (together with other specified documents) the terms of the Contract resulting from this procurement. The use of phrases such as "shall," "must," and "requirements" are intended to create enforceable contract conditions. In determining whether proposals should be evaluated or rejected, the State will take into consideration the degree to which Vendors have proposed or failed to propose solutions that will satisfy the State's needs as described in the RFP. Except as specifically stated in the RFP, no one requirement shall automatically disqualify a Vendor from consideration. However, failure to comply with any single requirement may result in the State exercising its discretion to reject a proposal in its entirety.

4.0 REQUIREMENTS

This Section lists the requirements related to this RFP. By submitting a proposal, the Vendor agrees to meet all stated requirements in this Section as well as any other specifications, requirements, and terms and conditions stated in this RFP. If a Vendor is unclear about a requirement or specification or believes a change to a requirement would allow for the State to receive a better proposal, the Vendor is urged to submit these items in the form of a question during the question-and-answer period in accordance with the Proposal Questions Section above.

4.1 PRICING

Proposal price shall constitute the total cost to the State for complete performance in accordance with the requirements and specifications herein, including all applicable charges for handling, transportation, administrative and other similar fees. Complete ATTACHMENT A: PRICING FORM and upload in the Sourcing Tool. The pricing provided in ATTACHMENT A, or resulting from any negotiations, is incorporated herein and shall become part of any resulting Contract.

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4.2 INVOICES

Vendor shall invoice the Soliciting Agency. The standard format for invoicing shall be single invoices meaning that the Vendor shall provide the Purchasing Agency with an invoice for each order. Invoices shall include detailed information to allow the Soliciting Agency to verify pricing at point of receipt matches the correct price from the original date of order. The following fields shall be included on all invoices, as relevant:

Vendor's Billing Address, Customer Account Number, NC Contract Number, Order Date, Buyer's Order Number, Item Descriptions, Price, Quantity, and Unit of Measure.

INVOICES MAY NOT BE PAID UNTIL SERVICES ACCEPTED BY THE AGENCY'S DESIGNATED CONTRACT MANAGER.

4.3 HUB PARTICIPATION

Pursuant to North Carolina General Statute G.S. 143-48, it is State policy to encourage and promote the use of small, minority, physically handicapped, and women contractors in purchasing Goods and Services. As such, this RFP will serve to identify those Vendors that are minority owned or have a strategic plan to support the State's Historically Underutilized Business program by meeting or exceeding the goal of 10% utilization of diverse firms as 1st or 2nd tier subcontractors. Vendor shall complete ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION.

4.4 VENDOR EXPERIENCE

In its Proposal, Vendor shall demonstrate experience with public and/or private sector clients with similar or greater size and complexity to the State. Vendor shall provide information as to the qualifications and experience of all executive, managerial, legal, and professional personnel that were assigned to similar projects.

a) In its proposal response the Vendor shall include background information on its company and should give details of experience with similar projects that would substantiate the Vendor's qualifications and capabilities to perform the services described in Section 5.2 Audit, Accounting, Data Analytic and Managerial Advisory Service category.

4.5 REFERENCES

Vendor shall provide a list of at least five (5) contracts for which Vendor has performed services of a similar nature and scope, as identified in Section 5.2, within the last five (5) years. This list shall identify the client and a description of the services performed, for use as references (including names and telephone numbers of contact persons who are familiar with the work performed). The evaluators will randomly select and contact at least three (3) of these references, but the evaluators reserve the right to contact all the references listed, if information from the three references contacted warrant further inquiry.

The evaluators may check all public sources to determine whether a Vendor has listed all contracts for similar work within the designated period. If the evaluators determine that references for other public contracts for similar work were not listed, the evaluators may contact the public entities to make inquiry into the Vendor's performance of those contracts and the information obtained may be considered in evaluating Vendor's proposal. It is highly recommended the Vendor list all services provided to any North Carolina State agencies and/or the University of North Carolina including all campuses no matter the procurement method used to obtain these services.

4.6 LEGAL RIGHT TO PRACTICE IN NORTH CAROLINA

Proposal may be rejected solely on the basis of this information

In its proposal response, Vendor must demonstrate that it is legally authorized to practice in North Carolina. This may include but is not limited to:

1. Articles of Incorporation
2. DBA filed with NC Counties
3. Licensee information from the NC State Board of CPA Examiners
4. Other associated documents that provide evidence the vendor is authorized to practice and provide services in North Carolina

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4.7 EXTERNAL REVIEWS AND REGULATORY ACTION

Proposal may be rejected solely on the basis of this information

a. In its proposal response, Vendor shall provide a copy of its most recent external peer/quality assurance review report and any letter of comments or similar correspondence describing deficiencies noted in the peer review. Vendor must have received an unqualified opinion on its system of quality control and the peer review must have been performed within the last three (3) years. The Vendor's failure to provide an external peer/quality assurance review report and any letter of comments or similar correspondence describing deficiencies will result in the rejection of the Vendor's proposal. Vendors are encouraged to explain any deficiencies described in the above-mentioned documents and to provide documentation supporting those explanations.

b. Vendors not subject to the American Institute of Certified Public Accountants external review requirements must provide detailed information regarding all aspects of the Vendor's formal internal quality control program/process. This should include but is not limited to: quality control policies and procedures; any independent evaluation or self-assessment of the quality control program; summary results of client surveys; or any other data supporting the success of the quality control process.

c. In its proposal response, Vendor shall include a statement asserting whether or not any regulatory sanctions have been levied against it or any of its partners, officers, directors, employees, or agents by any state or federal regulatory agencies within the last three (3) years. As used herein, the term "regulatory sanctions" includes the revocation or suspension of any license or certification, the levying of any monetary penalties or fines, and the issuance of any written warnings. If any such action has been taken, the Vendor shall include a complete description of the action and the circumstances that resulted in the action.

d. In its proposal response, The Vendor shall include a statement asserting whether or not any regulatory investigations are pending against the vendor or any of their officers, directors, employees, and agents by state or federal regulatory agencies. If any such investigations are pending, the vendor shall include a complete description of the pending investigation.

e. In its proposal response, Vendors shall include a statement certifying it has no outstanding liabilities to the Internal Revenue Service, other government entities or unpaid final judgments for which it remains liable.

4.8 FINANCIAL STATEMENT

a. For Vendors required by law to have financial statement audits provide the following information in the proposal response:

1. Recent audited or reviewed financial statements prepared by an independent certified public accountant (CPA) that shall include, at a minimum, a balance sheet, income statement (i.e., profit/loss statement) and cash flow statement **and**, if the audited or reviewed financial statements were prepared more than six (6) months prior to the issuance of this RFP, the vendor shall submit its most recent internal financial statements (balance sheet, income statement and cash flow statement or budget with entries reflecting revenues and expenditures from the date of the audited or reviewed financial statements to the end of the most recent financial reporting period (i.e., the quarter or month preceding the issuance date of this RFP); or

2. Recent compiled financial statements prepared by an independent CPA that shall include, at a minimum, a balance sheet, income statement (i.e., profit/loss statement) and cash flow statement **and**, if the compiled financial statements were prepared more than three (3) months prior to the issuance of this RFP, the Vendor shall submit its most recent internal financial statements (balance sheet, income statement and cash flow statement or budget with entries reflecting revenues and expenditures to date), and other evidence of financial stability such as most recently filed income tax return, evidence of a line of credit/loans/other type of financing with statement of amount in use/outstanding balance (e.g., a complete copy commitment letter, loan agreement, billing statement reflecting the line of credit or statement from lender acknowledging the commitment to fund the vendor's stated financing), performance bond, personal guaranty with copies of personal income tax filing and statement of net worth or such other evidence that is accurate, reliable and trustworthy regarding the

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vendor's financial stability.

b. For Vendors not required by law to have a financial statement audit, provide the following information in the proposal response:

1. Most recent internal financial statements: a balance sheet, income statement (i.e. profit/loss statement), and cash flow statement from the most recent financial reporting period and to the end of the most recent financial reporting period (i.e., the quarter or month preceding the issuance date of this RFP), and other evidence of financial stability such as most recently filed income tax return, evidence of a line of credit/loans/other type of financing with statement of amount in use/outstanding balance (e.g., a complete copy commitment letter, loan agreement, billing statement reflecting the line of credit or statement from lender acknowledging the commitment to fund the vendor's stated financing), performance bond, personal guaranty with copies of personal income tax filing and statement of net worth or such other evidence that is accurate, reliable and trustworthy regarding the Vendor's financial stability.

Note: Recent shall be defined as financial statements that were prepared within the 12 months preceding the issuance date of this RFP.

Consolidated financial statements of the Vendor's parent or related corporation/business entity shall not be considered, unless: (1) the Vendor's actual financial performance for the designated period is separately identified in and/or attached to the consolidated statements; (2) the parent or related corporation/business entity provides the State with a document wherein the parent or related corporation/business entity will be financially responsible for the Vendor's performance of the contract and the consolidated statement demonstrates the parent or related corporation's/business entity's financial ability to perform the contract, financial stability and/or such other financial considerations identified in the evaluation criteria; and/or (3) Vendor provides its own internally prepared financial statements and such other evidence of its own financial stability identified above.

The Vendor's failure to provide any of the above-referenced financial statements or failure to submit all the requested financial statements may result in the rejection of the Vendor's proposal. Vendors are also encouraged to explain any negative financial information in its financial statements and are encouraged to provide documentation supporting those explanations.

All financial information, statements and/or documents provided in response to this proposal requirement may be kept confidential, **IF THE VENDOR COMPLIES WITH SECTION VI PARAGRAPH 28 BID SUBMISSION IN THE INSTRUCTIONS TO VENDORS ON SUBMITTING PROPOSALS BY MARKING THE FINANCIAL INFORMATION, STATEMENTS AND/OR DOCUMENTS CONFIDENTIAL.**

4.9 COST PROPOSAL

Vendors that are awarded contracts by agencies will provide skilled audit professionals (skilled with documented expertise and experience) qualified in one (1) or more of the service categories described within Section 5.2 of this RFP.

Vendors shall indicate the service categories in which they wish to be considered by submitting base or upper rates for staff, supervisor, and executive hourly rate ranges for each on the pricing schedule (Attachment A). Vendors may provide rates for one (1) or more service categories but may not necessarily receive approval for all categories submitted.

For each service category, the Vendor shall provide the following:

Assurance Services (audits)

a. Auditor

1. *Base Rate:* The rate that the Vendor will provide an auditor that meets the minimum qualifications. Base rates quoted as a result of the RFP proposal do not preclude any Vendor from offering a rate lower than the established base rate in response to an agency's SOW request for services.

2. *Upper Rate:* The maximum rate that the Vendor will provide an auditor with expert qualifications that demonstrated success. Upper Rates as quoted in this RFP will preclude any Vendor from offering a rate for an auditor higher than the established upper rate in response to a soliciting agency's request for services.

Examples of base and upper qualifications are listed in Attached Exhibit 2.

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b. Audit Supervisor
The audit supervisor may be responsible for planning and conducting the audit, directing a team of highly skilled and/or lower-level auditors, and assuring the audit engagement is completed timely. Vendors should provide an hourly rate for staff with these skill sets. Typically has 10 years of experience.

c. Audit Executive
The audit executive has the overall responsibilities to ensure compliance with standards, staff is competent and adequately trained, and audit clients are satisfied with completed work.

Accounting Services

a. Accounting Staff

1. Base Rate: The rate that the Vendor will provide an associate accountant that meets the minimum qualifications. Base rates quoted as a result of the RFP proposal do not preclude any Vendor from offering a rate lower than the established base rate in response to an agency's SOW request for services.

2. Upper Rate: The rate that the Vendor will provide an staff accountant that meets the minimum qualifications. Base rates quoted as a result of the RFP proposal do not preclude any Vendor from offering a rate lower than the established base rate in response to an agency's SOW request for services.

Examples of base and upper qualifications are listed in Attached Exhibit 2.

b. Supervisor
The accounting supervisor is responsible for directing a team of highly skilled and/or lower-level accountants, and assuring the work is completed in a timely manner. Typically has 10 years of experience. Vendors should provide an hourly rate for staff with these skill sets.

Executive The accounting firm's partner or senior director who may be a Certified Public Accountant (CPA)and has the overall responsibilities to ensure compliance with standards, staff is competent and adequately trained, and clients are satisfied with completed work.

Managerial Advisory Services

a. Advisory Staff

1. Base Rate: The rate that the Vendor will provide an advisor/analyst that meets the minimum qualifications. Base rates quoted as a result of the RFP proposal do not preclude any Vendor from offering a rate lower than the established base rate in response to an agency's SOW request for services.

2. Upper Rate: The maximum rate that the Vendor will provide an advisor/analyst with expert qualifications that demonstrated success. Upper Rates as quoted in this RFP will preclude any Vendor from offering a rate for an auditor higher than the established upper rate in response to a soliciting agency's request for services.

Examples of base and upper qualifications are listed in Attached Exhibit 2.

b. Supervisor
The supervisor may be responsible for planning and conducting the advisory service, directing a team of highly skilled and/or lower-level advisors/analysts, and assuring the engagement is completed timely. Vendors should provide an hourly rate for staff with these skill sets. Typically has 10 years of experience.

c. Executive
Partner or senior director level has the overall responsibilities to ensure compliance with standards, staff is competent and adequately trained, and audit clients are satisfied with completed work.

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Data Analytics Service

a. Data Analytic Staff

1. Base Rate: The rate that the Vendor will provide a data analyst that meets the minimum qualifications. Base rates quoted as a result of the RFP proposal do not preclude any Vendor from offering a rate lower than the established base rate in response to an agency's SOW request for services.

2. Upper Rate: The maximum rate that the Vendor will provide an data analyst with expert qualifications that demonstrated success. Upper Rates as quoted in this RFP will preclude any Vendor from offering a rate for an auditor higher than the established upper rate in response to a soliciting agency's request for services.

Examples of base and upper qualifications are listed in Attached Exhibit 2.

b. Supervisor

The supervisor may be responsible for planning and conducting the data analytic service, directing a team of highly skilled and/or lower-level data analysts, and assuring the engagement is completed in a timely manner. Vendors should provide an hourly rate for staff with these skill sets. Typically has 10 years of experience.

c. Executive

Partner or senior director level has the overall responsibilities to ensure compliance with standards, staff is competent and adequately trained, and audit clients are satisfied with completed work.

d. Other professional staff – At their discretion, responding firms may include hourly rates for additional professional advisory staff experienced in organizational operations, business administration, economic or revenue analysis and related managerial advisory tasks and functions.

4.10 ADDITIONAL REQUIREMENTS

a. Work Papers

Any and all work papers, documents, and reports (hereinafter referred to as work papers) created or obtained under the agreement between the soliciting agencies and Vendor are the property of the soliciting agency. All work papers shall be provided to the agency and the Vendor shall not retain copies of any of the work papers unless the Vendor is required to comply with quality assurance review auditing standards and when the soliciting agencies agrees, in writing, to waive this requirement.

b. Personnel Matters

1. ***Professionalism*** - The Vendor's personnel shall adhere to the same professional and ethical standards of conduct required of State personnel. Vendor personnel shall not:
   i. Discuss with unauthorized persons any information obtained in the performance of work under any agency's solicitation document.
   ii. Use agency data for company or personal business other than work related to the solicitation document,
   iii. Conduct business not directly related to the solicitation document on the agency premises,
   iv. Use computer system, equipment and/or other agency facilities for company or personal business other than work related to the solicitation document, and
   v. Recruit on agency premises or otherwise act to disrupt agency business.

2. ***Training*** - The Vendor shall provide fully trained and experienced personnel required for performance of any solicitation document. This includes training necessary for keeping personnel abreast of industry advances and maintaining proficiency with auditing standards.

3. ***Authority*** - Vendor personnel shall not hold themselves out to be agents or representatives, in any capacity, of the State. In all communications with third parties, vendor personnel shall identify themselves as such and specify the name of the Vendor.

4. ***Vendor Staff Turnover*** - After the procurement process has concluded and Vendors have been selected by the state, approved Vendors selected by soliciting agencies who are working on agency audit engagements or related audit, accounting and managerial advisory services may experience Vendor staff turnover. The Vendor must provide equally qualified personnel to replace departing personnel resources who were previously working on the

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engagement. The soliciting agency reserves the right to pre-screen or not approve of replacement personnel to engage in the same audit activities as the original departing personnel.

5. ***Vendor Staff Background Checks*** - After the procurement process has concluded and Vendors have been selected by the state, approved Vendors selected by soliciting agencies who are working on agency audit engagements may by the nature of the soliciting agency (e.g., law enforcement investigative agency) have access to agency files, records and information that involve criminal investigations or related sensitive matters. Soliciting agencies using state selected audit service Vendors, reserve the right to require that a satisfactory criminal or financial background check be completed for any or all Vendor audit, accounting and managerial advisory personnel assigned to the audit engagement. These background checks may be required as part of the agency solicitation document review process. The costs associated with these background checks may be paid by the soliciting agency or by the state approved services Vendor, at the election of the soliciting agency. The soliciting agency will keep all background check results confidential and will provide copies to the state approved audit service Vendor if the results serve as a basis to refuse Vendor services or Vendor employee participation in the audit engagement.

c. Confidentiality

Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Vendor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the soliciting Agency. The only exceptions are disclosure required by law, legal process or applicable professional audit standards.

d. Records Retention

The policy set forth by the North Carolina Council of Internal Auditing shall be followed for record retention. The policy for record retention requirements covers internal audit reports, other reports, working papers and any other documents that support any reports observations, conclusions, findings or results. Record retention requirements shall be consistent with any pertinent regulatory or other requirements and records shall be maintained for a minimum of ten years.

e. Travel

The state will not pay travel costs to and from the designated workplace for Vendor's personnel. In the event that Vendor personnel are required by the State to travel away from the regularly assigned work location to perform related tasks, the State will, upon preapproval, reimburse the Vendor in accordance with the North Carolina state travel guidelines in Chapter 5 of the North Carolina Budget Manual, which can be found at: *https://www.osbm.nc.gov/budget/budget-manual*

4.11 PERSONNEL

In its proposal the Vendor shall provide information as to the qualifications and experience of current audit, accounting, managerial advisors, and data analytics personnel that may be assigned to each of the service categories for which the Vendor submits a proposal. Personnel qualifications may include documentation citing educational background, experience with similar projects and related certification, as well as the number of years of experience with each type of service category, as identified in the Section 5 Scope of Works, Audit Service Categories.

Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. Names of any third-party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).

Should the Vendor's proposal result in an award, the Vendor shall be required to agree that it will not substitute key personnel assigned to the performance of the Contract without prior written approval by the Contract Lead. Vendor shall further agree that it will notify the Contract Lead of any desired substitution, including the name(s) and references of Vendor's recommended

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substitute personnel. The State will approve or disapprove the requested substitution in a timely manner. The State may, in its sole discretion, terminate the Services of any person providing Services under this Contract. Upon such termination, the State may request acceptable substitute personnel or terminate the contract Services provided by such personnel.

4.12 VENDOR'S REPRESENTATIONS

If Vendor's Proposal results in an award, Vendor agrees that it will not enter any agreement with a third party that may abridge any rights of the State under the Contract. If any Services, deliverables, functions, or responsibilities not specifically described in this solicitation are required for Vendor's proper performance, provision and delivery of the Service and deliverables under a resulting Contract, or are an inherent part of or necessary sub-task included within such Service, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract. Unless otherwise expressly provided herein, Vendor will furnish all of its own necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary for the Vendor to provide and deliver the Services and/or other Deliverables.

Vendor warrants that it has the financial capacity to perform its obligations under the contract; that Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Vendor that could materially adversely affect performance of The Contract; and that entering into a Contract is not prohibited by any contract, or an order by any court of competent jurisdiction.

4.12 AGENCY INSURANCE REQUIREMENTS

Default Insurance Coverage from the General Terms and Conditions applicable to this Solicitation:

☐ Small Purchases

☐ Contract value in excess of the Small Purchase threshold, but up to $1,000,000.00

☒ Contract value in excess of $1,000,000.00

5.0 SCOPE OF WORK

5.1 GENERAL

Audits, accounting, data analytics or managerial services are performed to either ascertain the validity and reliability of information; to provide an assessment of a system's internal controls or operations; to recommend improvements in efficiency and effectiveness of operations; adherence to laws and regulations, fill an unmet staffing needs, or provide forecasting .

Any agency may identify a need for internal audit assurance, accounting, data analytics or managerial advisory service short term staff through the issuance of a Scope of Work (SOW). The hiring agency's staffing needs may vary in terms of resources required, dates of service and length of assignment.

5.2 INTERNAL AUDIT ASSURANCE , ACCOUNTING & ADVISORY SERVICE CATEGORIES

The Vendors shall provide qualified, experienced staff to conduct or participate as a team member on one (1) or more of the following types of Services.

a. ***Operational/Performance Audit***

An operational audit is a systematic and independent evaluation of organizational activities. Financial data maybe used, but the primary sources of evidence are the operational policies and achievements related to organizational objectives. Internal controls and efficiencies may be evaluated during this type of review.

An operational audit tests an agency's internal systems and procedures for efficiency and effectiveness. These audits test operations for efficiency and effectiveness. Operational audits are usually a deeper review of an agency's operations than a financial audit, which is conducted in an after-the-fact audit process. Benefits from operational audits include objective opinions, improved workflow or cost allocation processes and quicker turnaround times.

An operational audit usually uncovers inefficient use of resources or wasted capital. Administrative departments may also be reviewed during the operational audit process. Administrative business processes may increase costs by employing too

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many individuals or having an improper workflow. Slow internal business processes can delay critical operations. Auditors often test cost allocation processes during operational audits to determine the strengths and weaknesses of this system.

b. ***Investigative Audit***

An investigative audit is an audit that takes place as a result of an allegation of unusual or suspicious activity on the part of an individual or agency. It is usually focused on specific aspects of the work of the individual or agency.

In an investigative audit, allegations must be investigated and evidence gathered pertaining to complaints, allegations, and tips of suspected fraud. Data must be sorted, analyzed, and compared to support the opinion of with an allegation is substantiated or unsubstantiated.

Some specialization in forensic analytics, which is the analysis of electronic data to reconstruct, detect, or otherwise support a claim of fraud, may be required. The main steps in forensic analytics are (a) data collection, (b) data preparation, (c) data analysis, and (d) reporting. For example, forensic analytics may be used to review an employee's purchasing card activity to assess whether any of the purchases were diverted for personal use. Forensic analytics might be used to review the invoicing activity for a Vendor to identify fictitious vendors.

c. ***Compliance Audit***

Audits limited to meeting the Federal Single Audit requirements are not within the scope of this RFP.

A compliance audit is a comprehensive review of specific activities in order to determine whether performance conforms to predetermined contractual, regulatory, or statutory requirements. It may also include adherence to internal policies and procedures prescribed by the agency. Compliance audits may include examination of the agency's vendors to ensure conformance with contract agreements or an agency's sub-recipients to ensure adherence to grant requirements.

d. ***Information Systems Audits***

Audits limited to an assessment of network vulnerabilities are not within the scope of this RFP." (see GS 143B-1341 in SL 2015-241, requiring agencies to get State CIO approval).

An information systems audit, or information technology audit, is an examination of the management controls within an information technology infrastructure. The evaluation of obtained evidence determines if the information systems are safeguarding assets, maintaining data integrity, and operating effectively to achieve the organization's goals or objectives.

1. General Controls Review - A review of the controls which govern the development, operation, maintenance, and security of application systems in a particular environment. This type of audit might involve reviewing a data center, an operating system, a security software tool, or processes and procedures (such as the procedure for controlling production program changes), etc.

2. Systems and Applications - An audit to verify that systems and applications are appropriate, efficient, and adequately controlled to ensure valid, reliable, timely, and secure input, processing, and output at all levels of a system's activity. This would involve an examination of the controls over the input, processing, and output of system data. Data communications issues, program and data security, system change control, and data quality issues are also considered.

3. System Development - An audit to verify that systems under development meet the objectives of the organization and to ensure that the systems are developed in accordance with generally accepted standards for systems development and State information technology requirements. This involves an evaluation of the development process as well as the product. Consideration is also given to the general controls over a new application, particularly if a new operating environment or technical platform will be used.

4. Client/Server - Telecommunications, Intranets, and Extranets. An audit to verify that telecommunication controls are in place on the client (computer receiving services)Re server, and on the network connecting the clients and servers.

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e. ***Data Analytics/Continuous Monitoring***

Data analytics is a process by which insights are extracted from operational, financial, and other forms of electronic data internal or external to the organization. These insights can be historical, real-time, or predictive and can also be risk-focused (e.g., controls effectiveness, fraud, waste, abuse, policy/regulatory noncompliance) or performance-focused. Types of data analytic projects include but are not limited to the following.

1. Descriptive analytics - Examination of data or content, usually manually performed, to answer the question "What happened?" (or What is happening?), characterized by traditional business intelligence (BI) and visualizations such as pie charts, bar charts, line graphs, tables, or generated narratives.

2. Diagnostic analytics - A form of advanced analytics that examines data or content to answer the question, "Why did it happen?" It is characterized by techniques such as drill-down, data discovery, data mining and correlations.

3. Predictive analytics - Describes any approach to data mining with four attributes:
   i. An emphasis on prediction (rather than description, classification or clustering)
   ii. Rapid analysis measured in hours or days (rather than the stereotypical months of traditional data mining)
   iii. An emphasis on the business relevance of the resulting insights (no ivory tower analyses)
   iv. (increasingly) An emphasis on ease of use, thus making the tools accessible to business users.

4. Prescriptive analytics: -A form of advanced analytics which examines data or content to answer the question "What should be done?" or "What can we do to make _____ happen?", and is characterized by techniques such as graph analysis, simulation, complex event processing, neural networks, recommendation engines, heuristics, and machine learning.

f. ***Risk Assessment and Audit Plan Development***

The scope and objective of this assessment is to allocate limited internal audit resources to areas of the organization that are most critical to the success of the organization in reaching its goals. A well-developed risk assessment model will provide an efficient and systematic procedure to: determine the auditable areas of an entity; measure the risk of each unit and identify activities exposed to high risk; rank the units by risk; determine the time necessary to complete audits; distribute available resources in the most efficient manner; and develop an annual and/or long-term audit plans.

g. ***Financial Audit***

Independent financial statement audits to attest to the fairness and accuracy of financial statements are not within the scope of this RFP.

A financial audit includes the verification of the financial statements, or a component of the financial statement, of a legal entity with a view to express an audit opinion. The audit opinion is intended to provide reasonable assurance that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework. The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements.

1. Financial audits exist to add credibility to the implied assertion by an organization's management that its financial statements fairly represent the organization's position and performance to stakeholders. The audit is designed to increase the possibility that a material misstatement is detected by audit procedures. A misstatement is defined as false or missing information, whether caused by fraud (including deliberate misstatement) or error.
2. Other types of financial audits entail various scopes of work, including: (1) obtaining sufficient, appropriate evidence to form an opinion on single financial statements, specified elements, accounts, or items of a financial statement; (2) issuing letters for underwriters and certain other requesting parties; and (3) auditing compliance with applicable compliance requirements relating to one or more government programs.

   This type of audit must be performed in accordance with generally accepted auditing standards and requires verification and substantiation procedures. These procedures may include direct correspondence with creditors or debtors to verify details of amounts owed, physical inspection of inventories or investment securities, inspection of minutes and contracts, and other similar steps. The audit requires gaining an understanding of the entity's system of internal controls.

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h. *Accounting, & Financial Services*

These services include but are not limited to operational accounting, assisting full time agency finance staff with month end financial closings, annual preparation and support of the Annual Comprehensive Financial Report (ACFR), trial balance preparation, Governmental Accounting Standards Board (GASB) implementation efforts, general ledger accounting transactions, cash management and related operational accounting functions.

i. *Managerial Advisory Services*

These services include, but are not limited to, organizational efficiencies, cost reductions, budget and revenue forecasting, economic forecasting, research, analysis of unmet demand for public services, strategic planning, project implementation, and front line public customer facing improvements to further a public agency's statutory mandates and directives.

5.3 VENDOR RESPONSIBILITIES

Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least one (1) qualified vendors in the requested category. The process is as follows:

1. The Soliciting Agency identifies their service needs and prepares a SOW that describes the requirements for audit, accounting, data analytic and managerial advisory services, including location and travel.
2. The Soliciting Agency will work with their agency's procurement office to develop and issue the SOW to the qualified vendors identified in the Statewide Term Contract under the desired category. Requests shall be submitted via email giving the vendors a minimum of ten (10) days to respond. If all requests are received prior to the minimum period, award of SOW may proceed.
3. The vendors, if they choose to respond, will prepare a response to the solicitation document and submit the response to the Soliciting Agency in the format structure required by the agency, as described in the SOW document. A vendor is not required to respond to all SOWs.
4. After evaluating the vendors' responses, the Soliciting Agency then prepares the award recommendation and makes the award. The Soliciting Agency must clearly document its internal business selection process. The documentation must include a written description of the selection process that describes how the vendor was selected, the number of alternative vendors considered, or the specific business reasons or criteria as to why the vendor was selected.
5. The Soliciting Agency will issue the SOW award and notify the awarded vendor. The Soliciting Agency must encumber the funds in accordance with its agency's policies and procedures. The using agency will manage all public record requests involved in the procurement process in accordance with this contract and the agency's retention policy.

5.4 PROJECT STAFFING

In its proposal the Vendor shall provide information as to the qualifications and experience of audit, accounting, data analytics and managerial advisory personnel to be assigned to each of the service categories for which the Vendor submits a proposal. Personnel qualifications should include resumes citing educational background, experience with similar services and related certification, as well as the number of years of experience with each type of service, as identified in the Section 5 Scope of Works, Service Categories. Project Staffing should align with the intended staff categories identified in Section 4.9 of this RFP.

5.5 TECHNICAL APPROACH

Vendor's proposal shall include, in narrative, outline, and/or graph form the Vendor's approach to accomplishing the tasks outlined in the Scope of Work section of this RFP. A description of each task and deliverable and the schedule for accomplishing each shall be included.

Key Personnel qualifications – Education/Background, experience

In its proposal response, Vendor must demonstrate how it performs services in accordance with any or all of the following professional standards.

1. Generally Accepted Government Auditing Standards (GAGAS) issued by the United States General Comptroller
2. International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditor's (IIA)
3. ISO Standards issued by the International Organization for Standardization

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4. Control Objectives for Information and Related Technology (COBIT) issued by the Information Systems Audit and Control Association
5. Generally Accepted Accounting Principles issued by the Financial Accounting Standards Boards.

6.0 CONTRACT ADMINISTRATION

All Contract Administration requirements are conditioned on an award resulting from this solicitation. This information is provided for the Vendor's planning purposes.

State Contract Administrator: Melinda Tomlinson (Melinda.tomlinson@doa.nc.gov)

State Contract Manager: Kayla Glenn, (Kayla.glenn@doa.nc.gov)

Note: In the event the State's Contract Administrator or Contract Manager changes, notification will be sent to the Vendor's Contract Manager and the Contract Synopsis on the DOA P&C website will be updated.

6.1 CONTRACT MANAGER AND CUSTOMER SERVICE

The Vendor shall be required to designate and make available to the State a contract manager. The contract manager shall be the State's point of contact for Contract related issues and issues concerning performance, progress review, scheduling, and service.

Contract Manager Point of Contact	
Name:	
Office Phone #:	
Mobile Phone #:	
Email:	

The Vendor shall be required to designate and make available to the State for customer service. The customer service point of contact shall be the State's point of contact for customer service-related issues.

Customer Service Point of Contact	
Name:	
Office Phone #:	
Mobile Phone #:	
Email:	

The assigned individual(s) must be responsible to all agency Statements of Work (SOW). Vendors must respond to a Soliciting Agency's SOW within the time frame stated on the individual SOW in order to be considered.

6.2 POST AWARD PROJECT REVIEW MEETINGS

The Vendor, at the request of the State, shall be required to meet periodically annually with the State for Project Review meetings. The purpose of these meetings will be to review project progress reports, discuss Vendor and State performance, address outstanding issues, review problem resolution, provide direction, evaluate continuous improvement and cost saving ideas, and discuss any other pertinent topics.

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6.3 CONTINUOUS IMPROVEMENT

The State encourages the Vendor to identify opportunities to reduce the total cost the State. A continuous improvement effort consists of various ways to enhance business efficiencies as performance progresses.

6.4 ANNUAL MANAGEMENT REPORTS

The Vendor shall be required to provide annual Sales Management Reports, in the format of an Excel spreadsheet, to the designated Contract Manager. Additional Ad Hoc reports will be required as requested. The Annual Sales Management Report shall include, at a minimum: ***Sales Report (total cost) by state entity, to include agencies, community colleges, universities, school systems, local government entities. Sales Report (Detail) to include: Category, Item Description, Quantity, Unit of Measure, Contract Price, Ordering Entity, Order Date, and Delivery Date for finalized accepted audit***. Annual Management Reports shall be sent to PCReports@doa.nc.gov with the Contract Manager copied at the following e-mail address kayla.glenn@doa.nc.gov. Vendor shall include all issues identified by Vendor related to Vendor performance or to the State's usage of the Contract. Vendor shall submit the Annual Sales Management Reports by the 15th of the month following the end of the year. The Annual Management Report delivery schedule is included below:

By September 15, 2024: Year 1 Annual Management Report for September 1, 2023 – August 31, 2024

By September 15, 2025: Year 2 Annual Management Report for September 1, 2024 – August 31, 2025

By September 15, 2026: Year 3 Annual Management Report for September 1, 2025 – August 31, 2026

By September 15, 2027: Year 4 Annual Management Report for September 1, 2026 – August 31, 2027

By September 15, 2028: Year 5 Annual Management Report for September 1, 2027 – August 31, 2028

This schedule aligns with the State's fiscal year. If the Contract start date does not align with the start of a quarter, the initial Quarterly Management Report shall be for the period from the Contract start date to the end of the existing calendar quarter. Timely submission of all reports shall be a material term of this Contract and failure to do so shall constitute a default.

Additional related sales information and/or details on user purchases may be required by the State and must be supplied within thirty (30) days of any such request. A template for any such reports may be provided by the State, at its discretion.

Within thirty (30) business days of the award of the Contract the Vendor shall submit a sample report to the designated Contract Manager for approval.

6.5 BUSINESS REVIEW MEETINGS

Business Review meetings shall be scheduled on an annual basis (or as requested) and shall be presented by the Vendor and be inclusive of the following:

1. Spend Overview (State Agency Spend) FY Comparison
2. Challenges
3. Improvement Ideas
4. Tier 2 HUB Efforts and Spend

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6. 6 DISPUTE RESOLUTION

During the performance of the Contract, the parties agree that it is in their mutual interest to resolve disputes informally. Any claims by the Vendor shall be submitted in writing to the State's Contract Manager for resolution. Any claims by the State shall be submitted in writing to the Vendor's Project Manager for resolution. The Parties shall agree to negotiate in good faith and use all reasonable efforts to resolve such dispute(s).

During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under this Contract. The Parties will agree on a reasonable amount of time to resolve a dispute. If a dispute cannot be resolved between the Parties within the agreed upon period, either Party may elect to exercise any other remedies available under the Contract, or at law. This provision, when agreed in the Contract, shall not constitute an agreement by either party to mediate or arbitrate any dispute.

6.7 ELECTRONIC CATALOG

Ordering Instructions Solution
The State will allow for 'Ordering Instructions'. Vendor will be required to provide the sales representative's contact information at the time of award. If selected for contract award, the State will work with awarded vendors and the E-Procurement team to create catalogs that meet the requirements for ordering instructions depending on the complexity of the awarded contract and the number of items available.

6.8 CONTRACT CHANGES

Contract changes, if any, over the life of the Contract shall be implemented by contract amendments agreed to in writing by the State and Vendor. Amendments to the contract can only be through the contract administrator.

6.9 ATTACHMENTS

All attachments to this RFP are the copies found within the Ariba Sourcing Tool, and are incorporated herein, and shall be submitted by responding in the Sourcing Tool.

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EXHIBIT 1: STATE AGENCY AND UNIVERSITY LOCATIONS

- Administrative Office of the Courts, Cary and Clerks of Court in 100 counties
- Commissioner of Banks, Raleigh
- Community College System Office, Raleigh and 58 Community Colleges throughout North Carolina
- Department of Administration, Raleigh and several offices throughout North Carolina
- Department of Adult Corrections, Raleigh
- Department of Commerce, Raleigh and other locations
- Department of Natural and Cultural Resources, Raleigh and seven museums and twenty-seven historical sites throughout North Carolina
- Department of Environmental Quality, Raleigh and seven regional offices across North Carolina
- Department of Health and Human Services, Raleigh and facilities throughout North Carolina
- Department of Information Technology
- Department of Insurance, Raleigh
- Department of Justice, Raleigh
- Department of Labor, Raleigh
- Department of Military and Veteran Affairs
- Department of Public Instruction, Raleigh and public schools across North Carolina
- Department of Public Safety, Raleigh and presence in every county
- Department of Revenue, Raleigh and eleven service centers across North Carolina
- Department of the Secretary of State, Raleigh
- Department of State Treasurer, Raleigh
- Department of Transportation, Raleigh and 14 division offices across North Carolina
- North Carolina Education Lottery, Raleigh
- North Carolina Housing Finance, Raleigh
- North Carolina Industrial Commission, Raleigh
- Office of the Governor, Raleigh
- Office of the State Auditor, Raleigh and four regional offices across North Carolina
- Office of the State Controller, Raleigh
- Office of State Budget and Management, Raleigh
- Office of State Human Resources, Raleigh
- Wildlife Resource Commission, Raleigh, and four educational centers across North Carolina

UNIVERSITY OF NORTH CAROLINA

- University of North Carolina – System Office, Raleigh

Campuses

- Appalachian State University, Boone
- East Carolina University, Greenville
- Elizabeth City State University, Elizabeth City
- Fayetteville State University, Fayetteville
- North Carolina Agricultural and Technical State University, Greensboro
- North Carolina Central University, Durham
- North Carolina State University, Raleigh
- University of North Carolina – Asheville, Asheville
- University of North Carolina – Chapel Hill, Chapel Hill
- University of North Carolina – Charlotte, Charlotte
- University of North Carolina – Greensboro, Greensboro
- University of North Carolina – Pembroke, Pembroke
- University of North Carolina – Wilmington, Wilmington
- University of North Carolina – School of the Arts, Winston-Salem
- Western Carolina University, Cullowhee
- Winston-Salem State University, Winston-Salem
- NC School of Science and Mathematics, Durham
- North Carolina State University and North Carolina Agricultural and Technical State University's Cooperative Extension Centers, in one hundred counties and the Eastern Band of Cherokee Indians

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EXHIBIT 2: EXAMPLE OF AUDITOR'S PROFESSIONAL QUALIFICATIONS

Service Category	Example of Base Rate Qualifications	Example of Upper Rate Qualifications
Operational/ Performance Audit	• Four-year degree in accounting, business administration, or finance • Three years operational/ performance audit experience • General understanding of IIA and GAO Standards	• Four-year degree in accounting, business administration • An accounting or business related Master's degree • Over ten years operational/performance audit experience • Certified Internal Auditor, Certified Government Auditing Professional or Certified Public Accountant • Expert understanding of IIA and GAO Standards
Investigative Audit	• Four-year degree in accounting, business administration, or finance • Three years investigative audit experience • General understanding of IIA and GAO Standards	• Four-year degree in accounting, business administration • An accounting or business related Master's degree • Over ten years investigative audit experience • Certified Fraud Examiner, Certified Public Accountant or Certified Internal Auditor • Expert understanding of IIA and GAO Standards
Compliance Audit	• Four-year degree in accounting, business administration, or finance • Three years compliance audit experience • General understanding of IIA and GAO Standards	• Four-year degree in accounting, business administration • An accounting or business related Master's degree • Over ten years compliance audit experience • Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner or Certified Internal Control Auditor • Expert understanding of IIA and GAO Standards
Information Systems Audit	• Four-year degree in accounting, business administration, information technology • Three years information system audit experience • General understanding of COBIT, IIA and GAO Standards	• Four-year degree in accounting, business administration, information technology • An information technology related Master degree • Over ten years information system audit experience • Certified Information Systems Auditor or Certified Information Security Manager • Expert understanding of COBIT, IIA and GAO Standards
Data Analytics Services	• Four-year degree in data analytics, data science, statistics, computer science or related degree. • Two years data analytics experience. • General understanding of statistics and statistical coding language or statistical programs.	• Four-year degree in degree in data analytics, data science statistics, computer science or related degree. • A data analytic, data science or related Master's degree • Over ten years data analytic experience • Expert understanding of statistics and statistical coding language or statistical programs. • Certifications related to data analytic
Construction Audit	• Four-year degree in accounting, business administration, or finance • Three years construction audit experience • General understanding of IIA and GAO Standards	• Four-year degree in accounting, business administration • An accounting or business related Master's degree • Over ten years construction audit experience • Certified Public Accountant or Certified Internal Auditor • Expert understanding of IIA and GAO Standards

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Risk Assessment and Audit Plan Development	• Four-year degree in accounting, business administration, finance or risk management • Three years risk assessment/audit planning experience • General understanding of IIA Standards	• Four-year degree in accounting, business administration, finance or risk management • An accounting, business or risk management related Master's degree • Over ten years risk assessment experience • Certified Public Accountant or Certified Internal Auditor; Certified Risk Management Assurance Auditor • Expert understanding of IIA Standards
Financial Audit	• Four-year degree in accounting, business administration, or finance • Three years financial audit experience • General understanding of IIA and GAO Standards	• Four-year degree in accounting, business administration • An accounting or business related Master's degree • Over ten years financial audit experience. • Certified Public Accountant, or Certified Internal Auditor • Expert understanding of IIA and GAO Standards
Accounting Services	• Four-year degree in accounting, business administration, or finance • Three years operational accounting, fund accounting and related experience • General understanding of GAAP, GASB or other related professional standards	• Four-year degree in accounting, business administration • An accounting, business, law or other related master's degree • Over ten years operational, accounting, or financial services experience • Certified Internal Auditor, Certified Government Auditing Professional or Certified Public Accountant • Expert understanding of GAAP, GASB, IIA and GAO Standards
Managerial Advisory Services	• Four-year degree in accounting, business administration, economics, mathematics, law or other related fields • Three years operations improvement, cost reduction, strategy planning, project implementation, research or forecasting • General understanding of IIA, or other related standards	• Four-year degree in accounting, business administration, economics, or mathematics, law or other related fields • A business, economic accounting, mathematics or other professional master's degree. • Over ten years operations improvement, cost reduction, strategy planning, project implementation, research or forecasting • Certified Internal Auditor, Certified Risk Management assurance auditor, Certified Public Accountant Chartered Financial Analyst, Project Management Professional • Expert understanding of IIA, or other related standards

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EXHIBIT 3: EXAMPLE OF STATEMENT OF WORK

NOTE: Items highlighted in yellow are for agency completion, remove highlighting and ( ) on issued documents.

STATE OF NORTH CAROLINA

REQUEST FOR QUOTES

SCOPE STATEMENT NUMBER – STC#8411A

Enter Agency Name, Request #Enter Agency Contract Number

TITLE: Contract Number RFP# DPC-646236801-MT	Short Term Internal Audit, accounting, data analytic and managerial advisory Services
ISSUE DATE:	(Date of Agency Issue)
NAME:	Scope Statement Number STC#8411A Agency Name # enter agency contract number **(Agency Add Audit Assurance, Accounting data analytic and Advisory Services Required)**
DUE DATE:	(Date of Opening)
USING AGENCY:	Agency Name
ISSUING AGENCY:	Agency Name Individual Name Individual Phone # Individual email address Agency Street address City, NC zip code

NOTICE TO OFFERORS

Emailed offers, subject to the conditions made a part hereof, will be received at Individual email address **until 2:00 PM on Enter Date, for** delivering of the audit service as described herein.

Offers are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Scope Statement, and subject to all the conditions herein, the undersigned Vendor offers and agrees to furnish and deliver any or all items upon which prices are bid, at the prices set opposite each item within the time specified herein. By executing this Scope Statement, the undersigned Vendor certifies that this proposal is submitted competitively and without collusion (G.S. 143-54), that none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and that it is not an ineligible Vendor as set forth in G.S. 143-59.1. False certification is a Class I felony. Furthermore, by executing this proposal, the undersigned certifies to the best of Vendor's knowledge and belief, that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal or State department or agency. As required by G.S. 143-48.5, the undersigned Vendor certifies that it, and each of its sub-Contractors for any Contract awarded as a result of this Scope Statement, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes. G.S. 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing plans, specifications, estimates for public Contract; or awarding or administering public Contracts; or inspecting or supervising delivery of the public Contract of any gift from anyone with a Contract with the State, or from any person seeking to do business with the State. By execution of this response to the Scope Statement, the undersigned certifies, for Vendor's entire organization and its employees or agents, that Vendor is not aware that any such gift has been offered, accepted, or promised by any employees or agents of Vendor's organization.

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Proposal Number: DPC-646236801-MT *Vendor:* Deloitte and Touche LLP

Failure to execute/sign offer prior to submittal shall render the Scope Statement invalid.

VENDOR:			
STREET ADDRESS:		P.O. BOX:	ZIP:
CITY & STATE & ZIP:		TELEPHONE NUMBER:	TOLL FREE TEL. NO (800)
PRINT NAME & TITLE OF PERSON SIGNING:		FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:	

Offer valid for ninety (90) days from insert date.

ACCEPTANCE OF SCOPE STATEMENT

If any or all parts of this Scope Statement are accepted by the State of North Carolina, an authorized representative of the Agency name shall affix their signature hereto and this document, special terms and conditions specific to this Scope Statement, the specifications, and in accordance with contract DPC-646236801-MT awarded Month XX, 202X. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR STATE USE ONLY

Offer accepted and contract awarded this ____ day of _____, 20_____, as indicated on attached certification,

by _____

(Authorized representative of the Office of State Human Resources)

SUBMISSION INSTRUCTIONS:

Emailed offers to **Individual email address** by **2:00 PM on (insert date)**.

LATE SUBMISSIONS: Regardless of cause, late submissions will not be accepted and will automatically be disqualified from further consideration. It shall be the Vendor's sole risk to ensure delivery to ***Individual email address*** by the designated time.

BASIS FOR REJECTION: Pursuant to ***01 NCAC 05B .0501***, the State reserves the right to reject any and all offers, in whole or in part; by deeming the offer unsatisfactory as to quality or quantity, delivery, price or service offered; non-compliance with the requirements or intent of this solicitation; lack of competitiveness; error(s) in specifications or indications that revision would be advantageous to the State; cancellation or other changes in the intended project, or other determination that the proposed requirement is no longer needed; limitation or lack of available funds; circumstances that prevent determination of the lowest responsible or most advantageous offer; or any other determination that rejection would be in the best interest of the State.

TRAVEL: Per Statewide Term Contact 8114A, the state will not pay travel costs to and from the designated workplace for Vendor's personnel. In the event that Vendor personnel are required by the state to travel away from the regularly assigned work location to perform related tasks, the state will, upon preapproval, reimburse the Vendor in accordance with the North Carolina state travel guidelines in Chapter 5 of the North Carolina Budget Manual, which can be found at: https://www.osbm.nc.gov/state-budget-manual.

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Proposal Number: DPC-646236801-MT *Vendor:* Deloitte and Touche LLP

SECTION 1: SCOPE STATEMENT SCHEDULE

Scope Statement Questions

Due Date:	XX/XX/20XX
Time:	2:00 p.m. Eastern Time
Address:	**Individual email address**
Instructions:	Written questions will be received at **Individual email address** until date and time specified above. Please enter "Questions, Scope Statement # Agency contact number" as the subject for the email. Vendor will reference the scope statement section when submitting questions. Only written answers to submitted questions will constitute an official answer. The State will prepare responses to all written questions submitted as an addendum and shall provide via email to all Vendors on the eligibility list. Oral answers are not binding on the State. Vendor contact regarding this Scope Statement with anyone other than Agency contact person name may be grounds for rejection of said Vendor's offer. Agency contact regarding this Scope Statement with any Vendor may be grounds for cancellation of this Scope Statement.

Scope Statement Submittal

Due Date:	XX/XX/20XX
Time:	2:00 p.m. Eastern Time
Email Address:	**Individual email address**
Instructions:	The Vendor, by making an offer, expressly represents that the specifications herein have been read and understood, and that the offer complies with all aspects. Any change that is received after the due date and time, and that is not specifically solicited by the State, shall be rejected. Firm Offer: Prices and any other entry made hereon by the Vendor shall be considered firm and not subject to change.

SECTION 2: PURPOSE AND BACKGROUND

[Give brief description of the purpose/ objective of the contract and requested services and describe how the services fit into the using agency's function or new initiatives that necessitate these services, issues needing to be resolved, other solutions tried in the past, etc. This section should allow potential Vendors to judge whether they are interested in this RFP.

Further describe the services required using narrative or outline as appropriate. Include, as appropriate, high-level information on tasks, schedule, deliverables, milestones, environmental or regulatory constraints, state interfaces, etc.].

SECTION 3: CONTRACT TERM

The contract shall have a term of Enter the months, years, etc., or until completion and acceptance by the State of all scope of work requirement, beginning on the date of contract award (the "Effective Date") [this may be added but in no event not longer than enter the months, years, if applicable. Or you can add renewal option is needed].

SECTION 4: POSSESSION AND REVIEW

During the evaluation period and prior to award, possession of the Scope Statements and accompanying information is limited to personnel of the issuing agency, and to the committee responsible for participating in the evaluation. Vendors who attempt to gain this privileged information, or to influence the evaluation process (i.e., assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

After award, the complete Scope Statement file will be available to any interested persons with the exception of trade secrets, test information or similar proprietary information as provided by statute and rule. Any proprietary or confidential information, which conforms to NC General Statue, 132-1.2 **must be clearly marked as such in the offer when submitted.**

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SECTION 5: METHOD OF AWARD

Contract will be awarded based on best value **(this statement should be deleted when developing your quote: agency may change this if desired, but it is recommended to use best value since this is a quote for services)**. Prospective Vendors shall not be discriminated against on the basis of any prohibited grounds as defined by Federal and State law.

Offers will be evaluated, and award made, based on the below factors listed in descending order of importance:

(This statement should be deleted when developing your quote: agency may change the evaluation criteria listed below if desired)

- Methodology for Completion of Work
- Auditor Qualifications and Experience
- Cost

While the intent of this Scope Statement is to award a Contract(s) to a single Vendor, the State reserves the right to make separate awards to different Vendors, to not award one or more-line items or to cancel this Scope Statement in its entirety without awarding a Contract, if it is considered to be most advantageous to the State to do so.

The status of a Vendor's e-Procurement Services account(s) shall be considered a relevant factor in determining whether to approve the award of a contract under this Scope Statement. Any Vendor with an E-Procurement Services account that is in arrears by 91 days or more at the time of proposal opening may, at the State's discretion, be disqualified from further evaluation or consideration.

The State reserves the right to waive any minor informality or technicality in proposals received.

SECTION 6: SCOPE STATEMENT EVALUATION PROCESS

All qualified proposals will be evaluated, and award will be made to the Vendor(s) determined by Agency name sole discretion to be the best value.

At their option, the evaluators may request oral presentations or discussion with any or all Vendors for the purpose of clarification or to amplify the materials presented in any part of the proposal. Vendors are cautioned, however, that the evaluators are not required to request presentations or other clarification—and often do not; therefore, all Scope Statement responses should be complete and reflect the most favorable terms available from the Vendor.

Vendors are cautioned that this is a request for offers, not an offer or request to contract, and the State reserves the unqualified right to reject any and all offers at any time if such rejection is deemed to be in the best interest of the State.

The State reserves the right to reject all original offers and request one or more of the Vendors submitting proposals to submit a best and final offer (BAFO), based on discussions and negotiations with the State, if the State determines in its sole discretion this is in their best interest.

SECTION 7: TECHNICAL SPECIFICATIONS

a. Outsourcing an entire audit project: Yes __ No ____

b. Service Category: Enter appropriate category as identify in STC #8411A

c. Location of Work: Enter address or define if some of the work can be performed remotely.

d. Invoicing:
Invoices will be submitted no more then monthly and must included the individual's name, job title, hourly rate, number of hours worked and total amount per person. The Vendor may submit an invoice the combines all hours by title (see section 11) but **must** provide other documents that support the combine hours, and this document

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must have the individual's name, associated hours and title as identify in Section 11. Agency name will withhold 10% of the contract to be paid upon final completions and acceptance of Vendors work.

e. Scope of Work:
Define the work to be performed and any deliverables required, be specific and provide enough information to allow the Vendors to fully understand the services you are needing.

SECTION 8: VENDOR CONTRACT ADMINISTRATORS

The Contract Administrators are the persons to whom all required notices shall be given and to whom all matters relating to the administration or interpretation of this Scope Statement shall be addressed. The Vendor shall designate a Primary Contract Administrator, who shall be the Vendor's primary contact with the Agency for all issues regarding this Contract and an Alternate Contract Administrator.

a. Vendor Primary Contract:
   i. Name and Title:
   ii. Telephone Number, office:
   iii. Address:
   iv. Email Address:
b. Vendor Secondary Contract Alternate Contact:
   i. Name and Title:
   ii. Telephone Number, office:
   iii. Address:
   iv. Email Address:
   v.

SECTION 9: METHODOLOGY FOR COMPLETION OF WORK

The Vendor should describe the approach and how the Vendor will accomplish the scope of work detailed above in Section 7.e. The vendor can use graphs or narratives to describe their approach and should include proposed timeline, milestones, or delivery dates for completion of services.

SECTION 10: AUDITOR, ACCOUNTING, DATA ANALYTIC AND MANAGERIAL ADVISORY QUALIFICATIONS AND EXPERIENCE

Vendor shall provide the names and qualifications of all personnel being submitted to meet the requirements of this Scope Statement, including their roles during the audit engagement. Resumes may be provided to meet this requirement. Any staff changes must be approved by the soliciting agency.

Demonstrate your experience with at least three (3) public and/or private sector clients, providing similar service as requested in this solicitation. The narrative must thoroughly describe the expertise and audit, accounting and managerial advisory services provided and the outcome identify to resolve the client need.

Provide the name, address, phone number and email address of three (3) prior clients that may be contacted.

SECTION 11: COST (AND PROJECT HOURS)

Vendor must complete the information below. Failure to provide will result in rejection of Scope Statement.

Vendor shall offer a firm fixed price, all inclusive of labor, materials, general and administrative overhead, and profit. The total amount to be paid by Agency name under this Contract shall not exceed the amount as stated in the table below. The State does not guarantee a minimum or maximum number of hours.

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(enter type of service)				
Position	**Hourly Rate**	**Number of Staff** (full time equivalent)	**Number of Hours**	**Total ($) Amount** (Rate x Staff x Hours)
Staff	$			
Supervisor	$			
Executive	$			
			TOTAL Estimated Not-to-Exceed	**$**

For multiple type of services, copy the table above for each type of service category with the scope of work.

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SOLICITATION ADDENDUM

Issuing Agency:	Division of Purchase and Contract
Solicitation Number:	DPC-646236801-MT
Solicitation Description:	Supplemental Internal Audit Services
Solicitation Opening Date and Time:	August 29, 2023 @2:00 PM
Addendum Number:	01
Addendum Date:	August 1, 2023
Purchasing Agent:	Melinda Tomlinson

The RFP schedule is hereby modified as follows:

2.4 RFP SCHEDULE (REVISED)

The table below shows the *intended* schedule for this RFP. The State will make every effort to adhere to this schedule.

Event	Responsibility	Date and Time
Issue RFP	State	July 14, 2023
Urged & Cautioned Pre-Proposal Conference	State	July 27, 2023 @ 2:00 PM EST
Submit Written Questions	Vendor	August 9, 2023 @ 5:00 PM EST
Provide Response to Questions	State	August 16, 2023
Submit Proposals	Vendor	August 29, 2023 @ 2:00 PM EST **Microsoft Teams meeting** **Join on your computer, mobile app or room device** Click here to join the meeting Meeting ID: 258 653 933 303 Passcode: 5booFX **Join with a video conferencing device** ncgov@m.webex.com Video Conference ID: 117 730 666 7 Alternate VTC instructions **Or call in (audio only)** +1 984-204-1487,,184281593# United States, Raleigh Phone Conference ID: 184 281 593#
Contract Award	State	TBD
Contract Effective Date	State	TBD

For assistance with the Ariba Sourcing or NC eVP, please contact the NC E-Procurement Helpdesk:

Call: 888-211-7440 (select option 2)

Email: vendor@nc.gov

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SOLCITATION ADDENDUM

Issuing Agency:	Division of Purchase and Contract
Solicitation Number:	DPC-646236801-MT
Solicitation Description:	Supplemental Internal Audit Services
Solicitation Opening Date and Time:	August 29, 2023 @ 2:00 PM ET
Addendum Number:	02
Addendum Date:	August 17, 2023
Purchasing Agent:	Melinda Tomlinson

Due to the volume and complexity of questions received, the State requires additional time to provide responses. Any updates or modifications will be posted as an addendum in the Sourcing Event.

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SOLICITATION ADDENDUM

Issuing Agency:	Division of Purchase and Contract
Solicitation Number:	DPC-646236801-MT
Solicitation Description:	Supplemental Internal Audit Services
Solicitation Opening Date and Time:	September 6, 2023 @ 2:00 PM ET
Addendum Number:	03
Addendum Date:	August 23, 2023
Purchasing Agent:	Melinda Tomlinson

FAILURE TO RETURN THIS ADDENDUM MAY SUBJECT YOUR RESPONSE TO REJECTION.

1. **The Solicitation is hereby modified as follows** (begin on page 2)**:**

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SOLICITATION NUMBER: DPC-646236801-MT
ADDENDUM NUMBER: 3

Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
1	2.8 Proposal Contents	Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's proposal, in the State's sole discretion. Vendor shall include the following items and attachments in the Sourcing Tool: d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.4, 5.5, 6.1 e) Completed version of ATTACHMENT A: COST PROPOSAL f) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION g) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM h) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR i) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL	Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's proposal, in the State's sole discretion. Vendor shall include the following items and attachments in the Sourcing Tool: d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.11, 5.4, 5.5, 6.1 e) Completed version of ATTACHMENT A: COST PROPOSAL f) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION g) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM h) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR. i) Completed and signed version of ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION. j) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL
2	Section 4.11 Personnel	In its proposal the Vendor shall provide information as to the qualifications and experience of current audit, accounting, managerial advisors, and data analytics personnel that may be assigned to each of the service categories for which the Vendor submits a proposal. Personnel qualifications may include documentation citing educational background, experience with similar projects and related certification, as well as the number of years of experience with each type of service category, as identified in the Section 5 Scope of Works, Audit Service	Section 4.11 has been removed from the solicitation. It has now been incorporated into the RFQ. See revised Exhibit 3. ~~In its proposal the Vendor shall provide information as to the qualifications and experience of current audit, accounting, managerial advisors, and data analytics personnel that may be assigned to each of the service categories for which the Vendor submits a proposal. Personnel qualifications may include documentation citing educational background, experience with similar~~

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<table>
<tr><th>Modification #</th><th>Solicitation Section</th><th>Current Solicitation Language</th><th>Updated Solicitation Language</th></tr>
<tr><td></td><td></td><td>Categories.

Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. Names of any third-party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).</td><td>~~projects and related certification, as well as the number of years of experience with each type of service category, as identified in the Section 5 Scope of Works, Audit Service Categories.~~

~~Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. Names of any third-party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).~~</td></tr>
<tr><td>3</td><td>Section 5.3 Vendor Responsibilities</td><td>Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least one (1) qualified vendors in the requested category.</td><td>Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least two (2) qualified vendors in the requested category.</td></tr>
<tr><td>4</td><td colspan="3">Section 3.4 Evaluation Criteria - Original RFP Evaluation Criteria
<table>
<tr><th>Evaluation Criteria</th><th>RFP Section</th><th>Points</th></tr>
<tr><td>Vendor's Relevant Background and Experience</td><td>4.4, 4.5</td><td>300</td></tr>
<tr><td>Financial Statements</td><td>4.8</td><td>200</td></tr>
<tr><td>Personnel</td><td>4.11</td><td>350</td></tr>
<tr><td>Cost Proposal</td><td>4.9, Attachment A</td><td>150</td></tr>
<tr><td>TOTAL</td><td>700 required for the award</td><td>1000</td></tr>
<tr><td>NC License to Practice</td><td>4.6</td><td>Pass/Fail</td></tr>
<tr><td>External Review/Regulatory Action</td><td>4.7</td><td>Pass/Fail</td></tr>
</table>
Modified RFP Evaluation Criteria
<table>
<tr><th>Evaluation Criteria</th><th>RFP Section</th><th>Points</th></tr>
<tr><td>Vendor's Relevant Background and Experience</td><td>4.4, 4.5</td><td>275</td></tr>
<tr><td>Financial Statements</td><td>4.8</td><td>150</td></tr>
<tr><td>Project Staffing</td><td>5.4</td><td>250</td></tr>
<tr><td>Technical Approach</td><td>5.5</td><td>200</td></tr>
<tr><td>Cost Proposal</td><td>4.9, Attachment A</td><td>125</td></tr>
<tr><td>TOTAL</td><td>700 required for award</td><td>1000</td></tr>
<tr><td>NC License to Practice</td><td>4.6</td><td>Pass/Fail</td></tr>
<tr><td>External Review/Regulatory Action</td><td>4.7</td><td>Pass/Fail</td></tr>
</table></td></tr>
</table>

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Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
5	**Attachment A: Cost Proposal**	**See Current Attachment A**	**See Updated Attachment A – to provide for optional additional labor categories.**
6	**Section 5.1 General**	Audits, accounting, data analytics or managerial services are performed to either ascertain the validity and reliability of information; to provide an assessment of a system's internal controls or operations; to recommend improvements in efficiency and effectiveness of operations; adherence to laws and regulations, fill an unmet staffing needs, or provide forecasting. Any agency may identify a need for internal audit assurance, accounting, data analytics or managerial advisory service short term staff through the issuance of a Scope of Work (SOW). The hiring agency's staffing needs may vary in terms of resources required, dates of service and length of assignment.	Audits, accounting, data analytics or managerial services are performed to either ascertain the validity and reliability of information; to provide an assessment of a system's internal controls or operations; to recommend improvements in efficiency and effectiveness of operations; adherence to laws and regulations, or provide forecasting. Any agency may identify a need for internal audit assurance, accounting, data analytics or through the issuance of a Scope of Work (SOW).

2. The following are questions received about the Solicitation and the State's response to those questions:

Question #	Document Section	Vendor Question	State's Response
1.	Att. B	Is Attachment B: North Carolina Instructions to Vendors considered part of the body of RFP and required to be returned with response?	Attachment B: North Carolina Instructions to Vendors should be read in its entirety; however, it is not required to return it with your vendor response. Refer to section 2.8 Proposal Contents for the items that are required to be included in your vendor response.
2.	Att. C	Is Attachment C: North Carolina General Terms and Conditions considered part of the body of RFP and required to be returned with response?	Attachment C: North Carolina General Terms and Conditions should be read in its entirety; however, it is not required to return it with your vendor response. Refer to section 2.8 Proposal Contents for the items that are required to be included in your vendor response.
3.	Section 2.8 Proposal Contents	RFP p. 11, Section 2.8 Proposal Contents does not list Attachment G: Certification of Financial Condition as required, however, this form is issued in the Ariba Sourcing portal. Should this form be provided as part of the offeror's response to Section 2.8.j.c?	Vendors shall complete the Attachment G: Certification of Financial Condition provided in section 6.5 of the Ariba Sourcing Event. See solicitation modification #1 in previous section of this Addendum 2.

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Question #	Document Section	Vendor Question	State's Response
4.	Section 2.8 Proposal Contents	RFP p. 11, section 2.8 Proposal Contents lists items 2.8.a Title Page, 2.8.c Signed Addenda, 2.8.d Vendor's Proposal, and 2.8.j Response and Documentation. There are not specific line items in the Sourcing Tool portal for vendors to upload these items. Will the State consider adding specific sections in the Sourcing Tool portal for vendors to upload each of these items?	The State has assigned specific sections for vendors to submit the completed RFP attachments. Any additional required documents should be uploaded in section 6.1 labeled "*Return Solicitation Document*" within the Ariba Sourcing Event, unless specified otherwise.
5.	Sections 4.1 Pricing & 4.9 Cost Proposal	RFP Sections 4.1 Pricing and 4.9 Cost Proposal include no guidance on how the State will consider labor rate escalation over the period of performance of the STC. Will the State allow vendors to propose a process for labor rate escalation over the period of performance of the STC as part of their response to RFP Section 4.9?	Please refer to section 6.8 Contract Changes, for information regarding how to make changes over the life of the contract.
6.	Section 4.5 References	RFP p. 13, Section 4.5 References states, "Vendor shall provide a list of at least five (5) contracts for which Vendor has performed services of a similar nature and scope, as identified in Section 5.2, within the last five (5) years." Are vendors to provide at least 5 contracts for each Section 5.2 type of service area that vendors are responding to (e.g., 5 contracts for Section 5.2.a, 5 contracts for Section 5.2.b, 5 contracts for Section 5.2.c, and so on) or provide a total of at least 5 contracts regardless of how many Section 5.2 services vendors are responding to?	Vendors should provide a total of at least five (5) references within the last five (5) years for which Vendor has performed services of a similar nature and scope, as identified in Section 5.2.

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Question #	Document Section	Vendor Question	State's Response
7.	Section 4.7 External Reviews and Regulatory Action	RFP Section 4.7 External Reviews and Regulatory Action outlines a set of mandatory response and disclosure requirements. Subsection 4.7.a appears to specifically apply to vendors responding to the Compliance Audit (RFP Section 5.2.c), Financial Audit (5.2.g) and Accounting & Financial Services (5.2.h) service categories. Further, Subsection 4.7.b seems to clarify that Subsection 4.7.a does not apply to vendors responding to service categories that do not cover services subject to the "American Institute of Certified Public Accountants external review requirements." Could that State confirm that it agrees with this interpretation and that Subsection 4.7.a only applies to vendors responding to service categories 5.2c, 5.2.g, and 5.2.h?	No, the type of services a Vendor responds to has no impact on this requirement. Section 4.7a applies to Vendors that are required by the American Institute of Certified Public Accountant or a State's governing body to have a peer review.
8.	Sections 4.9 Cost Proposal and 5.2 Internal Audit Assurance...	RFP Sections 4.9 and 5.2 as well as Exhibit 2 and Attachment A are inconsistent in their representation of service categories. Can the State confirm that Section 5.2 represents the authoritative list of service categories for vendors to respond to?	Yes, Section 5.2 represents the list of service categories to which Vendors should respond.
9.	Section 4.9 Cost Proposal	RFP p. 17, Section 4.9 Cost Proposal states, "For each service category, the Vendor shall provide the following:". Should this language state, "For each service category that the vendor is proposing for, the Vendor shall provide the following:"?	Vendors should refer to the previous sentence in section 4.9 for clarity, which states, *Vendors may provide rates for one (1) or more service categories but may not necessarily receive approval for all categories submitted*.
10.	Section 4.9 Cost Proposal	RFP Section 4.9 Cost Proposal includes a paragraph allowing for the inclusion of additional labor categories under "d. Other professional staff...". The RFP apparently lists "d." as a subsection under the Data Analytics Services service category. However, the phrasing of the "Other professional staff" definition suggests that this might apply to other service categories as well, not just the Data Analytics Service category. Could that State confirm that vendors can propose additional labor categories, per the "Other professional staff" guidance, across all service categories?	Yes, "Other professional staff" may be applied across all service categories.

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11.	Section 4.11 Personnel	RFP Section 4.11 Personnel appears to represent a proposal requirement. It is also an explicit evaluation factor under RFP Section 3.4. However, it is not included in RFP Section 2.8.d. Can the State confirm that vendors should include a response to RFP Section 4.11 in their respective proposal sections addressing RFP Section 2.8?	Vendors shall provide in their proposal the requirements requested in Section 4.11 Personnel.
12.		RFP Sections 4.11, 5.4, and 5.5 all speak to personnel and staffing requirements, but don't clearly define which personnel the State would consider to be Key Personnel (who would be subject to the substitution rules under 4.11). In our estimation it would be appropriate for vendors to propose a State Term Contract Manager and Service Category Leaders as Key Personnel at this time, but to defer naming all other Key Personnel to the order level. All other personnel highlighted in the proposal response would be W-2 employees of the vendor but would not be explicitly labeled as 'Key Personnel'. Would this be acceptable to the State?	Yes, the State is agreeable to Key Personnel being defined for: 1. Contract Manager 2. Service Category Leaders (as defined in Section 4.9 of RFP. Enough staff qualifications should be provided to support each service category that are included in a Vendor's proposal. Key personnel are individuals that have the responsibility for ensuring milestones, deadlines and/or accomplishment of project objectives are achieved. See Modification Section 1, #2. See updated Exhibit 3 for RFQ Process.
13.	Section 5.5 Technical Approach	RFP Section 5.5 Technical Approach is a required proposal response section under Section 2.8 Proposal Contents, but it is not part of the evaluation criteria under Section 3.4. Since (1) the responses to RFP Sections 4.4, 4.5 (technical capabilities) and 4.11 (Personnel qualifications) should comprehensively cover the vendor's ability to meet potential future order requirements under this Term Contract and since (2) there is no specific task order scope included in this RFP that vendors could respond to with an 'approach', would the State consider removing the first two paragraphs from RFP Section 5.5? Paragraph 1: "Vendor's proposal shall…" (redundant with Sections 4.4 and 4.5); Paragraph 2: "Key Personnel qualifications…" (to be addressed in Section 5.4)	No. **Response to (1)** - See Section 1, Modification #4 for updated Evaluation Criteria. See Section 1, Modification #2 for update to Section 4.11. **Response to (2)** – Sections 5.4 and 5.5 are relative to the Scope of Section 5, in its entirety. Vendors should provide Approach and Project Staffing approach based on the provided Scope of Work in Sections 5.1 – 5.3.
14.	Section 5.5 Technical Approach	For vendors proposing on service categories not commonly subject to the professional standards listed in RFP Section 5.5, would the government accept a brief narrative response outlining why the specific professional standard(a) does not apply to the vendor as a compliant response?	Yes. Vendors should provide a response to Sections 5.4 Project Staffing and 5.5 Technical Approach. for services that are commonly subject to the list of professional standards.

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15.	Section 1.3 Contract Term and Section 4.1 Pricing.	Since this new State Convenience Contract for services is for a 5-year period, how many instances will the State allow rates to be increased to match market fluctuations during the term of the contract?	The State is unable to provide a specific number of instances that would allow for rate increases during the contract. Vendors are advised to review section 6.8 Contract Changes to understand the State's policy on contract modifications throughout the duration of the agreement.
16.	RFP Section 2.4 RFP Schedule	*Submit Proposals section. Also referenced on Solicitation Addendum 1 with new due date for submission 8/29/23 at 2 pm.* What is the purpose for this Teams meeting? What information will the State of North Carolina's Division of Purchase and Contract discuss or disclose during the meeting?	The public bid opening is scheduled for August 29, 2023, at 2:00 PM. At the time of the bid opening, vendor's names and pricing that is not subject to negotiation or two-step opening shall be announced. This includes all timely bids received, including those that may later be deemed non-responsive.
17.	4.10 Additional Requirements	4.10(a) Work Papers: Would the State agree to language clarifying that this section is not intended to impact the ownership rights of our existing intellectual property or administrative records, or any intellectual property developed outside of the scope of our services? 4.10(d) Records Retention: Would the State agree to a modification to the records retention requirement to address typical issues associated with information stored electronically and for compliance with applicable professional standards?	This section is intended to impact work papers created within the scope of this agreement. This is not intended to impact the ownership of intellectual property developed outside the scope of the agreement. Administrative records applicable to the completion of audit services are included. The State intends to adhere to the records retention requirement as outlined in the policy set forth by the North Carolina Council of Internal Audition.
18.	Att. C NC General Terms and Conditions	2. Default and Termination: Will the State consider industry standard modifications for the services contemplated such as language disclaiming further responsibility for work product delivered which is designated as incomplete as of the date of termination and that the State's remedy against Vendor for any default shall be the return of any fees paid to Vendor for such nonconforming deliverables or services? Additionally, would the State accept additional language providing that the Vendor may terminate the Agreement upon written notice to the State, if the Vendor determines continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or Vendor's client acceptance or retention standards?	The State reserves the right to negotiate this term of the contract prior to contract award.

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19.	Att. C NC General Terms and Conditions	13. Access to Persons and Records: Would the State accept language clarifying that these rights are limited solely to our time, billing and reimbursable expense records for services performed under the Agreement?	The State reserves the right to negotiate this term of the contract prior to contract award.
20.	Att. C NC General Terms and Conditions	16. General Indemnity: 16(a): Will the State consider industry standard modification to this provision to limit our obligations to claims brought by third parties that arise from the gross negligence or willful acts or omissions by Vendor during the performance of its services? Additionally, would the State accept the addition of language providing that our total liability, except for our indemnification obligations, be limited to an amount equal to the fees we receive under the Agreement, and exclude indirect, consequential, exemplary or similar such damages?	The State reserves the right to negotiate this term of the contract prior to contract award.
21.	Att. C NC General Terms and Conditions	20. Care of State Data and Property: Paragraph 2, Sentence 2: Will the State consider adding the following language to the beginning of the second sentence in the second paragraph "Subject to the limitations of liability in the Agreement,..."?	The State reserves the right to negotiate this term of the contract prior to contract award.
22.	Att. C NC General Terms and Conditions	28. Federal Funds Provisions: 28(d)(2) and (3): Would the State accept our request to delete the liquidated damages provision, or substantive modifications to address failures to deliver which are outside of the Vendor's reasonable control? 28(i) Access to Records: Please see our Question in *13. Access to Persons and Records.* 28(k) Records Retention: Please see our Question in *20. Care of State Data and Property.*	The State reserves the right to negotiate this term of the contract prior to contract award.
23.	Section 4.3 HUB Participation	Do vendors need to meet 10% utilization of HUBs on this RFP? How does one become certified as WBE and Minority owned in North Carolina?	No. The 10% utilization applies to State agency's goal to spend at least 10% of their total expenditures with certified HUB vendors. For information about becoming a certified HUB vendor, please visit: https://ncadmin.nc.gov/divisions/historically-underutilized-businesses-hub/certifications

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24.	Section 5.5 Technical Approach	Can you provide more clarity and detail on the requirements for Section 5.5 "Technical Approach"? If possible, can you provide an example?	The proposal from the Vendor must describe their plan for completing the tasks specified in the Scope of Work section of this RFP, using narrative, outlines, and/or graphs. The proposal must include details about each task and deliverable, as well as a schedule for completing each one. The State is unable to provide an example.
25.	5.0 Scope of Work (5.2.d)	Historically, how many audits and/or how many hours of the audit plan have been dedicated to Information Systems Audits for the in-scope agencies and campuses?	Last year for agency and universities information system audits completed were just under 20,000 hours. Not captured are 58 community colleges, 115 local education agencies and several regulatory boards that may use the new state term contract.
26.	5.0 Scope of Work (5.2.d)	Are there any information systems audits that are required to be performed annually as a part of compliance/regulatory requirements? a) Are those annual audits performed for all in-scope agency and campus locations? b) Are there pre-defined state audit programs to execute or is the provider responsible for developing the scope and approach for each audit?	Yes. There is only one(1) mandated information system audit requirement which is not within the scope of this RFP as identified in Section 5.2d.
27.	5.0 Scope of Work (5.2.d)	Has the state performed IT-specific risk assessments as part of this initiative? When were those last performed?	No IT-specific risk assessment was performed for this initiative.
28.	5.0 Scope of Work (5.2.d)	Is there a centralized IT department or IT Manager at the State that manages the scope and coordination of the IT audits?	The State has a centralized IT department however, that department has no responsibilities for overseeing or managing information system audits performed at state agencies or universities.
29.	5.0 Scope of Work (5.2.d)	According to the NCOSA website, the Information Systems Audit reports are not public, but what entity (in addition to the entity being audited) receives the results of the Information Systems Audit Reports? a) Will the vendor present at NCOSA Board/Audit Committee meetings? Or prepare materials for such meetings?	There is no NCOSA Board or Audit Committee. NCOSA has no responsibility for the governance of work performed under this state term contract. The soliciting agency is responsible for receiving and disseminating the results of any work completed by a Vendor. There is a mandate that requires all executive branch internal audit functions to submit reports to the council of internal auditing; however, reports with confidential information must be redacted prior to submission.
30.	5.0 Scope of Work (5.2.d)	Who determines the frequency of Information Systems Audits?	The soliciting agency requesting the audit.

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31.	5.0 Scope of Work (5.2.d)	Does the state have any requirements for in-person execution or can the audits be performed remotely with in-person visits, as appropriate?	The execution of the audits will be determined by the soliciting agency requesting the audit services and be specified in the Request for Quote (RFQ). Refer to Exhibit 3 of the RFP.
32.	5.2.f. Risk Assessment and Audit Plan Development	Historically, how many hours have been dedicated to risk assessment procedures at each agency/campus?	Last year just over 9,300 was spent on risk assessment. Not captured are 58 community colleges, 115 local education agencies and several regulatory boards that may use this state term contract.
33.	5.2.g. Financial Audit	Can you confirm an opinion on financial statements is not within the scope of this RFP?	Opinions on financial statements are not within the scope of this RFP.
34.	Section 5.0	Do any entities anticipate on-demand services as they arise or is there a pre-determined cadence and amount of consulting support already identified?	The State cannot predetermine the needs of the individual agencies; however, soliciting agencies are required to complete a Statement of Work (Exhibit 3) and submit the form to at least one (1) qualified vendor in the requested category.
35.	Section 5.0	Would you anticipate needing local, on-site support, remote assistance, or both?	The need for local, on-site support, or remote assistance will be determined by the soliciting agency and specified in the Request for Quote (RFQ). Refer to section 5.3 of the RFP
36.	Section 5.0	How long will we have to respond to Statement of Work that arises from any of the entities included in this proposal?	The timeline for responding to the Statement of Work will be determined by the soliciting agency and specified in the Request for Quote (RFQ); however, vendors will have a minimum of ten (10) days to respond. Refer to section 5.3 of the RFP.
37.	Section 5.0	There is some overlap in areas in regards to expertise, team, experience, etc. When responding, for sake of brevity, may we reference previous responses with appropriate name/number guidance or would you prefer a complete separate response?	Staff/personnel qualification/experience/education, is only needed once for each type of service included in the Vendors proposal, in response to Sections 5.4 and 5.5.
38.	Section 5.0	When the State has a project need, will it contact all of the firms on this contract (within the applicable category in the RFP) and provide them with an opportunity to submit a proposal? If no, what selection process will be used when project needs arise?	Soliciting agencies must fill out the Statement of Work form (refer to Exhibit 3) and submit it to a minimum of two (2) qualified vendors in the desired category. Refer to section 5.3 of the RFP. See Section 1, Modification #3.
39.	Section 5.0	When the State has a project need, how much advanced notice is typically provided the consultant before the project needs to commence?	Soliciting agencies shall give vendor(s) a minimum of ten (10) days to respond. Refer to section 5.3.2 of the RFP.
40.	Section 5.0	How should we identify which areas we would like to considered for versus areas that are outside of our expertise?	Vendors shall indicate the service categories in which they wish to be considered by submitting base or upper rates for staff, supervisor, and executive hourly rate ranges for each on the pricing schedule (Attachment A). Refer to section 4.9 Cost Proposal.

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41.	Section 5.0	Can we propose on all or just certain portions of the work?	State unable to determine details of this question. See Section 4.9 for details on how vendors should provide proposals for one (1) or more service categories.
42.	Section 5.0	Do we need to include different personnel for each type of work and different references, fees, etc. for each type of work that they list in the RFP?	See Response for Questions 12 and 13 above.
43.	Section 5.0	In the RFP, they ask for expertise with Construction Audits but it is not specifically listed as one of the services...do they consider Construction Audit as a separate service?	Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9
44.	Section 5.0	Do they have an estimated number of hours of support identified for each component?	The State does not have an estimated number of hours for support identified for each component. Vendors should inquire this information of the soliciting agencies.
45.	Att. C NC General Terms and Conditions	How should the Offeror provide exceptions to the State's contractual terms and conditions for the State's consideration?	Please refer to section 2.7 Notice to Vendors Regarding RFP Terms and Conditions.
46.	Att. C NC General Terms and Conditions, Section 2	In (a), would the State consider modifying the remedy for procurement of substitute services to provide that we may be found liable for such costs, since a party's damages should be based on the facts and circumstances and determined by dispute resolution processes? In (b), would the State consider providing a notice and cure period after which, if not cured, such termination for cause would be effective? Alternatively, if the State wishes to discuss specific language or better understand the concerns, would the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a potential amendment of this specific provision of the Contract as per Section 2.3 of the RFP?	The State is willing to negotiate any NC general terms and conditions if the Vendor's includes the modifications in their proposal as stated in Section 2.3.

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47.	Att. C NC General Terms and Conditions, Section 15	Would the State consider the clarifying modifications outlined below to align the insurance requirements with our industry-standard coverage? Alternatively, if the State wishes to discuss specific language, would the State please confirm that it is electing to leave open this section for later negotiation and amendment of this specific provision of the Contract as per Section 2.3 of the RFP? 2(ii)./3(ii). Commercial General Liability – General Liability Coverage on a Comprehensive Commercial Broad Form... 2(iii). Automobile – The minimum combined single limit shall be $250,000.00 bodily injury and property damage combined. ~~$250,000.00 uninsured/under insured motorist; and $2,500.00 medical payment.~~ 3(iii). Automobile – The minimum combined single limit shall be $500,000.00 bodily injury and property damage combined. ~~$500,000.00 uninsured/under insured motorist; and $5,000.00 medical payment.~~	The State is willing to negotiate any NC general terms and conditions if the Vendor's includes the modifications in their proposal as stated in Section 2.3.

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48.	Att. C NC General Terms and Conditions, Section 16	Can the indemnity be modified to be for third party claims for bodily injury, including death, or damages to real or tangible personal property to the extent directly and proximately caused by Contractor's negligence or intentional misconduct in its performance of the services? We would propose the use of the following example. However, in the event the State does not agree with our example, we ask that the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a potential amendment of this specific provision of the Contract as per Section 2.3 of the RFP? "The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from (i) liability of any kind, including all claims and losses, in each case accruing or resulting to any other person, firm, or corporation furnishing or supplying work, Services, materials, or supplies in connection with the performance of the Contract as a subcontractor or vendor of Vendor, and also from (ii) any and all claims and losses accruing or resulting to any person, firm, or corporation that may suffer personal be injuryed or whose/which real or tangible property is damaged by the Vendor in the performance of the Contract, in each of cases (i) and (ii) that are attributable to the negligence or intentionally tortious acts of the Vendor, provided that the Vendor is notified in writing within 30 days from the date that the State has knowledge of such claims."	The State is willing to negotiate any NC general terms and conditions if the Vendor's includes the modifications in their proposal as stated in Section 2.3.
49.	Att. C NC General Terms and Conditions, Section 20	Would the State agree to clarify that the Vendor is responsible for the loss or damage to the State's real or tangible property and, as to Data, the cost to restore the State's most recent backup? Alternatively, if the State wishes to discuss specific language, would the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a potential amendment of this specific provision of the Contract as per Section 2.3 of the RFP?	The State reserves the right to negotiate this term of the contract prior to contract award.

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50.	Att. C NC General Terms and Conditions	Prior to contract execution, would the State be willing to negotiate a mutual, aggregate limitation of liability for each party (other than for damages arising from a party's recklessness or intentional misconduct and any other damages for which a limit is specifically not allowed by State law)? We would propose the use of the following example. However, in the event the State does not agree with our example, we ask that the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a limitation of liability as per Section 2.3 of the RFP? "Each party shall not be liable to the other party for any claims, liabilities, or expenses relating to or in connection with this Contract or any statement of work ("Claims") for an aggregate amount in excess of the fees paid by the State to Vendor under such statement of work, except to the extent resulting from their recklessness, bad faith or intentional misconduct."	The State reserves the right to negotiate this term of the contract prior to contract award.
51.	Att. C NC General Terms and Conditions, Section	New Section – Disclaimer of Damages Would the State be willing to include a mutual disclaimer of consequential and punitive damages in the resulting Contract? We would propose the use of the following example. However, in the event the State does not agree with our example, we ask that the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a disclaimer of consequential and punitive damages as per Section 2.3 of the RFP? "In no event shall a party be liable to the other party for any consequential or punitive loss, damage, or expense, relating to or in connection with this Contract or any statement of work."	The State reserves the right to negotiate this term of the contract prior to contract award.
52.	Section 4.9 Cost Proposal	Should this read: The rate that the Vendor will provide an staff accountant with expert qualifications that demonstrated success. Upper Rates as quoted in this RFP will preclude any Vendor from offering a rate for an auditor higher than the established upper rate in response to a soliciting agency's request for services.	The proposed rate provided by a Vendor will be the maximum rate that can be charged. The lower rate of for less experienced staff and the upper rate is for more experienced staff. The rate proposed will be the ceiling and vendor will not be able to charge soliciting agency high rates.

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53.	Section 2.8 Proposal Contents/ Section 3.4 Evaluation Criteria	The proposal contents listed in section 2.8 require a response to RFP 5.4 (Project Staffing), but not to RFP 4.11 (Personnel). However, the evaluation factors in Section 3.4 state that personnel (RFP 4.11) will be evaluated and are silent on whether and how RFP 5.4 will be evaluated. Please clarify whether vendors should respond to 4.11 and/or 5.4 and how each will be evaluated.	See Response for Questions 12 and 13 above.
54.	Att. A Pricing Form	Would the State please consider allowing bidders to include additional Labor Categories, outside of base rate and upper rate for an auditor, audit supervisor and audit executive? Additional labor categories, particularly in between the base and upper rates, will provide the State with more flexibility in execution to tailor the qualifications of their teams to the specific SOW requirement.	Yes. See Section 1, Modification #5 (Attachment A: Cost Proposal Form), updated to reflect optional additional labor categories. Other professional staff – At their discretion, responding firms may include hourly rates for additional professional staff experienced in respective categories.
55.	Section 2.8 Proposal Contents	Please clarify where in the Sourcing Tool (Ariba) we should upload our response to Section 2.8 Proposal Contents, letter d ((d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.4, 5.5, 6.1). We did not see a location specified in the tool.	The State has assigned specific sections for vendors to submit the completed RFP attachments. Any additional required documents should be uploaded in section 6.1 labeled "Return Solicitation Document" within the Ariba Sourcing Event, unless specified otherwise.
56.	ATT. G: CERTIFICATION OF FINANCIAL CONDITION	Should attachment G be added to the Evaluation Criteria table on page 12 and evaluated as pass/fail?	Although Attachment G is not part of the evaluation criteria, it is still required to be submitted along with the vendor's response to determine their level of responsiveness.
57.	Section 2.8 Proposal Contents	Would the State please provide Attachment E? It was not included with the Solicitation documents.	Attachment E Reference form has been added to section 6.3 of the sourcing event.
58.	Section 5.5 Technical Approach	Section 5.5. Technical Approach asks for "Key Personnel Qualifications - Education/Background, experience." This appears to be duplicative of what is required in sections 4.11 and 5.4. Would the State please clarify what is required for Key Personnel in section 5.5 and how it differs from section 4.11 and 5.4? Alternative, please state that the bidder can simply reference sections 4.11 and 5.4 in its response to section 5.5.	See responses for Questions 12 and 13 above.

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59.	Section 4.9 Cost Proposal	Please clarify how the 4 Services included in 4.9 Cost Proposal (Assurance Services, Accounting Services, Managerial Advisory Services, Data Analytics Services) relate to the 9 Service Categories included in Section 5.2 ((a) Operational Performance Audits...(i) Managerial Audit Services). Please also clarify how the 4 Services included in 4.9 Cost Proposal should be used in completion of Attachment A. Pricing Form.	Section 4.9 Assurance Services equates to the following service identified in Section 5.2: 1) operational/performance audits 2) investigation audits 3) compliance audits 4) information system audits 5) financial audits 6) risk assessments and Audit Plan Development Section 4.9 Accounting Services equates to Section 5.2 Accounting and Financial Services. Section 4.9 Managerial Advisory Services equates to Section 5.2 Managerial Advisory Services Section 4.9 Data Analytics Service equates to Section 5.2 Data Analytics/Continuous Monitoring
60.	General	My company is not based out of North Carolina and we plan on submitting a response to this RFP. I wanted to confirm if my firm can respond to this RFP as an out of state company?	Any vendor may submit a proposal for this solicitation.
61.	Section 5.2 References	I am reviewing your Excel spreadsheet and do not see attachment E? Alternatively, I can submit my own form with at least 5 references. I just want to make sure I am following the directions.	Attachment E Reference form has been added to section 6.3 of the sourcing event.
62.	Section 3.8 Proposal Contents	Item g, Attachment E: Customer Reference Form states that vendors are to include a, 'completed and signed version of Attachment E: Customer Reference Form." There is not an Attachment E form issued. Can North Carolina Division of Purchase and Contract issue Attachment E: Customer Reference Form?	Attachment E Reference form has been added to section 6.3 of the sourcing event.
63.	Section 2.4 RFP Schedule	RFP Schedule lists August 22, 2023 @ 2:00pm ET as due date and time for vendors to submit proposals. The Ariba Sourcing portal lists August 21, 2023 @ 2:00pm ET as due date and time for vendors to submit proposals. Can North Carolina Division of Purchase and Contract confirm the day and time responses for this opportunity are due by?	The bid opening date was revised in Addendum #1. The bid opening is now scheduled for September 1, 2023 @ 2:00 PM. Any further modifications to the RFP schedule will be posted via an addendum posted in the Ariba Sourcing Tool.
64.	Att. A Pricing Form	The event indicates that the Pricing Form should be an Excel file, but it's a pdf. Should we provide the table from the pdf in an Excel file?	The Pricing form provided in the sourcing event is a PDF document.

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65.	Att. A Pricing Form	Will NCDOA allow Vendors to submit additional roles (e.g., for Subject Matter Experts) and associated rates outside of the four roles (Staff Base/Upper Rate, Supervisor, Executive) listed within the pricing form?	At the end of Section 4.9 – "Other professional staff" can be added to any of the service categories.
66.	Att. C General Terms & Conditions	Can Vendors utilize offshore resources to support the scope of work listed in the solicitation?	It is possible depending on the specific set of circumstances in which offshore resources are being utilized.
67.	Exhibit 2: Example Auditor's Professional Qualifications	Within Exhibit 2: Example of Auditor's Professional Qualifications, most Base Rate qualifications require 2 or 3 years of experience within the service category. Are Vendors allowed to use resources that don't meet the minimum years of experience even if there is proper oversight of an individuals performance and quality of work?	Exhibit 2 are examples and not requirements. The expectation for rates are that less experience staff would garner a lower hourly rate and more experience staff would have a higher hourly rate.
68.	Page 21, para 5.2g. Financial Audit	Please clarify the narrative found in this section pertaining to Financial Audits. The summary statement opening this section reads "Independent financial statement audits to attest to the fairness and accuracy of financial statements are not within the scope of this RFP." However the text that follows appears to clearly define audit services as they are defined in relevant professional guidance. Please advise as to what services are envisioned by DOA under this category.	Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly. Opining on the fairness of the financial statement for an agency is not part of this RFP.
69.	Exhibit 2: Example Auditor's Professional Qualifications	Please reconcile the service category for Construction Audits found on page 27, Exhibit 2, last row with the pages 19-22 - scope of work section. This category does not appear to be included in the RFP's scope section, please advise.	Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9
70.	Section 4.10 Work Papers	Please confirm that bidders will be permitted to retain copies of work papers in order to comply with applicable professional standards (e.g. AICPA)	Per section 4.10a, Vendors shall not retain copies of any work papers unless the Vendor is required to comply with quality assurance review auditing standards and when the soliciting agencies agrees, in writing, to waive this requirement. Vendors required by the AICPA or a State governing body to maintain workpaper for external quality assurance review purpose will be allowed to retain copies but may not use any state data obtain during the scope of work, for any other purposes.

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Question #	Document Section	Vendor Question	State's Response
71.	Section 4.10 (c) Confidentiality and North Carolina General Terms and Conditions	Would the State please consider the negotiation of limited data disclosure to third party vendors who perform various administrative and clerical functions for the Firm?	The State reserves the right to negotiate this term of the contract prior to contract award.
72.	North Carolina General Terms and Conditions	Would the State consider the negotiation of a Limitation of Liability provision?	The State reserves the right to negotiate this term of the contract prior to contract award.
73.	Section 4.10 (Work Papers) and North Carolina General Terms and Conditions	Would the State please consider the negotiation of a mutually agreeable IP Ownership provision as it relates to any resulting contract? We would seek to protect our organization's intellectual property and allow for residual knowledge rights related to our services.	The State reserves the right to negotiate this term of the contract prior to contract award.
74.	North Carolina General Terms and Conditions	Would the State please consider the negotiation of a reasonable opportunity to cure for any material deficiencies which results in the Vendor's breach of contract?	The State reserves the right to negotiate this term of the contract prior to contract award.
75.	North Carolina General Terms and Conditions	Would the State please consider the negotiation of limited changes to the general indemnity provision which holds the Vendor responsible for third party claims related to death, bodily injury, or damage to tangible property?	The State reserves the right to negotiate this term of the contract prior to contract award.
76.	Section 5.2g Financial Audits	We understand that independent financial statement audits attesting to the fairness and accuracy of financial statements are not within the scope of this RFP. However, this service category requests "verification of the financial statements, or a component of the financial statement, of a legal entity with a view to express an audit opinion. The audit opinion is intended to provide reasonable assurance that the financial statements are presented fairly." Can you please provide further distinction between "independent financial statement audits" and "financial audits" related to the scope of services being requested? Or confirm if these services are all out of scope for this contract?	Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly. Opining on the fairness of the financial statement for an agency is not part of this RFP.

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Question #	Document Section	Vendor Question	State's Response
77.	Section 2.3 & North Carolina General Terms and Conditions	13. ACCESS TO PERSONS AND RECORDS - we request the following change: "...the State Auditor and any Purchasing Agency's internal auditors shall have access to persons and records related to the Contract to verify accounts and data affecting fees or performance under the Contract, as provided in G.S. 143-49(9), upon reasonable advance written request."	The State reserves the right to negotiate this term of the contract prior to contract award.
78.	Section 2.3 & North Carolina General Terms and Conditions	6. GENERAL INDEMNITY - we request replacing Paragraph A with the following: "Provided that the Vendor is notified in writing within 30 days of the date that the State has knowledge of applicable claim, Vendor agrees to indemnify, defend and hold harmless the State (including, without limitation, its officers, directors, shareholders, employees, agents, successors, and assigns) from and against any and all claims, debts, liabilities, damages, demands, obligations, costs, expenses (including, without limitation, reasonable attorneys' fees and court costs), actions and causes of action arising from (a) the breach of any of the terms of the contract by Vendor or any party acting by or through Vendor (including, without limitation, any of its representatives); (b) the violation of any applicable law or regulations; or (c) a claim asserted by any third-party based on the negligence of the Vendor in the performance of the contract. This paragraph shall survive the termination of the contract including any renewal or extension thereof; provided, however, that the maximum aggregate liability of Vendor with respect to the indemnification obligations of this Contract shall not exceed the sum of ten million dollars ($10,000,000.00)."	The State reserves the right to negotiate this term of the contract prior to contract award.
79.	Section 2.3 & North Carolina General Terms and Conditions	20. CARE OF STATE DATA AND PROPERTY - we request the following change: "The Vendor shall notify the State of any security breaches within 24 48 hours..."	The State reserves the right to negotiate this term of the contract prior to contract award.

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Question #	Document Section	Vendor Question	State's Response
80.	Section 2.3 & North Carolina General Terms and Conditions	28. FEDERAL FUNDS PROVISIONS, i) Access to Records, paragraph 1 - we request the following change: "Upon reasonable advance, written notice, The Vendor agrees to provide the Purchasing Agency, the Administrator of the federal agency providing funds hereunder, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Vendor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions."	The State reserves the right to negotiate this term of the contract prior to contract award.
81.	Section 4.10 Additional Requirements	d. Records Retention - we request the following change: "Record retention requirements shall be consistent with any pertinent regulatory or other requirements and records shall be maintained for a minimum of ~~ten~~ *eight* years.:	The State reserves the right to negotiate this term of the contract prior to contract award.
82.	Section 4.3 HUB Participation	Can the goal of 10% utilization be achieved with an MBE, WBE or Veteran firm?	The vendor is not required to meet the goal of 10%, but documenting the vendors status of small, minority, physically handicapped, and women contractors in purchasing Goods and Service **or** strategic plan, should be provided in the Attachment, to allow the State to pursue efforts for the State's goal of meeting the 10%.
83.	Section 4.9 Cost Proposal	Is the State seeking one rate for each professional level, to remain applicable for the duration of the five-year contract, or should bidders provide rates by level with applicable increases for each year?	Vendors must provide their best current hourly rates. Changes to the contract during its duration must be agreed upon by both the State and the Vendor and documented through written contract amendments.
84.	Section 5.1 General	Will the vendor be required to follow up on reported findings and recommendations?	The Vendor will only be required to conduct follow up work, if the soliciting agency requesting a quote includes follow up to recommendations in a scope of work.
85.	Attachment F, Location of Workers Utilized by Vendor	Attachment F indicates the State will evaluate the use of potential resources out of the U.S. Are you able to confirm whether the use of offshore resources will be allowed for this work? What percentage of the work can be estimated as needing to be done on-site at a State location vs performed remotely? I'm sure the nature of each audit will dictate that, but if there are no specific reasons (onsite physical observation of a data center for example) why on-site work would need to be performed is remote work acceptable?	Per Attachment F, The State will evaluate the additional risks, costs, and other factors associated with the utilization of workers outside of the United States prior to making an award. The State cannot estimate the proportion of on-site work versus remote work that is needed. The decision on whether remote work is acceptable shall be mutually agreed upon by the soliciting agency and the contracting vendor. Please refer to Exhibit 3 for more information.

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Question #	Document Section	Vendor Question	State's Response
86.	General Solicitation	Do you envision any of this work being performed as staff augmentation where the State will supervise the vendor's resources, or would all resources needed to perform work be supervised by the vendor's management and leadership team?	No. The purpose of this solicitation does not include scope for staff augmentation.
87.	Section 4.8 Financial Statements	Related to the disclosure of financial statements, we are a privately held limited liability partnership and do not routinely disclose firm financial information like most large CPA firms. The RFP indicates financials are worth 200 points. Is it acceptable to provide you our insurance for liability claims and our bank contact information if you feel the need to discuss our firm's financial stability? This approach was acceptable the last time we bid on this same contract and want to ensure we do not lose points under this method as our firm is financially stable.	Yes. Section 4.8(b)(1) requires the vendor to provide "...such other evidence that is accurate, reliable and trustworthy regarding the Vendor's financial stability."
88.	Att. A Pricing Form	If offshore resources are allowed to be used per the above question (#88), how would you like us to document those rates since there is no specific place for "Other" rates on the form and those rates would be lower than our staff base rate listed on the form?	Section 4.9 last paragraph can be applied to any service category and states: Other professional staff – At their discretion, responding firms may include hourly rates for additional professional advisory staff experienced in organizational operations, business administration, economic or revenue analysis and related managerial advisory tasks and functions. A vendor should list Off-shore staff and the applicable rates.
89.	Section 4.10a Additional Requirements	If the State requires us to draft audit reports for internal audit work, would those reports be on our firm's letterhead or State of NC letterhead for the respective agency or university the report pertains to?	Audit reports should be on the firm's letterhead.
90.	Section 4.3 HUB Participation	The RFP seems to indicate 10% is the goal for the usage of minority, women, and disabled businesses (historically underutilized businesses per the form). Can you confirm that is the goal of this RFP such that if my firm is not considered one of these types of organization that we should plan on subcontracting 10% of this work to firm that is classified as one of these types of organizations?	The vendor is not required to meet the goal of 10%, but documenting the vendors status of small, minority, physically handicapped, and women contractors in purchasing Goods and Service **or** strategic plan, should be provided in the Attachment, to allow the State to pursue efforts for the **State's** goal of meeting the 10%. For information about becoming a certified HUB vendor, please visit: https://ncadmin.nc.gov/divisions/historically-underutilized-businesses-hub/certifications

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Question #	Document Section	Vendor Question	State's Response
91.	Section 4.11 Personnel /5.0 Scope of Work	Many of our Internal Audit consultants can also do Managerial Advisory work since there is some overlap and crossover. Can you confirm it is acceptable to leverage some of the same individuals in multiple scope areas such as these provided those individuals possess the required skills?	Yes, this is acceptable.
92.	Section 5.0 Scope of Work	The RFP discusses Compliance audits and Financial Statement audits and seems to indicate that the vendor may be asked to perform these. Can you confirm contractual compliance (for example), but a formal opinion won't be required as an attest financial statement audit would these won't be considered attest audits, such that the vendor may test financial controls or controls related to?	Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly. Opining on the fairness of the financial statement for an agency is not part of this RFP.
93.	Section 2.8 Proposal Contents	Indicates we need to complete Attachment E – Customer Reference Form, but this did not seem to be on the portal to download. As discussed in the pre-proposal conference, can you add to the portal?	Attachment E Reference form has been added to section 6.3 of the sourcing event.
94.	Section 5.5 Technical Response	Section 5.5 says we should provide a "description of each task and deliverable and the schedule for accomplishing each". How would you like us to document this when no specific scope of work has been identified? Should we just provide a general description of how we typically perform an internal audit, forensic investigation, etc. for each in scope area?	Vendors are required to provide their organization and approach to accomplishing Sections 5.1 – 5.3, as the Scope of Work for conducting described type of audits, using their current business practices.
95.	Att. A Pricing Form	The rates listed are staff base rate, staff upper rate, supervisor, and executive. Can you confirm a staff upper rate would be similar to senior internal auditor and a supervisor would be similar to an internal audit manager role? Also, our firm, like many others, has a senior manager role. Can we document in the supervisor column on the form both a base rate for the manager role and an upper rate for a senior manager?	Do not deviate from the requirement in Att. A Pricing form. The prices provided are a ceiling rate. When a Vendor is responding to a request for quote from a soliciting agency, the rates provided in the quote may be lower but cannot be higher than the amounts provided in the Vendor's proposal. The Cost Proposal form has been updated to allow for additional position categories.

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Question #	Document Section	Vendor Question	State's Response
96.	Section 5.0 Scope of Work/Exhibit 2	Construction audit shows in Exhibit 2 and the Pricing Form but is previously not mentioned as a requested service in Section 5 of the RFP. Can you clarify if this is in scope of this RFP and if we need to provide rates and technical experience in this area?	Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9
97.	General Solicitation	Does the Department of Information Technology in North Carolina provide the centralized governance standards that all other agencies in the state need to follow with regards to IT security, IT compliance, IT Systems Development and Acquisition, Baseline Configurations for Server Operating Systems and Databases, Identifying and Classifying their sensitive IT Systems and the frequency in which they are audited, etc.?	Yes.
98.	General Solicitation	Does North Carolina IT follow a particular governance standard for Information Technology and Information Security (e.g., NIST, ISO27001, other)?	You can view NC DIT Security, Privacy & Data Protection Policies & Forms here: State IT Policies | NCDIT
99.	General Solicitation	Does North Carolina have IT Security governance standards in place that each state agency using Third Party vendor hosted or cloud-based systems must follow?	Yes. There are specific requirements and approvals needed for storing States data in cloud-based third party hosting sites. You can view NC DIT Security, Privacy & Data Protection Policies & Forms here: State IT Policies | NCDIT
100.	General Solicitation	Does each North Carolina state agency support their own internal Infrastructure, or does the Department of Information Technology provide Managed Services IT support to state agencies?	It varies by agency but many cabinet agencies are supported by the Department of Information Technology (DIT) while most Council of State agencies are not supported by DIT and maintain their own infrastructure.
101.	SECTION 5.G.2 Financial Audits	Will the State provide more detail about the types of financial audits requested? Are previous audit results publicly available?	Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly. Opining on the fairness of the financial statement for an agency is not part of this RFP. An agency's internal audit reports are subject to public records request.

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Question #	Document Section	Vendor Question	State's Response
102.	SECTION 2.8.B Proposal Contents	Can vendors provide proposal responses on their own letterhead and include the execution pages from the RFP, or must all responses be drafted and submitted within the RFP document?	All responses must include all execution pages, along with the body of the RFP (with response to all questions answered), along with any addenda and attachments required to be returned. Additionally, (See Section 2.8.d) vendors shall provide response to all free form response addressing required response on their own letterhead. All information should be uploaded to the Sourcing Tool. Failure to provide all required items or submitting incomplete items may result in the State rejecting their proposal.
103.	SECTION 5.0	Construction audit is listed in Exhibit 2 and Attachment A, but not in 5.0 Scope of Work. Can the State confirm if Construction Audit services are in-scope for this contract?	Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9
104.	SECTION 4.3	Can the State confirm that the 10% HUB utilization is not required for this proposal response but rather for future responses to Request for Quotes under this contract?	The vendor is not required to meet the goal of 10%, but documenting the vendors status of small, minority, physically handicapped, and women contractors in purchasing Goods and Service **or** strategic plan, should be provided in the Attachment, to allow the State to pursue efforts for the State's goal of meeting the 10%. For information about becoming a certified HUB vendor, please visit: https://ncadmin.nc.gov/divisions/historically-underutilized-businesses-hub/certifications
105.	SECTION 4.11	Can the State confirm which labor categories it is evaluating in 3.4 Evaluation Criteria: Personnel (4.11)? Is the State evaluating the following labor categories per service category, as the Attachment A: Pricing Form suggests? a. Lower staff b. Upper staff c. Supervisor d. Executive	Pricing categories are not being evaluated for staff qualifications. For each service category in Section 5.2 that is included in a Vendor's proposal, the Vendor is responsible for providing information on staff qualifications that supports the ability to perform the specific service. Vendors may provide resumes for executives, supervisors (manager), or staff.
106.	SECTION 5.2.f	Can the State provide information about how many auditable areas are there and expectation of time to complete each audit?	The number of auditable areas is unknown. There are 38 State agencies and universities, 58 community colleges, 115 local education agencies and several regulatory boards that may use this state term contract. The time to complete each audit should be specified by the soliciting agency in the Request for Quotes/Scope Statement. Refer to Exhibit 3.

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Question #	Document Section	Vendor Question	State's Response
107.	SECTION 5.2.f	Does the State have personnel on staff to carry out some of the activities listed?	Soliciting agency requesting risk assessment and audit plan development may or may not have staff to carry out some of these activities. This would be indicated in the soliciting agency's Request for Quotes/Scope Statement.
108.	Section 4.5 References	Can the 5 projects be ongoing or do they have to be completed?	The projects may be ongoing.
109.	Section 4.4 a), Vendor Experience	May we provide a list of similar projects with client names and project titles, or does the State require short descriptions of each project as well? We will be submitting detailed project descriptions in our reference response.	Section 4.4 requires that Vendor demonstrate their experience with public and/or private sector clients with similar or greater size and complexity to the State. Vendor shall provide information as to the qualifications and experience of all executive, managerial, legal, and professional personnel that were assigned to similar projects. This information is different from what is requested in section 4.5.
110.	Section 4.7 a), External Reviews and Regulatory Action	Can we provide just the review letter and comments, not the whole report?	The Vendor must provide the opinion received and all deficiencies identified.
111.	Section 5.4, Project Staffing	May we provide a table with the names of consultants who may provide services, with columns indicating which service categories they would provide services for?	Yes. However, vendors must also provide information as to the qualifications and experience of audit, accounting, data analytics and managerial advisory personnel to be assigned to each of the service categories for which the Vendor submits a proposal.
112.	Section 5.5 Technical Approach	Does the state want a draft, detailed workplan for each service category, or would a more general description of our approach to each category be sufficient?	Vendors are required to provide their organization and approach to accomplishing Sections 5.1 – 5.3, as the Scope of Work for conducting described type of audits, using their current business practices. Vendors should provide a general description of the approach taken to complete each service category.
113.	Section 5.5 Technical Approach	What Key Personnel qualifications should be included in this part of our proposal? Is the State looking for principal, senior auditor, and project manager level qualifications?	Key personnel are individuals that have the responsibility for ensure milestones, deadlines and/or accomplishment of project objectives are achieved.
114.	General Solicitation	Due to technical issues with the eVP and Ariba systems, we were not able to access the Ariba event with the attachments and additional instructions until 7/31. Would the State consider extending the proposal due date to August 29th?	The proposal due date and bid opening has been changed to September 1, 2023.
115.	Exhibit 2	For the Qualifications listed in Exhibit 2, do these apply to all personnel working on the project or can they apply to only some?	These are examples that may relate to some personnel.
116.	Section 5.2e, Data Analytics /Continuous Monitoring	Are the firms providing Data Analytics services required to have audit experience?	No, firms providing data analytic skills are not required to have audit experience.

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Question #	Document Section	Vendor Question	State's Response
117.	General Solicitation	Will the State favor vendors that can provide all of the service categories?	All qualified proposals will be assessed by the State according to the evaluation criteria and requirements stated in the RFP. The State will award based on what is deemed most advantageous for the State.
118.	Section 4.6 Legal Right to Practice in NC	Could the State kindly provide clarification on the requirements specified under Section 4.6? Specifically, we seek clarification on whether vendors are obligated to furnish one of the mentioned points or if vendors are required to provide all of them.	The Vendor must demonstrate it is legally authorized to practice in North Carolina. One item on the list would validate this legal right.
119.	Exhibit 3	Under section 11 COST (AND PROJECT HOURS), could the State please clarify how they want vendors to address column "Number of Staff"?	. Exhibit 3 will only be completed once a soliciting agency request a quote for services. The number of staff would be the full-time equivalent. Example: Vendor provides one full-time and one-part time staff to work on the projects continually, staff = 1.5
120.	Exhibit 3	Under section 11 COST (AND PROJECT HOURS), could the State please clarify if vendors have to provide the number of resources, they are proposing in column "Number of Staff"?	Additional clarification should be inquired of the soliciting agency.
121.	Section 5.4 Project Staffing	Could the State please clarify if they must provide actual or sample resumes? If actual resumes are required, can we replace these resources at the task order level if they are not available?	Vendors must show now staff qualification and if these staff leave the Vendor's employment or do not have capacity, staff of similar years and experience may take their place.
122.	Section 4.9 Data Analytics Service	Data Analytics Service, it says, "Other Professional Staff" Could the State please clarify what information or positions the State wants vendors to provide?	Section 4.9 last paragraph can be applied to any service category not just Data Analytics. The State is providing Vendors the opportunity to provide additional staff to the approved list. These would be subject matter experts such as economic or revenue analysis for data analytics or an organizational behavioral specialist for operational/performance audits.
123.	Section 4.9 Data Analytics Service	Data Analytics Service, it says "Other Professional Staff" could the State please clarify if vendors can provide any Data position under this category?	Section 4.9 last paragraph can be applied to any service category not just Data Analytics. The State is providing Vendors the opportunity to provide additional staff to the approved list. These would be subject matter experts such as economic or revenue analysis for data analytics or an organizational behavioralist for operational/performance audits
124.	Section 4.8 Financial Statement	Could the State please clarify if vendors only have to provide one of these points, not all?	Yes, just one of the points.

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Question #	Document Section	Vendor Question	State's Response
125.	Section 4.7 External Reviews and Regulatory Action	Could the State please clarify if vendors who can provide point b but not point a are still eligible to bind on this solicitation?	Only vendors required by the AICPA are required to meet 4.7a. Vendors not required to obtain a peer review must 4.7b and fully describe the system of quality controls.
126.	Section 5.2 d Information Systems Audits	Could the State please clarify if they are looking for vendors to provide IT Staff Augmentation services to recruit the positions once the contract is awarded, or is the State looking for a vendor who has In-house personnel to fill the positions required?	Soliciting agency will drive the types of services needed. Agencies may solicit for a turn-key IT audit where the Vendor is responsible for planning, testing and report writing.
127.	Section 5.2 d Information Systems Audits	Could the State please clarify if this solicitation is for IT Staff Augmentation services or deliverable-based project services?	Deliverable based project services only.
128.	Section 4.3 HUB Participation	Could the State please confirm if it is mandatory to use a HUB subcontractor to bid on this solicitation?	It is not mandatory to use a HUB subcontractor.
129.	Section 4.5 References	Could the State please confirm if vendors can provide ongoing contracts as references?	Vendors may provide references for on-going contracts.
130.	General Solicitation	Could the State please confirm if this a new contract? If not, could the State please share the incumbent names?	The State is seeking to establish an new Statewide Term Contract (STC). Information regarding vendors on the current STC can be found here.
131.	Section 4.9 Cost Proposal	For the upper rate information systems auditor, can equivalent experience (such as 8 years) be substituted for a Master's degree?	Section 4.9 for assurance audits upper rate states: The maximum rate that the Vendor will provide an auditor with expert qualifications that demonstrated success. Upper Rates as quoted in this RFP will preclude any Vendor from offering a rate for an auditor higher than the established upper rate in response to a soliciting agency's request for services. Exhibit 2 provides examples only.

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Check **ONLY ONE** of the following options and return one properly executed copy of this Addendum prior to the Solicitation opening time and date.

☐ A response was submitted prior to this Addendum. An updated response has been submitted to address the changes resulting from this Addendum.

☐ A response was submitted prior to this Addendum. **NO CHANGES have resulted** from this Addendum.

☑ A response was **not** submitted prior to this Addendum. **ANY CHANGES resulting** from this Addendum are included in our response.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME

[redacted]

08/31/2023
Date

Partner
Title

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CONFIDENTIAL

2.0 Executive Summary

2.1 Our Understanding

The State of North Carolina (North Carolina, NC or State) requires support to continue to improve and strengthen internal controls and agency procedures to enhance security and trust in the services that agencies, universities, and campuses provide to NC citizens. The internal audit, accounting, and managerial advisory functions have become increasingly complex over recent years. These functions must address challenges such as automation, enterprise transformation that often introduces new vulnerabilities, statewide programs put into place quickly and, in some instances, without the requisite controls; and a new and evolving regulatory landscape including laws and mandates from oversight bodies like the NC General Assembly. These challenges are complicated by nationwide staffing shortages in critical state and local government functions like internal audit, information security, and various management and leadership positions. Deloitte & Touche LLP (Deloitte) stands ready to support North Carolina in addressing these challenges and brings a team of qualified professionals that will scale quickly to meet North Carolina's needs with the breadth of capabilities required to support the many different State agencies and universities. Specifically, Deloitte brings:

- One Team with Deep Capabilities and a Focus on Quality: We have deep capabilities in all service categories blended with the specific knowledge and experience required to support the State agencies, universities, and campuses requiring services. Our highly qualified team has the requisite experience, certifications, and continuing education; we couple these with our technical approach that includes rigorous quality standards and processes resulting in quality, on-time delivery.
- A Team that will Flex to North Carolina's Needs: As a Big Four audit and accounting firm, internal audit and assurance services are core to who we are. We have an extensive roster of qualified professionals who stand ready to supplement State resources in any capacity from surge to enduring capabilities, resulting in a highly agile internal audit team available to be deployed to achieve State goals. By having one vendor that can flex to your needs, North Carolina's administrative burden of overseeing multiple niche vendors can be reduced.
- A Record of Distinctive Service to North Carolina: We have a unique understanding of NC's financial systems, processes, and stakeholders through our financial systems modernization support to the Office of State Controller. We bring a team that knows NC processes and financial systems and will mobilize on Day One to accelerate project outcomes.

Deloitte is committed to providing exemplary support to North Carolina with a focus on quality, agility, and breadth of capabilities to identify efficiencies and cost savings and enhance service to the citizens of North Carolina.

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2.2 Deloitte Background Information

With 412,000 employees globally, Deloitte is one of the largest private professional services providers in the world. Deloitte has helped a myriad of state, federal, and commercial clients effectively execute audit, accounting, data analytics, and managerial advisory services to improve processes, strengthen controls, and provide further transparency into costs and outcomes of programs and initiatives. In addition to strong accounting, analytics and managerial advisory services, Deloitte also has extensive change management and implementation experience, enabling our recommendations to be grounded in the realities of operationalizing large-scale change in complex environments.

As a Big Four audit firm, we deliver a wide range of risk advisory services, including internal audit, investigations, analytics, forensics, mergers and acquisitions, and regulatory compliance. We provide quality audits and advisory services in compliance with applicable professional standards, such as Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS), to large-scale enterprises through a consistent methodology. [redacted] We partner with major professional associations to shape and contribute to the future of the profession. [redacted] further demonstrating our commitment to quality and education in the internal audit profession.

As depicted in table 1, we have extensive resources with the requisite qualifications, training, and certifications to deliver sustained value to NC.

Table 2.2-1: Our Extensive Resources & the Value to NC

Extensive resources nationwide (US Based)	Value to NC
[redacted]	NC has access to a large pool of **qualified and trained resources** capable of executing all types of audits and advisory services from one source – Deloitte.

Deloitte is teaming with a capable, highly skilled, and experienced subcontractor, [redacted]

Depicted in Table 2 are the accolades and awards that we have received for our ability to help organizations integrate and align their risk management capabilities and drive meaningful action. We have aligned these accolades and awards to the scope of work (SOW) areas in section 5.2.

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Table 2.2-2: Our Accolades & Awards

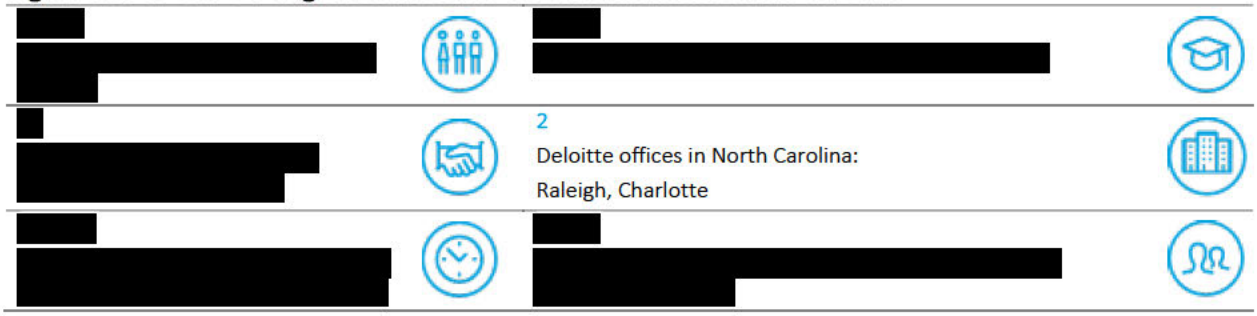
Deloitte's Unmatched Capabilities & Accolades	
• Ranked #1 global leader in risk and financial advisory services by ALM (2017–2020) – **All SOW Areas** • Named a leader in Cybersecurity Incident Response Services by Forrester (2022) – **5.2d** • Winner of the Audit Innovation of the Year award given by The International Accounting Bulletin (2015, 2018, 2020, 2021, and 2022) – **5.2a – 5.2d** • The No. 1 firm overall on Accounting Today's list of Top 100 firms (2019–2022) – **5.2a -5.2h** • One of Accounting Today's 2020 Best Firms for Technology – **5.2a – 5.2h** • Ranked #1 in Business Analytics Consulting, Systems Integration Services, and Cloud Business Analytics Services by IDC (2020) – **5.2e** • Principal Partner of the Institute of Internal Auditors (IIA) – **5.2a – 5.2h** • Worldwide leader in Risk Advisory Consulting Services based on capability by IDC MarketScape, April 2019) – **All SOW areas**	• Ranked #1 in consulting services by revenue by Gartner® 5 years in a row and 11 times total – **All SOW areas** • Scored highest in three use cases in the 2022 Gartner Critical Capabilities for Oracle Cloud Application Services – **5.2d** • Named a leader in the 2022 Gartner Magic QuadrantTM for Oracle Cloud Applications Services – **5.2d** • Named a visionary in the 2022 Gartner Data Outsourcing & Hybrid Infrastructure Managed Services Magic Quadrant – **5.2e** • Named a leader in the Forrester WaveTM Cybersecurity Incident Response Services – **5.2d** • Positioned in the Leaders category in the 2022 IDC MarketScape for Worldwide Intelligent Automation Services – **5.2d** • Named the undisputed worldwide leader in Data Analytics Services (Source: Gartner, Magic Quadrant for Data and Analytics Services; 12 February 2019) – **5.2e**

This consistent and diverse recognition further demonstrates the breath of qualifications and capabilities we bring to support NC.

2.2.1 Deloitte's Service to NC

While Deloitte operates as a national practice, we have a strong local presence in North Carolina that we will utilize to deliver the Supplemental Audit Services scope of services. [redacted] Deloitte professional staff members in the Raleigh and Charlotte area are experienced in financial, accounting, and audit consulting engagements; governments; and other complex organizations. [redacted] The graphic below summarizes key statistics related to our presence and commitment to the citizens and communities of NC.

Figure 2.2-1: Our Strong Presence and Commitment to North Carolina



Deloitte is committed to North Carolina and its communities. [redacted] In addition, Deloitte is actively collaborating with minority- and women-owned

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businesses and service-disabled Veteran-owned businesses sponsoring firms as mentorship protégés.

Deloitte values its relationship with the State and continues to [redacted] This keeps our team up to date with your mission, goals, and aspirations, which allows us to respond specifically to your needs. [redacted] Our teams offer new implementation tools and technologies to reduce operational costs, increase innovation, reduce turnaround time, and increase processing speed to capture additional savings. We were also tasked with advancing cybersecurity capabilities for North Carolina agencies to align with industry-leading practices and mitigate existing risks to the financial operations of the State as they age and are decommissioned. [redacted]

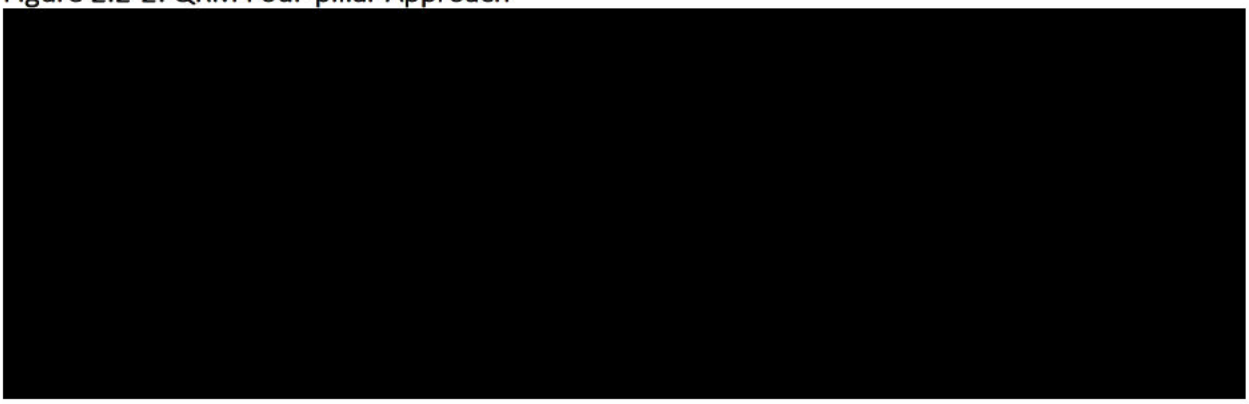
2.2.3 Deloitte's Commitment to Quality

Deloitte invests in quality. We have a robust Quality Risk Management (QRM) approach that is on-going, proactive, and strives to avoid unforeseen risks during project delivery and execution. We conduct independent QRM reviews by our senior leadership outside of the project to identify and continuously improve the people, processes, and tools. For NC this means lower cost, schedule, and quality risks and issues are resolved before they become problems.

Figure 2 depicts our four-pillar approach to QRM. [redacted] We require professionals at the manager level and above to possess relevant professional certifications. [redacted] For NC, this means our team is proficient in relevant professional standards, new developments in the industry, and executing with a consistent methodology that is tested across many clients.

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Figure 2.2-2: QRM Four-pillar Approach



To further our quality delivery, Deloitte invests in innovative tools and methodologies to reduce manual processes, save time and costs in delivery, and further consistent execution of audit tasks. Automation, with effective oversight, reduces reliance on manual intervention and saves NC money and time. It also helps NC elevate and evolve its audit approaches to benefit from the latest thinking in audit innovation. Table 3 below lists some of the innovative tools that Deloitte will bring to NC drive quality delivery and cost savings.

Table 2.2-3: Deloitte's Innovative Tools in Audit, Accounting, Data Analytics, and Managerial Advisory Services

Tools	Description

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Tools	Description
[redacted]	[redacted]

3.0 Experience with Similar Projects (4.4)

As denoted in Table 4 below, Deloitte's extensive experience with similar projects demonstrates our qualifications and capabilities to perform the services described in Section 5.2 Audit, Accounting, Data Analytic and Managerial Advisory Service. Our qualifications span all service categories. However, we do not wish to be considered for an award in the financial audit service category. Our capabilities demonstrate the services we performed, provide specific details about our tasks performed, and detail the value we delivered in execution of our services. We provide further details on our qualifications, including references, in section 4.5.

Table 3.0-1: Our Qualifications & Capabilities in Section 5.2

Service Categories	Representative Qualifications					Example Capabilities (Denoted in Bold)
	[redacted]					
Operational / Performance Audit	■	■	■	■	■	[redacted]
Investigative Audit	■	■		■		[redacted]
Compliance Audit	■	■	■	■	■	[redacted]
IS Audits	■	■	■		■	[redacted]
Data Analytics	■	■	■	■	■	[redacted]

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Service Categories	Representative Qualifications					Example Capabilities (Denoted in Bold)
Risk Assessments						
Financial Audit						Deloitte does not wish to be considered for the financial audit service category.
Accounting & Financial						
Managerial Advisory						

3.1 Qualifications and Experience of Personnel Assigned to Similar Projects

Table 5 below details the qualifications and experience of all executives, managerial, legal, and professional personnel that were assigned to the five projects depicted in the table below and outlined in more detail in Section 4.5.

Table 3.1-1: Our Qualifications and Experience of Personnel

Qualification	Qualifications and Experience

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Qualification	Qualifications and Experience
[redacted]	[redacted]

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Qualification	Qualifications and Experience
[redacted]	[redacted]

4.0 References (4.5)

The references in table 6 below demonstrate Deloitte's project experience within the last five years performing projects of similar size, scope, and complexity, as identified in Section 5.2 of the RFP.

Table 4.0-1: Our Project Experiences

Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
Value to North Carolina	• [redacted]

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Client Name: Case Western Reserve University (CWRU) – Internal Audit Co-sourcing
Reference Name & Phone Number: John Sideras, (216) 368-3078
Period of Performance: 10/01/2008 – Present

	[redacted]
Project Scope	• [redacted]
Description of Services Performed	
Operational/Performance Audits	[redacted]
Investigative Audits	[redacted]
Compliance Audit	[redacted]

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Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
	• [redacted]
Information Systems Audit: • General Controls Review • System and Applications • System Development • Client/Server	[redacted]
Data Analytics & Continuous Monitoring: • Descriptive Analytics • Diagnostic Analytics • Predictive Analytics • Prescriptive Analytics	[redacted]
Risk Assessment and Audit Plan Development	[redacted]
Financial Audit	• Deloitte does not wish to be considered for the financial audit service category.
Accounting & Financial Services	• Not applicable
Managerial Advisory Services	• Not applicable

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Client Name: [redacted] Reference Name & Phone Number: Period of Performance:	
Value to North Carolina	• [redacted]
Project Scope	• [redacted]
Description of Services Performed	
Operational/Performance Audits	• [redacted]
Investigative Audits	• [redacted]
Compliance Audit	• [redacted]
Information Systems Audit: • General Controls Review • System and Applications • System Development • Client/Server	• [redacted]
Data Analytics & Continuous Monitoring: • Descriptive Analytics • Diagnostic Analytics • Predictive Analytics • Prescriptive Analytics	• [redacted]
Risk Assessment and Audit Plan Development	• [redacted]

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Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
Financial Audit	• [redacted]
Accounting & Financial Services	• Not applicable
Managerial Advisory Services	• [redacted]

Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
Value to North Carolina	• [redacted]
Project Scope	• [redacted]
Description of Services Performed	
Operational/Performance Audits	• [redacted]
Investigative Audits	• Not applicable

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Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
Compliance Audit	• [redacted]
Information Systems Audit: • General Controls Review • System and Applications • System Development • Client/Server	• [redacted]
Data Analytics & Continuous Monitoring: • Descriptive Analytics • Diagnostic Analytics • Predictive Analytics • Prescriptive Analytics	• [redacted]
Risk Assessment and Audit Plan Development	• [redacted]

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Client Name: [redacted] Reference Name & Phone Number: Period of Performance:	
	[redacted]
Financial Audit	• Deloitte does not wish to be considered for the financial audit service category.
Accounting & Financial Services	• [redacted]
Managerial Advisory Services	• [redacted]

Client Name: [redacted] Reference Name & Phone Number: Period of Performance:	
Value to North Carolina	• [redacted]
Project Scope	• [redacted]

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Client Name: [redacted] Reference Name & Phone Number: [redacted] Period of Performance: [redacted]	[redacted]
	Description of Services Performed
Operational/Performance Audits	• [redacted]
Investigative Audits	• Not applicable
Compliance Audit	• [redacted]
Information Systems Audit: • General Controls Review • System and Applications • System Development • Client/Server	• [redacted]
Data Analytics & Continuous Monitoring: • Descriptive Analytics • Diagnostic Analytics • Predictive Analytics • Prescriptive Analytics	• [redacted]
Risk Assessment and Audit Plan Development	• [redacted]
Financial Audit	• Deloitte does not wish to be considered for the financial audit service category.
Accounting & Financial Services	• [redacted]

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Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
	• [redacted]
Managerial Advisory Services	• [redacted]

Client Name: [redacted] Reference Name & Email: Period of Performance: [redacted]	
Value to North Carolina	• [redacted]
Project Scope	• [redacted]
Description of Services Performed	
Operational/Performance Audits	• [redacted]
Investigative Audits	• [redacted]
Compliance Audit	• [redacted]

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Client Name: Reference Name & Email: Period of Performance:	• [redacted]
Information Systems Audit: • General Controls Review • System and Applications • System Development • Client/Server	• Not applicable
Data Analytics & Continuous Monitoring: • Descriptive Analytics • Diagnostic Analytics • Predictive Analytics • Prescriptive Analytics	• [redacted]
Risk Assessment and Audit Plan Development	• [redacted]
Financial Audit	• Deloitte does not wish to be considered for the financial audit service category.
Accounting & Financial Services	• [redacted]
Managerial Advisory Services	• [redacted]

In addition to the five qualifications above, Deloitte offers two additional overviews of key projects for NC that demonstrate our qualifications, capabilities, and commitment to the State.

- [redacted]
- [redacted]

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[redacted]

Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
Value to North Carolina	• [redacted]
Project Scope	• [redacted]

Client Name: [redacted] Reference Name & Phone Number: Period of Performance: [redacted]	
Value to North Carolina	• [redacted]
Project Scope	• [redacted]

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5.0 Legal Right to practice in NC (4.6)

1. Articles of Incorporation

N/A - Deloitte is not a corporation

2. DBA filed with NC Counties

N/A

3. Licensee information from the NC State Board of CPA Examiners

CPA Firm Certificate:
CPA License No.: [redacted]
Office: Raleigh, NC



Firm Search

Firm Search Details:

Firm Name	**Deloitte & Touche LLP**
Licensed As	CPA Firm Certificate
Firm Type	Limited Liability Partnership
Address	150 Fayetteville Street Ste 1000
City/State/Zip	Raleigh NC 27601
Telephone Number	919-546-8000

[redacted]

If you have any questions, please contact the Board.

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CPA Firm Certificate:
CPA License No.: [redacted]
Office: Raleigh, NC



Firm Search

Firm Search Details:

Firm Name	**Deloitte & Touche LLP**
Licensed As	CPA Firm Certificate
Firm Type	Limited Liability Partnership
Address	650 S Tryon Street Ste 1800
City/State/Zip	Charlotte NC 28202
Telephone Number	704-887-1500

[redacted]

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4. Other associated documents which provide evidence the vendor is authorized to practice and provide services in North Carolina:

NORTH CAROLINA
Department of the Secretary of State

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify that the registration

DELOITTE & TOUCHE LLP

as a Registered Limited Liability Partnership was duly filed in this Office pursuant to Section 59-84-2 of the North Carolina General Statutes, effective as of the 30th day of April, 1998.

I FURTHER CERTIFY that the aforesaid registration of Deloitte & Touche LLP as a Registered Limited Liability Partnership has not been withdrawn and remains effective as of the date of this certificate.

Scan to verify online.

Certification# 117437833-1 Reference# 20352852- Page: 1 of 1
Verify this certificate online at https://www.sosnc.gov/verification

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 8th day of August, 2023.

Elaine F. Marshall

Secretary of State

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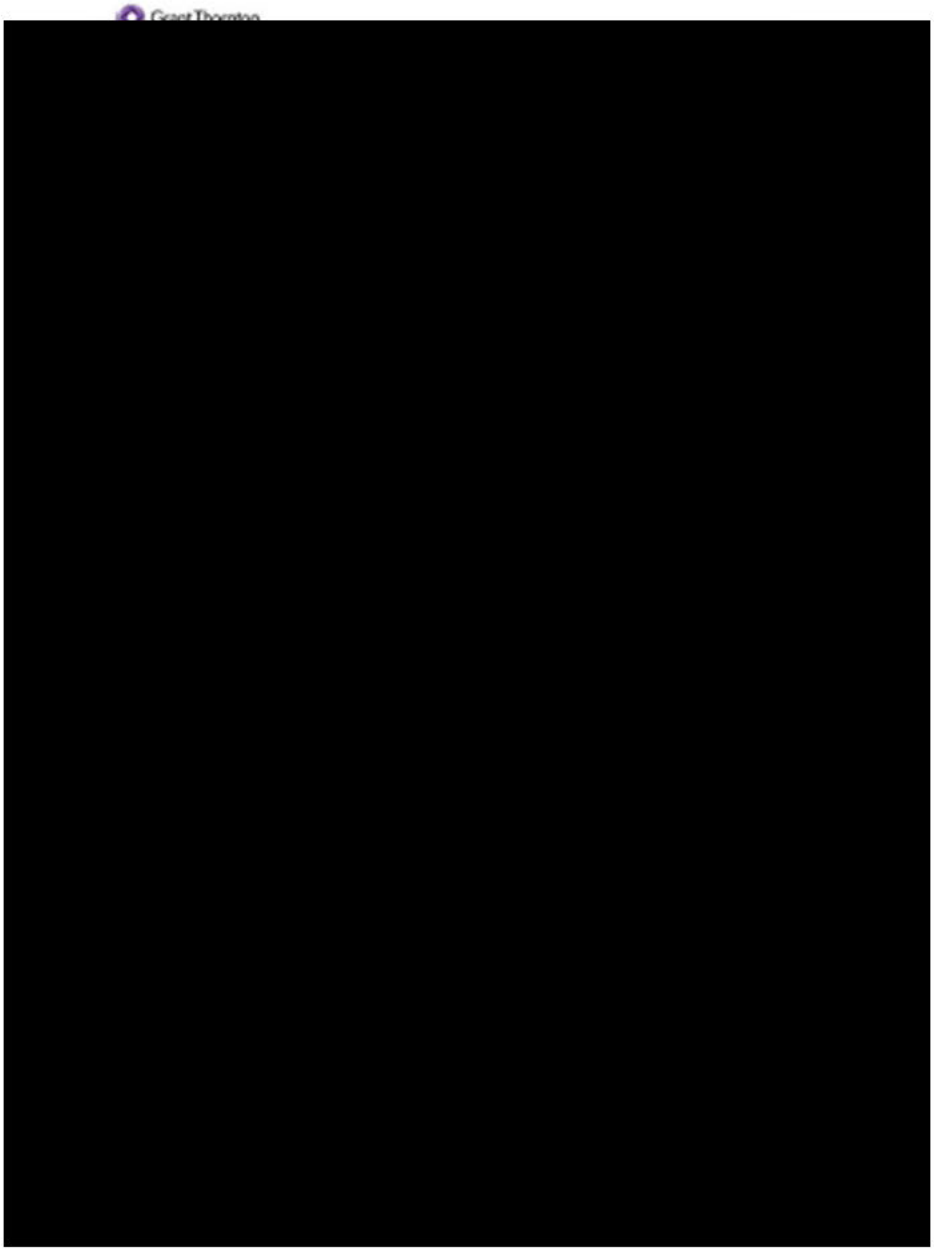
6.0 External Review & Regulatory Action (4.7)

a) Deloitte participates in the American Institute of Certified Public Accountants (AICPA) Peer Review Program. The AICPA Peer Review Program requires independent evaluation every three years of those portions of a firm's accounting and auditing practice that are not subject to Public Company Accounting Oversight Board (PCAOB) permanent inspection so firms can meet their state licensing, federal regulatory, and AICPA membership requirements.



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Figure 6.0-1: Peer Review Report



U.S. Deloitte Audit Quality Report: At Deloitte, audit quality is our highest priority. Quality informs every aspect of our audit practice, from strategy to delivery, and guides every step we take to support and develop our professionals. Our pursuit of audit quality is at the center of our culture of continuous improvement and innovation, as we seek to make our best work today even better tomorrow. This report focuses on the steps we are taking to further enhance audit quality, the investments we are making to transform the audit, and our commitment to embracing a bold, new mindset as we continue shaping the future of the audit profession.

b) Not applicable

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c) Deloitte & Touche LLP is a nation-wide services organization with numerous partners, principals, officers, directors, and employees. To the best knowledge of Vendor's signatory, no regulatory sanctions as defined have been levied against such individuals in the last three years that would impact the services to be provided to NC in any manner.

Within the last three years, the following proceeding against Deloitte & Touche LLP was concluded:

[redacted]

d) From time to time, the staff of the Securities and Exchange Commission (SEC", the Public Company Accounting Oversight Board (PCAOB) and other regulatory or professional authorities or bodies conduct investigations, which include review of professional services provided by Deloitte & Touche; those investigations may or may not result in proceedings. [redacted] As shown in figure 4 below, Deloitte & Touche is consistently found to be a responsible bidder and is regarded highly in the industry and has demonstrated financial capacity to perform the subject services.

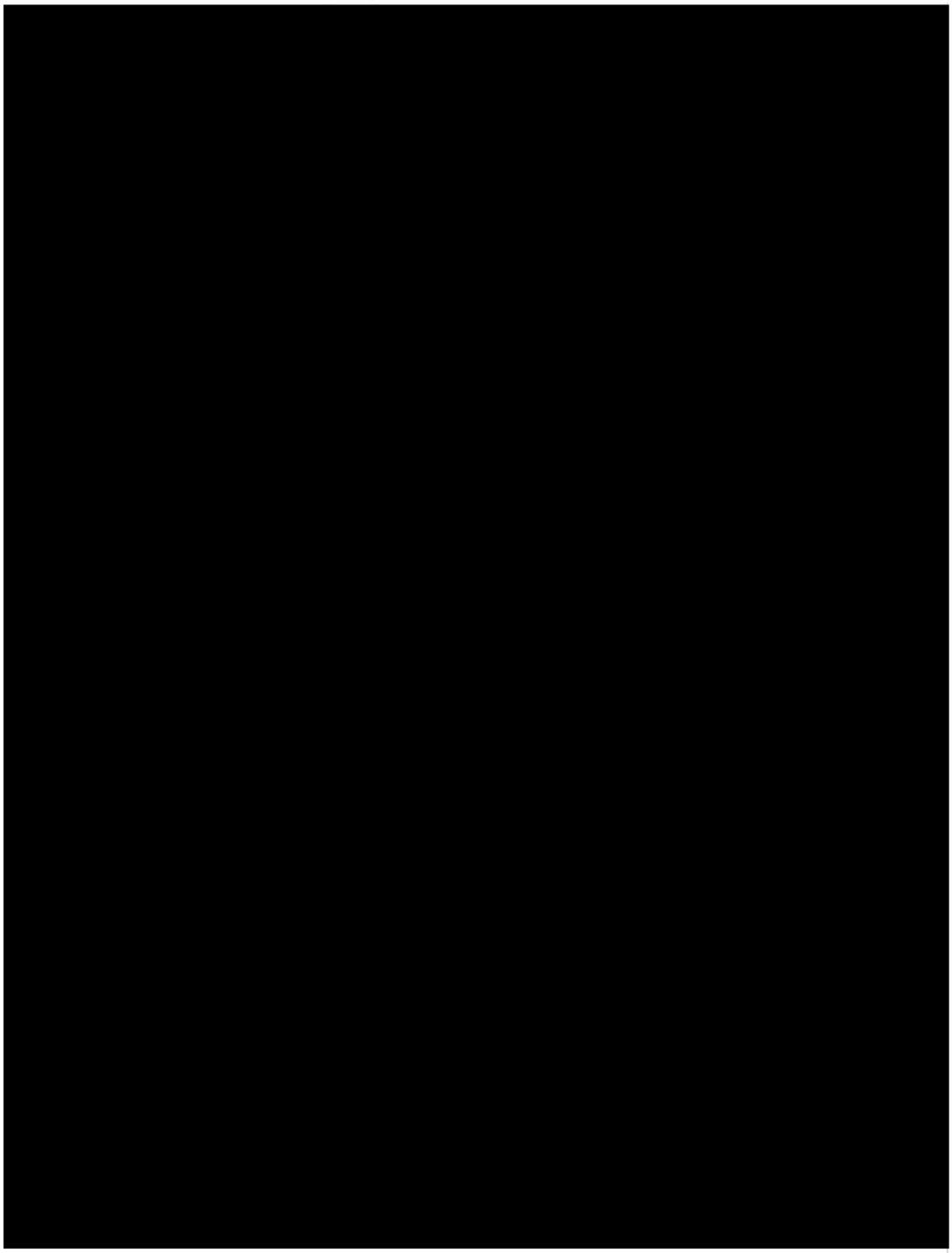
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[redacted]

e) [redacted]

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7.0 Financial Statements (4.8)



8.0 Cost Proposals (4.9)

Our proposed Rate Card for the 5-year period is consistent with the RFP requirement provided by NC for the identified scope of services and period of performance and will be submitted as

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"Attachment A". [redacted]

9.0 Project Staffing (5.4)

NC requires a team with deep experience performing internal audit assurance, accounting, and advisory services across State agencies, local counties and universities and campuses. Deloitte assembled a team that has extensive capabilities and qualifications serving across all the service categories included within the RFP. Deloitte is dedicated to integrating with internal audit teams across the State to bring you the desired industry, technical and specialist resources at the desired time. We have found that the risk landscape of state, local, and higher education requires leaders in specialized topical areas. As such, we have selected a streamlined and small core team that will serve as a single point of contact and will bring the specific specialists needed for each internal audit engagement.

Below is a snapshot of our proposed engagement team for the supplemental internal auditing, assurance, accounting, data analytics, and managerial advisory services requested by NC. As project needs are identified across the State, our Master Service Agreement (MSA) Engagement Leader, [redacted], will work with to understand the requirements and hand select an engagement team with the right capabilities and experience to best meet your needs. This will include coordination with our experienced NC Subject Matter Specialists (SMS) to quickly plan, set up, and deploy our professionals for each project opportunity. Our Engagement Leader will conduct ongoing and comprehensive reviews, inspections, and assessments as we transition between projects. As new team members are onboarded, we commit to continuous communication to enable our team to adhere to both our internal quality standards and NC's quality expectations, recommending corrective actions when necessary. Throughout the engagement, our [redacted] will be involved in each project to maintain consistency between projects and provide a single communication point of contact.

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Figure 9.0-1: Our Proposed Engagement Team



We understand that project needs vary and we will tap into our wide breadth of professionals that hold CPA, CISA, CGFM, and CIA certifications who have specifically worked in the various State government landscapes and understand GAGAS, IIA, COBIT, GAAP, and other relevant requirements. Our team of professionals with education and industry experience in GAAP accounting, IA, IT assurance, data analytics, advisory, financial, and accounting operations bring a combination of skills and unique perspectives to this engagement. We have successfully supported and continue to support several state and local governments and private entities as a MSA vendor, and we can hit the ground running with our experience, proven approach, methodology, tools, and techniques.

Table 7 depicts our engagement team and a representative selection of SMSs we leverage to execute planned projects. Refer to table 8 for resumes of the professionals aligned by service category below.

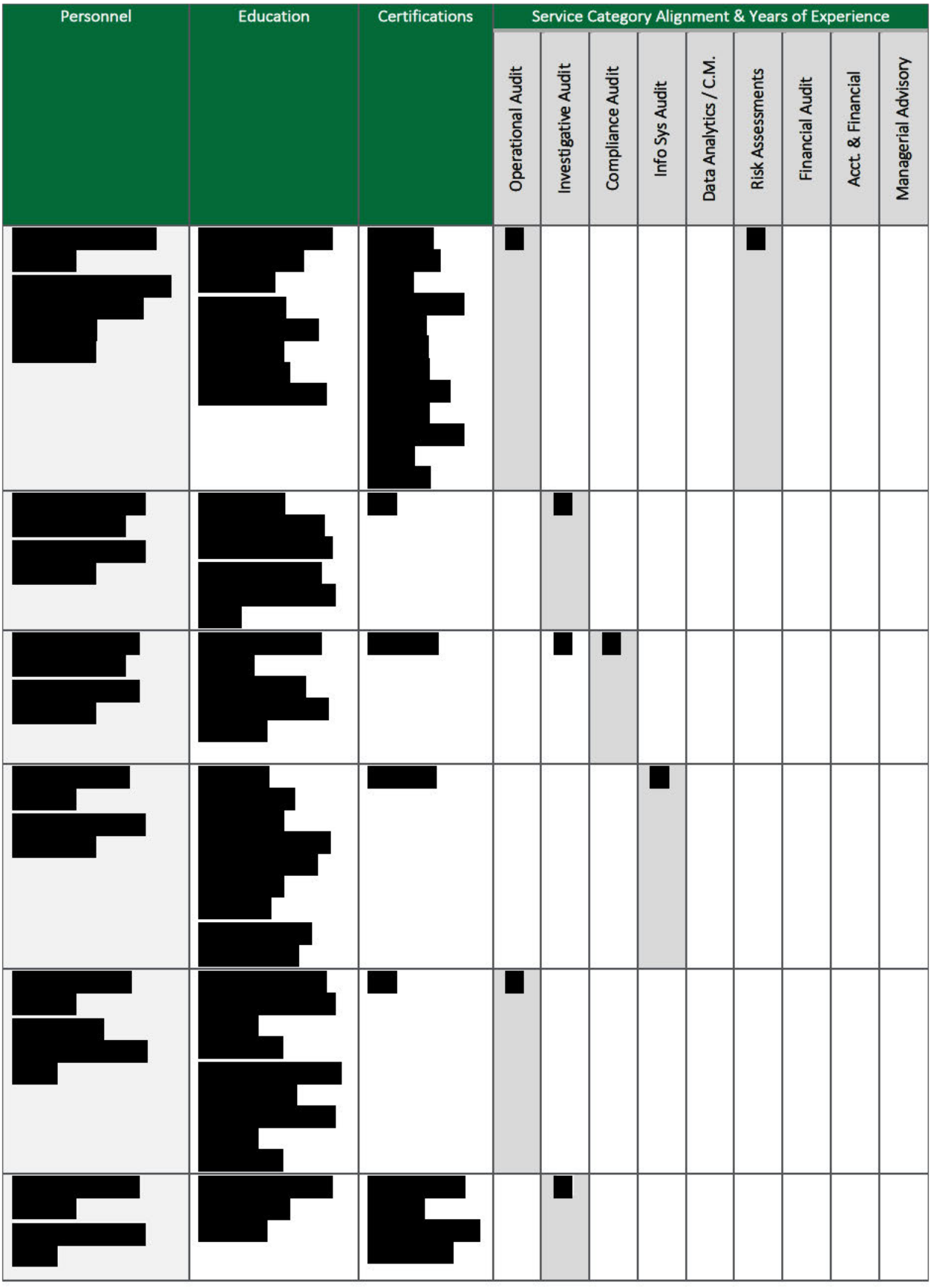
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The table below demonstrates that the proposed team has a breadth of experience across many of the service categories requested in the RFP. Highlighted in grey represents the years of experience each team member has in the service categories they've been aligned. We have aligned team members to service categories based on their specialized experience and background.

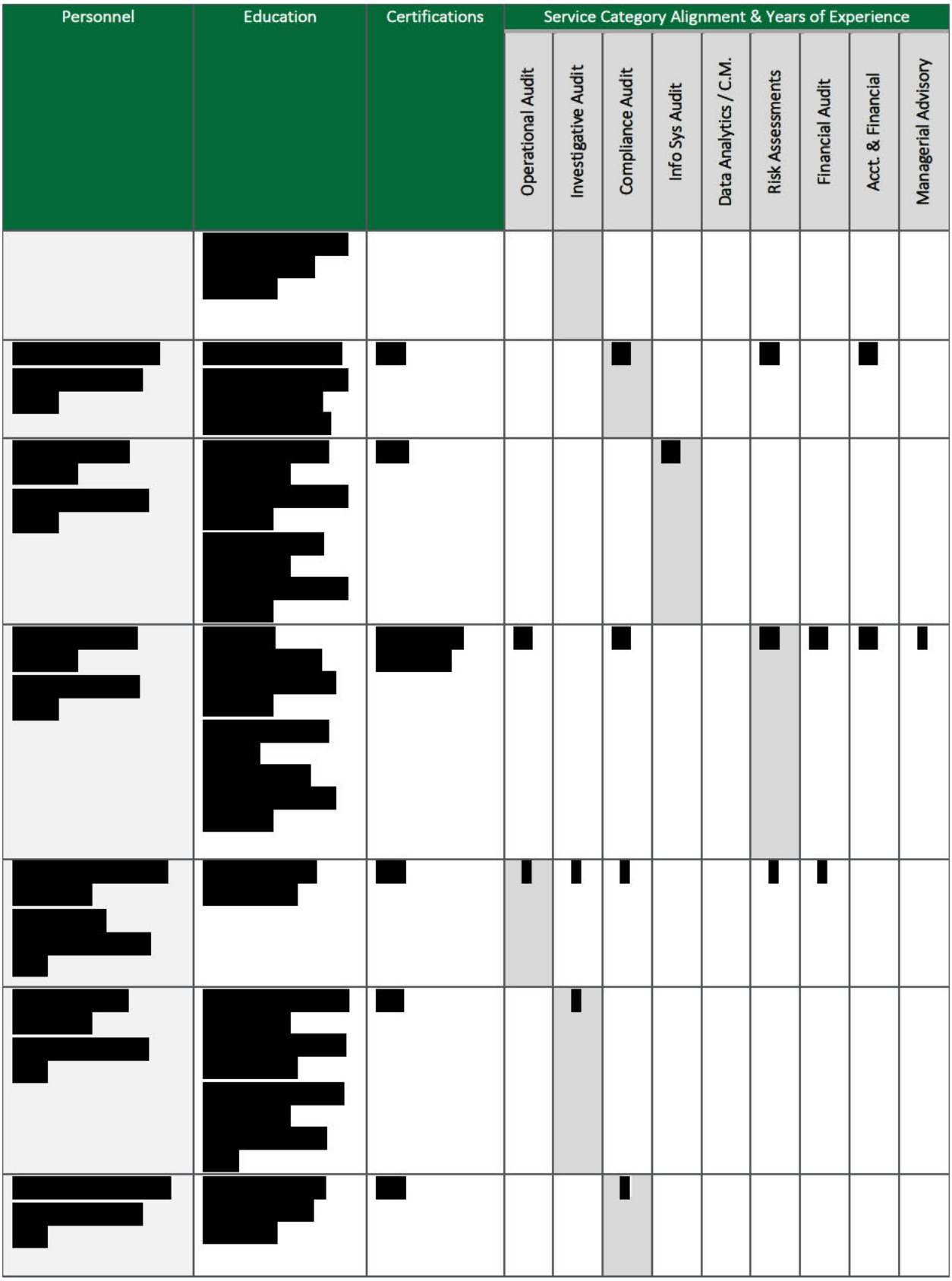
Table 9.0-1: Our Personnel Qualifications Include Relevant Education, Certifications, and Years of Experience in the Service Categories They Will Support

Personnel	Education	Certifications	Service Category Alignment & Years of Experience								
			Operational Audit	Investigative Audit	Compliance Audit	Info Sys Audit	Data Analytics / C.M.	Risk Assessments	Financial Audit	Acct. & Financial	Managerial Advisory
Audit/Assurance											
[redacted]											
[redacted]											
[redacted]											
[redacted]											

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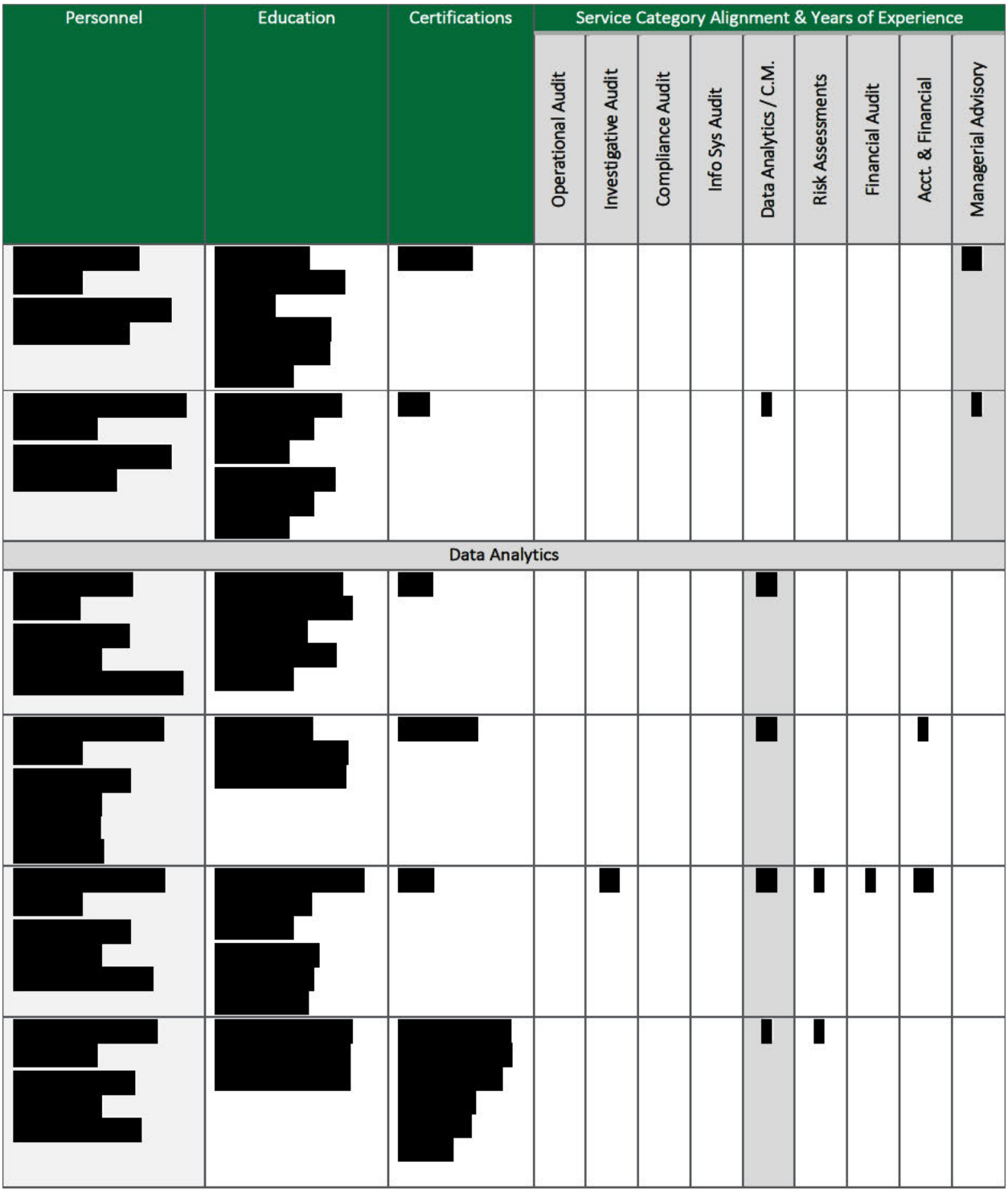
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Personnel	Education	Certifications	Service Category Alignment & Years of Experience								
			Operational Audit	Investigative Audit	Compliance Audit	Info Sys Audit	Data Analytics / C.M.	Risk Assessments	Financial Audit	Acct. & Financial	Managerial Advisory
[redacted]	[redacted]	[redacted]				[redacted]					
[redacted]	[redacted]	[redacted]						[redacted]			[redacted]
Accounting											
[redacted]	[redacted]	[redacted]							[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]		[redacted]			[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]		[redacted]			[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]								[redacted]	
Managerial Advisory											
[redacted]	[redacted]	[redacted]								[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]		[redacted]			[redacted]	[redacted]	[redacted]	[redacted]

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The resumes included demonstrate that our diverse team has deep experience executing the services requested. Personnel have been assigned to each of the service categories based on their qualifications and experience related to audit, accounting, data analytics and managerial advisory. The resumes below cite educational background, alignment to service categories and years of experience, as well as experience with similar services, certifications, and professional standards.

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Assurance Service Resumes

Alignment to Service Categories:

- Operational/Performance Audits
- Investigative Audits
- Compliance Audits
- Information System Audits
- Risk Assessments

Table 9.0-2: Resumes of our Personnel Demonstrating Recent & Relevant Experience with Similar Services

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
[redacted]	[redacted]
[redacted]	[redacted]
Experience with Similar Projects	
Operational/ Performance Audits	• [redacted]
Compliance Audits	• [redacted]

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Tina Griffiths, Operational/Performance and Compliance Audit Executive	
	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Investigative Audits	[redacted]
Experience with Similar Projects	
Investigative Audits	[redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Information System Audits	[redacted]
Experience with Similar Projects	
Information System Audits	• [redacted]

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[redacted]

Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Risk Assessments and Audit Plan Development: [redacted]
Experience with Similar Projects
Risk Assessments and Audit Plan Development: • [redacted]

[redacted]

Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Operational / Performance Audit: [redacted]
Risk Assessments: [redacted]
Experience with Similar Projects
Operational / Performance Audit: • [redacted]

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[redacted]

Risk Assessments and Audit Plan Development	• [redacted]

[redacted]

Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience

Investigative Audits	[redacted]

Experience with Similar Projects

Investigative Audits	• [redacted]

[redacted]

Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience

Compliance Audits	[redacted]

Experience with Similar Projects

Compliance Audits	• [redacted]

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Katherine Covino, Compliance Audit Supervisory

- [redacted]

[redacted]

Educational Background

[redacted]

Related Certifications

[redacted]

Alignment to Service Areas and Years of Experience

Information System Audits	[redacted]

Experience with Similar Projects

Information System Audits	• [redacted]

[redacted]

Educational Background

[redacted]

Related Certifications

[redacted]

Alignment to Service Areas and Years of Experience

Operational/ Performance Audit	[redacted]

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Brooke Cecchini, Operational/ Performance Audit Upper	
Experience with Similar Projects	
Operational/ Performance Audit	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Investigative Audits	[redacted]
Experience with Similar Projects	
Investigative Audits	[redacted]

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Rick Rademacher, Investigative Audit Upper

	• [redacted]

[redacted]

Educational Background

[redacted]

Related Certifications

[redacted]

Alignment to Service Areas and Years of Experience

Compliance Audits	[redacted]

Experience with Similar Projects

Compliance Audits	• [redacted]

[redacted]

Educational Background

[redacted]

Related Certifications

[redacted]

Alignment to Service Areas and Years of Experience

Information System Audits	[redacted]

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[redacted]

Experience with Similar Projects	
Information System Audits	[redacted]

[redacted]

Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Risk Assessments and Audit Plan Development	[redacted]
Experience with Similar Projects	
Risk Assessments and Audit Plan Development	• [redacted]

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Charles Kwening, Risk Assessment Upper	
	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Operational / Performance Audits	[redacted]
Experience with Similar Projects	
Operational / Performance Audits	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Investigative Audits	[redacted]
Experience with Similar Projects	
Investigative Audits	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	

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[redacted]

Alignment to Service Areas and Years of Experience	
Compliance Audits	[redacted]
Experience with Similar Projects	
Compliance Audits	[redacted]

[redacted]

Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Information System Audits	[redacted]
Experience with Similar Projects	
Information System Audits	• [redacted]

[redacted]

Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Risk Assessments and Audit Plan Development	[redacted]
Experience with Similar Projects	
Risk Assessments and Audit Plan Development	• [redacted]

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Jake Nanney, Risk Assessment Base	
	[redacted]

Accounting Service Resumes

Alignment to Service Categories:

- Accounting & Financial Services

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Accounting & Financial Services	[redacted]
Experience with Similar Projects	
Accounting & Financial Services	[redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	

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Laura Null, Accounting & Financial Services Supervisory	
Accounting & Financial Services	[redacted]
Experience with Similar Projects	
Accounting & Financial Services	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Accounting & Financial Services	[redacted]
Experience with Similar Projects	
Accounting & Financial Services	[redacted]

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[redacted]

[redacted]	
	[redacted]

[redacted]
Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Accounting & Financial Services [redacted]
Experience with Similar Projects
Accounting & Financial Services [redacted]

Managerial Advisory Service Resumes

Alignment to Service Categories:

- Managerial Advisory Services

[redacted]
Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Managerial Advisory Services [redacted]

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[redacted]

Experience with Similar Projects	
Managerial Advisory Services	[redacted]

[redacted]

Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Managerial Advisory Services	[redacted]
Experience with Similar Projects	
Managerial Advisory Services	[redacted]

[redacted]

Educational Background

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[redacted]

Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Managerial Advisory Services	[redacted]
Experience with Similar Projects
Managerial Advisory Services	[redacted]

[redacted]

Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Managerial Advisory Services	[redacted]
Experience with Similar Projects
Managerial Advisory Services	[redacted]

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Zac Kratchman, Managerial Advisory Services Base	
	• [redacted]

Data Analytics Service Resumes

Alignment to Service Categories:

- Data Analytics/Continuous Monitoring

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Data Analytics/Continuous Monitoring	[redacted]
Experience with Similar Projects	
Data Analytics/Continuous Monitoring	[redacted]

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[redacted]

Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Data Analytics/Continuous Monitoring: [redacted]
Experience with Similar Projects
Data Analytics/Continuous Monitoring: [redacted]

[redacted]

Educational Background
[redacted]
Related Certifications
[redacted]
Alignment to Service Areas and Years of Experience
Data Analytics / Continuous Monitoring: [redacted]
Experience with Similar Projects
Data Analytics / Continuous Monitoring: [redacted]

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Katherine Bosshart, Data Analytics Upper	
	[redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Data Analytics/Continuous Monitoring	[redacted]
Experience with Similar Projects	
Data Analytics/Continuous Monitoring	[redacted]

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Subject Matter Specialists

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
HHS	[redacted]
Experience with Similar Projects	
HHS	[redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
HHS	[redacted]
Experience with Similar Projects	
HHS	• [redacted]

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Sam Gibbs, HHS Specialist Lead	
	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
NC Systems	[redacted]
Experience with Similar Projects	
NC Systems	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	

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Chris Tomlinson, Transportation Specialist Lead (Executive)	
N/A	
Alignment to Service Areas and Years of Experience	
Transportation	[redacted]
Experience with Similar Projects	
Transportation	[redacted] of construction claims engineering unit into legal division.

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
ERM	[redacted]
Experience with Similar Projects	

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Cynthia Vitters, Enterprise Risk Management (ERM) Specialist Lead (Executive)	
ERM	[redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Grants Management	[redacted]
Experience with Similar Projects	
Grants Management	[redacted]

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Dillon Clark, Grants Management Specialist Lead	
	• [redacted]

[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
GAGAS experience	[redacted]
Experience with Similar Projects	
GAGAS	[redacted]

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[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Construction Audits	[redacted]
Experience with Similar Projects	
Construction Audits	[redacted]

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[redacted]	
Educational Background	
[redacted]	
Related Certifications	
N/A	
Alignment to Service Areas and Years of Experience	
Construction Audits	[redacted]
Experience with Similar Projects	
Construction Audits	• [redacted]

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[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Construction Audits	[redacted]
Experience with Similar Projects	
Construction Audits	• [redacted]

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[redacted]	
Educational Background	
[redacted]	
Related Certifications	
[redacted]	
Alignment to Service Areas and Years of Experience	
Construction Audits	[redacted]
Experience with Similar Projects	
Construction Audits	• [redacted]

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10.0 Technical Approach (5.5)

Our Understanding of Scope of Services

NC is seeking a qualified vendor to perform internal audit, accounting, data analytics, and managerial services to ascertain the validity and reliability of information; provide an assessment of a system's internal controls or operations; recommend improvements and help drive efficiency and effectiveness of operations, and adherence to laws and regulations, fill any unmet staffing needs, or provide various managerial support services. Deloitte will provide a wide variety of experienced resources with a deep understanding of your financial environment to support the many agencies and universities utilizing this vehicle.

How Deloitte Performs Services in Accordance with Professional Standards

NC requires qualified resources with experience providing services in accordance with professional standards to support the many agencies and universities that have a need for internal audit assurance, accounting, data analytics, or managerial advisory services. Deloitte takes professional standards seriously and has processes in place to monitor compliance. This begins with project scoping. We work collaboratively with key stakeholders to define the scope of each project, including the relevant and applicable professional standards that must be followed and incorporated into our workplan.

Additionally, Deloitte utilizes a QRM network at the engagement level. Our QRM network is a systematic process that involves identifying, assessing, controlling, and communicating risks, proactively identifying, and managing them in a way that minimizes negative impacts on quality, safety, compliance, and overall business performance. QRM actively monitors training requirements at the engagement level, as well as professional certification requirements for managers and above, to provide multiple layers of assurance on adherence to the professional standards below.

1. **Generally Accepted Government Auditing Standards (GAGAS):** Deloitte validates compliance with GAGAS where applicable by conducting reviews of our personnel to verify that they uphold principles like independence, integrity, and objectivity. Our team, including key personnel [redacted], have decades of experience completing audits that comply to GAGAS, and bring their knowledge to NC agencies and universities. Deloitte provided internal audit co-sourcing services to [redacted] in adherence with GAGAS standards. Our team conducted projects to include Firewall Security, Benefits Proportionality, Grants Management, as well as Procurement where GAGAS standards were followed through the execution and reporting phases of the projects.
2. **International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA):** Deloitte Internal Audit professionals are required to comply with the International Standards for the Professional Practice of Internal Auditing regardless of the nature of the internal audit service we provide. We are a recognized Principal Partner of the IIA and actively support the profession by infusing our services with tools, techniques, concepts, and philosophies that enhance internal auditing. Our seasoned IA experts, including key personnel [redacted], align our internal audit approach with IIA standards when needed, utilizing risk-based methodologies to identify vulnerabilities and opportunities. Deloitte's partnership

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with IIA gives our team members the chance to attend and participate in trainings and conferences, and we actively encourage our employees to gain industry knowledge to maintain our global best practices. By fostering an environment of confidentiality and transparency through IIA standards, we provide the State with recommendations to enhance efficiency and effectiveness of operations, assessments of internal control effectiveness, and insightful forecasting. Deloitte provided services to [redacted] in adherence to IIA standards to develop yearly audit plans. This was done using the IIA's risk-based approach to determine what audits should be completed after conducting risk assessments with input from senior management and board members.

3. **ISO standards issued by the International Organization for Standardization:** Deloitte also efficiently integrates ISO standards across our services where relevant, enhancing the accuracy and effectiveness of our work. Our team employs these ISO principles to establish consistent processes and quality benchmarks in areas such as data analytics and advisory work. These standards guide our approach to data integrity, security, and privacy, helping us to validate that the State's information is secure. As part of our adherence to this process, we also have key leaders on our team, such as [redacted], who review deliverables for compliance with standards, such as ISO, as part of our quality and risk management process. By leveraging ISO's framework throughout our services, we deliver the requested work in line with internationally recognized standards. Deloitte delivered ISO Quality Management Training to certify [redacted] employees and helped them improve their business processes. This training also assisted the [redacted] with transforming their organization and improved their safety requirements, performance, to meet their overall mission.
4. **Control Objectives for Information and Related Technology (COBIT):** Deloitte also has a rich history of using COBIT to assess, control, and optimize IT resources when applicable for our clients. Deloitte assisted the [redacted] in designing and implementing an information technology controls framework based on the regulatory requirements and COBIT, and continues to provide SOX sustainment support to [redacted] IT organization. Deloitte's support has enabled the [redacted] to reduce costs and increase operational efficiencies by automating and innovating processes, while maintaining a strong risk profile and completing ongoing SOX compliance activities. Our team, including [redacted], will approach relevant audits of State agencies and/or universities following the principles of (1) meeting stakeholder needs, (2) covering the enterprise end-to-end, (3) applying a single integrated framework, (4) promoting a holistic approach, and (5) separating governance from management, generating operational efficiencies, and reducing costs.
5. **Finally, Deloitte's commitment to GAAP, is evident in our detailed financial reporting processes and alignment with AICPA, which we leverage to educate the resources that will be available to you.** Our team members, such as [redacted] adhere to GAAP principles whenever relevant, maintaining the consistency, compliance, and accuracy of our work products. Deloitte provides support to our clients, helping them align to GAAP standards time and time again, including the [redacted]. During this engagement, Deloitte provided audit

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readiness, sustainment, and remediation support, which directly contributed to [redacted] receiving an unmodified audit opinion.

For each engagement Deloitte will collaboratively discuss and scope the project with the agency or university and apply the relevant standards. In the subsequent sections we highlight the applicable professional standards that are applied within our approach to each service category.

A Operational/Performance Audit

NC is seeking a qualified vendor to perform Operational and Performance Audits to test the internal systems and procedures for efficiency and effectiveness at different agencies. Operational and performance audits are important for the state and the agencies to identify inefficient use of resources and suboptimal organization of existing workflows which lead to delays in critical operations and business processes. These audits provide a much-needed deeper view into agency operations to identify inefficiencies, improve workflow and cost allocation processes, and enhance turnaround times.

Our Proposed Approach

In alignment with the International Standards for the Professional Practice of Internal Auditing issued by IIA, Deloitte's three-phase approach below demonstrates how we lay the framework for a successful operational audit program and conduct the individual audits.

Deloitte's Operational/Performance Internal Audit Experience
Deloitte conducted operational audits of the Capital Programs and Asset Management Design and Construction department at a state agency's economic development program. We were tasked with assessing the existing written process and procedures and identifying regulations that could impede efficient delivery of the capital construction program. We identified multiple critical improvement points within the agency's Corrective Action Plan and gave tailored suggestions based on industry standards as well as the agency's work culture and workflows. This allowed the agency to decrease repetitive data entry, reduce errors, and streamline processes. Deloitte also provided leading practices to increase efficiency of the delivery of the project while being compliant with various regulations. This approach, when applied to NC, will help improve efficiency in project management operations and reduce risks in the delivery of projects.

- Considering the numerous agencies and universities that may require service, we first validate our understanding of the organization and its structure during the ***planning phase.*** The objective is to gain insight into current state and, where needed, work collaboratively with the respective agency leadership to identify areas for operational audits (when agencies ask for support in identifying targets). Based on the scope, we establish a team with the right technical and functional experience to execute the operational/performance audit following the IIA standards. We end the planning phase with the kickoff meeting to confirm the scope, the approach, and the timing as well as the stakeholder engagement throughout the project.
- In the ***design and implement phase*** we develop a plan tailored to operational/performance audits where we assess the organization to determine where the high-risk areas are and identify pain points that are impacting efficiency and productivity. We request existing documentation to review and validate our understanding by performing walkthroughs and sample testing. We develop, document, and communicate the results and share with the organization to confirm agreement with our assessment.

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- During the ***reporting phase*** we collaborate with key stakeholders to get their feedback as we have a "no surprises approach". Our team of subject matter experts review the assessment and develop recommendations to make processes more efficient. Deloitte applied this approach at [redacted] where we were tasked with assessing their current processes and identifying areas for further improvement within the [redacted] We identified five observations that significantly reduced the turnaround time in which students who qualify for tuition assistance received funding while simultaneously enhancing the review and approval process. This allowed for [redacted] to intake more students that require [redacted] tuition assistance while reducing the level of effort needed by staff to process those students.

Figure A-1: Internal Audit Three-Phase Approach

[redacted]

As depicted below, Deloitte follows a repeatable approach, in alignment with all applicable IIA professional standards, when performing operational and performance audits. We have qualified professionals standing ready to surge to support agency resources and deliver quality results to help improve operations.

Table A-1: Operational/Performance Audit Tasks, Deliverables, & Schedule

Operational/Performance Audit		
Planning		
Detailed Task	**Deliverable**	**Illustrative Schedule[1]**
Deloitte will: • If within scope of SOW, work collaboratively with the respective agency leadership to identify areas for operational audits. This may include using results of the audit risk assessment to develop an audit rotation plan and the scopes included. • Receive and respond to SOW. • Validate our understanding of the organization and its structure during the planning phase to gain insight into current state and the existing relevant processes. • Align and confirm the applicable professional standards that will be used as a baseline to assure quality throughout the project. • Identify the staffing needs to execute the audit, taking into consideration required technical and functional skills as well as their knowledge of the required professional standards. • Plan and attend the kickoff meeting once the scope is discussed to confirm the approach and timing, stakeholder interviewees, and key areas of focus. • Discuss the stakeholder engagement approach, e.g., preferred recurring status reports or meetings.	• Audit Scoping Plan • Priorities/Timeline Schedule • Comprehensive Data Source Tracker • Recurring Status Reports	Seven days after receiving the statement of work from the relevant agency and/or university, Deloitte will plan the kickoff meeting
Design and Implement		
Detailed Task	**Deliverable**	**Illustrative Schedule**

[1]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Operational/Performance Audit		
Deloitte will: • Develop a plan tailored to operational/performance audits where we assess the organization to determine where the high-risk areas are and identify pain points that are impacting efficiency and effectiveness. • Select (sample) audit files to review. • Obtain benchmarking data from readily available sources, where applicable (i.e., IIA). • Perform documentation review & review of audit project samples. • Conduct follow-up discussions or request additional information, as needed. • Communicate the results and share with the organization to confirm agreement with our assessment.	• Summary of observations • Recurring Status Reports	Depending on the scope, the testing will be the largest part of the audit and normally takes between 10-12 weeks.
Reporting		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Collaborate with key stakeholders to get their feedback as we have a "no surprises approach". • Review the assessment and develop recommendations to make processes more efficient. • Deliver internal audit reports and the final audit report,	• Final Audit Report • Work Papers	Creating the report and receive feedback from the clients, and normally takes between three to four weeks.

B. Investigative Audit

NC requires a vendor with experience in conducting investigative audits that may be required for a variety of reasons, including allegation of unusual or suspicious activity on the part of an individual or agency. Considering the sensitivity and the level of discretion required for most investigative audits, NC requires knowledgeable resources that are qualified to handle investigative audits and confidence that precautions are taken to gather detailed evidence pertaining to complaints, allegations, and tips of suspected suspicious activity. We also understand that State agencies often face difficulty processing the volume of Fraud, Waste, and Abuse (FWA) claims from these various sources and prioritizing claim intake can be challenging. In alignment with the International Standards for the Professional Practice of Internal Auditing issued by IIA, Deloitte's approach below demonstrates how we support NC in enhancing their existing investigative audit program and conducting the individual audits.

Our Proposed Approach

Deloitte's Program Integrity and Investigations and Intelligence practices consist of over [redacted] who have deep subject matter knowledge and experience in areas of investigations, forensic accounting, financial audits, forensic analytics, data science, and risk management that will be fully prepared to conduct investigative audits beginning day one. Deloitte additionally has had a strong track record as a leading data analytics service provider as recognized by Gartner. We were recognized as a leader in both the ability to execute programs and the completeness of our vision as it relates to Data and Analytics (D&A) services such as Data management, Analytics and Business Intelligence (ABI), Data science, Artificial Intelligence (AI) and Machine Learning (ML), D&A governance, and program management. NC will greatly benefit from our specialized insights derived from [redacted] with Fraud Risk Management, Investigations and Audits, and FWA Solutions.

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The various State agencies, departments, and entities in NC oversee multiple programs, funding sources, vendors, and employees. On occasion, the actions of some of these individuals and entities require further investigation and a deep dive into the use of the government's funds. When these occasions arise, Deloitte provides an objective look into allegations or "red flags". Deloitte also has extensive investigation and litigation support, as our team has supported thousands of investigations involving terabytes of data hosted and delivered through the discovery process. Our proven approach has delivered results from initial flag to testimony, with some cases ending with convictions.

Deloitte's Critical Investigative Support leads to 15,000 Substantiated Fraud Waste Abuse and Errors (FWAE) Cases

Since August 2021, Deloitte has provided Regulatory Investigations and FWAE analytics support for a state's Rental Relief Program, investigating allegations and tips of FWAE related to falsified rental assistance applications. The team used analytical techniques and [redacted] risk indicators to identify and analyze new leads where applications shared commonalities. This illuminated commonalities across shared IP addresses, contact information, and falsified application documents and led to the substantiation of more than 15,000 applications for the program. Furthermore, utilizing investigative techniques such as network analyses, Deloitte identified instances of insider threat activity for the State, wherein program associates were using their knowledge of the application procedures to divert program funding.

In addition to Deloitte's deep knowledge and experience with the State's systems and processes, our team is comprised of seasoned investigative subject matter experts, many of whom are CPAs, CFEs, retired law enforcement officers, open-source specialists, data scientists, and cryptocurrency specialists ready to support NC. We believe that our solution, experience, and team have unique characteristics that provide NC superior investigative audit support.

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Deloitte's investigative audit approach combines our established investigative methodology with cutting-edge forensic analytics and applies those through a 4-phase audit approach (Figure 7) that is tailored to individual Statements of Work (SOWs) to help prevent and detect potential FWAE. We understand that investigative audit needs across various State agencies, departments, and entities will vary, and so will the types of data and analysis applied. For example, investigative audits fo [redacted] may involve examining health care claims and provider data which will differ from [redacted] in assessing individual applicant data. To address this, our approach is tailored to various types of investigative audits into a repeatable, iterative framework of ***Strategize, Gather & Review, Analyze,*** and ***Investigate & Report.***

Figure B-1: Investigative Audit Four-

[redacted]

Below are several examples in which Deloitte has successfully implemented its four-part investigative framework to assist clients with a variety of investigative needs.

Strategize: For example, since January 2021, Deloitte has been strategizing and implementing policies alongside investigative teams within [redacted] by delivering intelligence analysis and e-discovery support, also referred to as investigative accelerators, to help them better tackle investigative priorities. These investigative accelerators expedite [redacted] capacity to identify and analyze evidentiary material and gather mission critical data to develop a strategy to enhance the agency's ability to better understand human and corporate networks operating around the globe that conspire to endanger wildlife.

Gather & Review: At a large federal law enforcement client, our team gathered and reviewed high volumes of financial payment and banking data to complete a "flow of funds" analysis that supports the detection of third-party money laundering activity and identification of diverted funds. These analyses are then presented to law enforcement for further action. In one analysis provided to this client, our team gathered high-value intelligence on 298 counterparties who received money from a money laundering organization. We made this discovery based on tracing and meticulously reviewing over 3,000 financial transactions from disparate data sources.

Analyze: Additionally, our team, in support of a [redacted], analyzed high-risk data to identify a landlord who was associated with 59 total tenant applications. Our team further examined relevant applicant and financial information and then applied open-source research and link-analysis to determine whether the tenant applications were legitimate. We determined the following from our analysis: the applications contained addresses that were not legitimate personal residences, but rather vacant storefronts or shopping plazas. Further open-source analysis showed applications were submitted using duplicate IP and email identifiers indicating they were likely submitted by the same individual. Social media analysis confirmed

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that the storefront addresses provided were linked to businesses of potential family members involved in the fraudulent scheme. Lastly, we conducted corporate entity research and third-party data assessments, finding that the property management entity used by the landlord to submit the application on 06/03/2021 had filed for registration as a Limited Liability Corporation (LLC) on 06/22/2021, after the application was submitted.

Investigate & Report: In support of a large State client, we compiled investigative findings into reporting packages for over 1,500 investigations. These reports contained detailed names, contact information, application data, funding received, and open-source intelligence sources, as well as recommendations which were provided to law enforcement via the State. This resulted in the subsequent denial of the applications, preventing any further payments, and initiating recapture of previously disbursed funds and began the criminal investigation via law enforcement regarding fraudulently obtained funding.

Table B-1: Investigative Audit Tasks, Deliverables, & Schedule

Investigative Audit		
Strategize		
Detailed Task	**Deliverable:**	**Illustrative Schedule[2]**
Deloitte will: • Identify investigative priorities based on needs of the State. • Identify pertinent data sources for analysis. • Validate our understanding of the organization and its structure during the planning phase to gain insight into existing relevant processes. • Identify appropriate staffing needs with reach back to a pool of specialists blending forensic accountants, AI/AML specialists, industry experts, forensic investigators, sanctions experts, former intelligence officers and law enforcement agents to execute the investigate audit. • Create an investigative audit scoping plan, timeline, and status reports to communicate progress throughout • Once the scope is determined, plan and attend the kick-off meeting to confirm the timeline, strategy, stakeholder interviewees, key areas of focus, preferred recurring status reports or meetings	• Investigative Audit Scoping Plan • Proposed Investigative Audit Timeline • Status Reports	Seven days after receiving the SOW from the relevant agency and/or university, Deloitte will plan the kick-off meeting.
Gather and Review		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Ingest and digitize enormous number of records, regardless of their format (e.g., paper, electronic, etc.) using specialized data processing equipment. • Prepare high volumes of data for analysis across various formats (structured, unstructured), inventorying documentation and indicating sources for accurate tracking for analysis. • Employ Commercially Enabled Intelligence (CEI) and third-party databases to aid in identification of	• Source Data Inventory Log • Investigative Lead Prioritization Log	Depending on the scope, Design/Implement might be the largest part of the audit. The timeline will depend on the scope of the Investigative audit.

[2]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Investigative Audit		
high-risk data sets and targets. Investigators will identify and prioritize investigative leads found within complex transactions and accounting information (e.g., financial statements, tax documents, flow of funds). • Assist with the preparation of legal documents, analytical summaries for case files, as well as investigative findings directly supporting trial exhibits. • Identify investigative leads upon which action can be taken through Federal or State statutes. • Communicate the results and share findings with the organization to confirm agreement with our assessment.		
Analyze		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Conduct in-depth data analysis of provided data sets, to include review of internal policies and procedures to best assist NC agencies in identifying factors regarding unusual or suspicious activity. • Uncover complex transactional business structures, hidden assets, and underlying connections by analyzing company information and other corporate records. • Deliver investigative findings reports for use by NC to demonstrate illicit activity and new avenues of inquiry. Comprehensive investigative summaries will be provided directly to the respective agencies, inclusive of the primary allegation and initial flag and investigative findings supported by Commercial Enabled Intelligence and investigative audit findings and recommendations. • Conduct comprehensive investigative reviews incorporating data analytics. Deloitte continuously uses the most innovative technologies to bring the best solutions forward in our analyses. Deloitte's Pallium is a prime example of our cloud-based fraud analytics and reporting solution that provides our data scientists with the right tools in a secure environment to apply our fraud analytics and build new fraud risk indicators that identify new leads of suspicious or unusual activity.	• Draft Investigative Findings Report with supporting documentation such as Open-Source findings and analytics reporting	Creating the report and receiving subsequent feedback from State agencies normally takes between three to four weeks.
Investigate and Report		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Provide investigative recommendations and present findings to relevant stakeholders in a user-friendly format. These reports will be tailored to resonate with multiple audiences, including state and local agencies, as well as state or federal law enforcement, as required. • Transform data into professional products such as statistical analyses, investigative and research	• Investigative Findings Report inclusive of Substantiated/Unsubstantiated recommendations • Investigative Audit Package highlighting actionable next steps. • Open-Source Intelligence and Commercially Enabled Intelligence Reports highlighting trends,	Creating the report and receiving subsequent feedback from the NC state agencies normally takes between three to four weeks.

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Investigative Audit		
reports, presentations, target and link analysis charts, spreadsheets, pivot tables and money flow diagrams. • Deliver investigative findings reports for use NC to demonstrate illicit activity and new avenues of inquiry. Comprehensive investigative summaries will be provided directly to the respective agencies, inclusive of the primary allegation and initial flag and investigative findings supported by Commercial Enabled Intelligence and investigative audit findings and recommendations.	findings, and prioritized targets of interest. • Target and link-analysis products specific to high-risk areas of concern and NC agency priorities.	

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C. Compliance Audit

NC's 47 state agencies and universities with internal audit functions are responsible for confirming compliance across programs with applicable laws and regulations. As public health, cybersecurity and infrastructure programs are creating new data and new funding flows across state agencies, compliance audits are playing a more visible role in helping to safeguard state funds, provide transparency into programs, and validate spending is in line with state objectives. Deloitte brings diverse experience in compliance audits and reviews of internal and external stakeholders, including third party vendors, to provide quality audit results, surge capabilities to address immediate audit needs, and innovative tools, such as our Automated Control Testing Tool, to accelerate audit activities.

Our Proposed Approach

In alignment with the International Standards for the Professional Practice of Internal Auditing issued by the IIA), Deloitte's 3-phase approach demonstrates how will support NC in executing a compliance program: **Planning, Design and Implement, and Reporting.**

Figure C-1: Compliance Audit Three-Phase Approach



Planning: During the planning phase, we work collaboratively wit the respective agency's leadership to gather an understanding of the contractual, regulatory, and statutory requirements related t the compliance audit request. We also gain an understanding of internal policies and procedures relevant to the compliance audit Based on the requirements, we bring together a team of relevant SMEs with technical and functional experience, such as internal audit, accounting, finance, analytics, or actuarial experience. We also gain an understanding of the documentation, transactions, and systems available for our review and confirm if additional data calls, including discussions with third parties and vendors, will be necessary for documentation. We end this phase with a kickoff meeting describing next steps and milestones.

Design & Implement: In this phase, we design testing procedures to test compliance with the unique requirements in the specific compliance audit, along with corresponding templates to document our testing. Testing procedures may depend on the type and amount of data available for the specific compliance audit. Reviewing the compliance requirements and documentation available, we look for ways to automate and streamline audits to focus on analyzing anomalies and potential non-compliance. We also work with third parties to collect documentation as needed for compliance audit purposes. Considering the type of compliance audit and circumstances, we implement and execute the audit through analysis and site visits, which can be conducted remotely or onsite, depending on the scope of the audit.

Deloitte's Compliance Audit Experience
Deloitte conducted compliance, monitoring, and oversight activities for 30+ departments of a state agency. As part of this project, Deloitte developed tools to evaluate expenditures and test for compliance against agency regulations, processes, and statutory requirements.

Reporting: In the final phase, we report potential or known instances of noncompliance with the specific compliance audit area, along with corresponding recommendations for the agency or

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entity to resolve the noncompliance. We work with agency stakeholders to determine draft report cycles and timelines to allow for incorporation of agency feedback before finalizing.

The above approach is repeatable and scalable, for example, Deloitte conducts eight to twelve compliance audits a year for a federal agency, examining third party operations, administrative expenses, benefit expenses, and investments. These third parties receive taxpayer funds and are subject to regulatory, statutory, and compliance requirements. For each audit, we use the above planning, design, and implement, and reporting approach.

Deloitte also has extensive experience reviewing grant compliance. For example, Deloitte was engaged to perform monitoring and compliance services in connection with approximately [redacted]. Deloitte focused on monitoring, compliance, and identifying FWA risks posed by various third parties, including sub-recipients and vendors, in connection with various infrastructure projects. We performed on-site monitoring inspections and audits of several sub-recipients to test compliance with grant requirements. Table 11 below provides additional detail on our compliance audit approach.

Table C-1: Compliance Audit Tasks, Deliverables, & Schedule

Compliance Audit		
Planning		
Detailed Task	**Deliverable**	**Illustrative Schedule[3]**
Deloitte will: • Receive and respond to SOWs. • Work collaboratively with the respective agency's leadership to understand the current state and corresponding regulatory, statutory, contractual, and internal process areas for compliance audits. • Identify staffing needs, tools, and approaches for the specific compliance audit. Incorporate appropriate prior experience and staff based on compliance audit area and related program guidelines. • Plan and attend the kick-off meeting to confirm the timeline and milestones, strategy, key areas of focus, preferred recurring status reports or meetings, etc.	• Audit Scoping Plan • Priorities/Timeline Schedule • Comprehensive Data Source Tracker • Recurring Status Reports	Seven days after receiving the SOW from the relevant agency and/or university, Deloitte will plan the kick-off meeting.
Design and Implement		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Develop a compliance audit plan tailored to the specific program regulations, statutory requirement, contractual requirements, and relevant internal processes or procedures. • Create an audit step to test each area of required compliance, including corresponding templates, sampling, or analytics testing pending the scope and available information. • Review available documentation to determine if additional information needs to be requested to complete the compliance audit. • Conduct site visits if needed to gain an understanding of on-site controls and operations, and to receive additional documentation if needed.	• Summary of observations • Recurring Status Reports	The timeline will depend on the scope of the compliance audit and can range from eight to twelve weeks.

[3]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Compliance Audit	
• Perform the compliance audit by documenting the results of each test area.	

Reporting		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Communicate the results of the compliance audit in a report or other agreed-upon document, including results of known or potential instances of noncompliance. • Determine if the client would like communication with the entity on potential instances of non-compliance and include related responses in reporting documentation. • Allow for feedback from the client on a draft reporting structure before finalizing. • Create, maintain, and deliver status updates at agreed-upon cadence.	• Draft Audit Report & Draft Workpapers • Final Audit Report & Final Workpapers	Creating the report and receiving feedback from the NC agencies normally takes three to four weeks.

D. Information Systems Audit

Our Proposed Approach

Information Systems (IS) continue to be an enabler of growth for organizations. The various agencies and universities within NC have varying efforts underway to strengthen IT controls and to confirm that financially relevant systems have sustainable as well as effectively designed and implemented controls that are operating efficiently. IT Environments have many components that contribute to the overall internal control environment. We understand that NC requires evaluations of General Controls, Systems and Applications, System Development, and client/server infrastructure. Each of NC's applicable 47 agencies or universities have diverse missions, IT assets, and control environments. As a leader in IT, Deloitte offers cutting-edge insights, innovations, and techniques that we deploy successfully for a wide spectrum of clients.

Deloitte's Information System Internal Audit Experience

A higher education university was looking for a fresh perspective on cybersecurity and a service provider that could offer specialized knowledge to align its cybersecurity capabilities with industry-leading practices specific to higher education institutions. Deloitte performed an assessment of the university's information security program to identify potential risks and opportunities to elevate the program and controls around cyber security.

Through Deloitte's overall approach of planning and initiation, cybersecurity risk assessment, and analysis and reporting, we enhanced the university's information security program and implemented a risk-based approach, focusing resources on the areas that are most important to security. Further, Deloitte enhanced security processes and enforced compliance, improved capabilities to monitor threats and manage vulnerabilities, improved business continuity programs, and upgraded aging network infrastructure.

We propose a risk-based approach that leverages our extensive industry experience and understanding of NC's priorities to evaluate and maintain a secure IS control environment. Our approach is similar for all assessment types specified and is consistent with ISACA's Control Objectives for Information and Related Technologies (COBIT) framework. Deloitte's assessment approach will not only support NC's compliance with applicable Information Systems standards, but also become a driver of value for the organization.

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North Carolina requires an approach that:

- Includes IT audit specialists who understand the IT audit risks concerning the State's financial systems and how those risks ***holistically impact the enterprise*** and the reliability of financial reporting
- Comprises experienced IT and cybersecurity professionals with "Big Four" audit experience who understand security control requirements and can incorporate key financial system objectives and the related cyber security frameworks into a comprehensive risk assessment strategy to provide an integrated view of the control environment
- Provides tools and approaches that will accelerate and automate the assessment process for the relevant audits
- ***Covers the enterprise from end-to-end,*** evaluating overarching governance structures as well as individual applications, including systems in development and client and server infrastructure such as telecommunications technology, servers, and supporting networks
- ***Meets stakeholder needs*** by not only providing assurance over the current IT environment, but also allowing the organization to anticipate and meet future challenges

As a "Big Four" audit firm, [redacted]

Our information systems internal audit experience enables us to provide value through innovative methods and advanced analytics. Our services not only provide assurance but can also inform organizations on critical business issues and enable them to anticipate risks. Our IT specialists help organizations accelerate and elevate their IT IA programs to be efficient and effective by leveraging our dynamic methodology with technical capabilities and operating models. The approach outlined in the following section will assess the State's IT governance mechanisms and controls, resulting in a more proactive, transparent, and impactful internal audit function

Table D-1: Information Systems Audit Tasks, Deliverables, & Schedule

Information Systems Audit		
Planning		
Detailed Task	**Deliverable**	**Illustrative Schedule[4]**
Deloitte will: • Review existing documentation to gain an understanding of the organization's internal control environment. • Meet with stakeholders across business and IT groups to gain an understanding of critical business processes, applications, and controls, including organizational governance. • Conduct a risk assessment. We will assess the Risks Arising from IT (RAIT) that impact the application, database, operating system, and network layers. Our risk assessment will place significant importance on	• Audit Scoping Plan • Priorities/Timeline Schedule • Comprehensive Data Source Tracker • Recurring Status Reports • IT Risk Assessment	Seven days after receiving the SOW from the relevant agency and/or university, Deloitte will plan the kickoff meeting. Subsequent stakeholder interviews and documentation reviews will be vary based on the scope of the audit but will take anywhere from two to four weeks.

[4]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Information Systems Audit		
any newly implemented systems or systems undergoing development efforts.		
Design and Implement		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Conduct walkthroughs to document the relevant controls for areas of highest RAIT identified through our risk assessment. • For the general controls assessment, we will conduct walkthroughs with NC Financial Management and IT leadership to identify relevant controls and control owners for the entity level. These controls will include organizational policies and procedures that govern entity security and compliance posture as well as general controls for technology utilized by the organization such as credential management platforms or configuration management databases. • Test design and operating effectiveness of controls using proven templates and specialized audit service workplans. Our workplans are developed and maintained with the most up-to-date control guidance (NIST, PCAOB). These workplans contain complete test of design and test of effectiveness scripts for both general application and infrastructure components, as well as specialized plans and considerations for many of the most common ERP platforms, including cloud considerations such as SAP, PeopleSoft, Amazon Web Services (AWS), Oracle, UNIX, and Windows. • For third-party and customer controls, we will review SOC1 or other reports to assess the effectiveness of third-party controls as well as assess and test the corresponding customer controls.	• Summary of observations • Recurring Status Reports	The testing phase of our IS audit approach is the phase that will take the most time. The time required for walkthroughs and control testing will vary based on the scope and size of the audit but will likely range from eight to twenty weeks.
Reporting		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • For any potential control deficiencies that we identify during walkthroughs or testing, our team will coordinate observation meetings with the control owners and applicable stakeholders to review the finding and risk. • Provide finalized test results, including control deficiencies. • Make recommendations to remediate control deficiencies in a manner that improves IT security and aligns with organizational priorities. Our IT specialists, in conjunction with our experience providing internal audit services to public and private sector organizations, give our team insight to make tailored and impactful recommendations.	• Final Audit Report • Work papers	Creating the report and receiving feedback from NC agencies normally takes between three to four weeks.

E. Data Analytics/Continuous Monitoring

Our Proposed Approach

NC requires a vendor who brings data analytics and continuous monitoring capabilities across a variety of work areas and who knows the State's data and systems. Deloitte brings skilled

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resources and technological experience to solve data-related problems with innovative solutions. We integrate analytics to identify higher-risk areas to focus on as well as enhancing coverage, efficiency, and depth of insight through fact-based, quantifiable findings. We promote assurance done faster, cheaper, and more comprehensively, and we present to businesses in an interactive and visual way that allows them to maintain awareness of their risks and understand exposures.

We also bring a team that is [redacted]

Data analytics is a process by which insights are extracted from operational, financial, and other forms of electronic data internal or external to the organization. These insights can be historical, real-time, or predictive and can also be risk-focused (e.g., controls effectiveness, fraud, waste, abuse, policy/regulatory noncompliance) or performance-focused. Deloitte uses analytics to provide valuable insights into an organization's financials, manage risk, and drive increased efficiencies. There are four key types of data analytics that, when applied to accounting, yield insights that reflect an organization's past, current, and future performance: descriptive, diagnostic, predictive, and prescriptive. The four types of data analytics help an organization identify what has happened (descriptive), why something happened (diagnostic), what will happen (predictive), and what should happen (prescriptive). The four types of data analytics constitute the analytics lifecycle, which begins with descriptive analytics and restarts after prescriptive analytics. Deloitte has the necessary capabilities, expertise, and innovations to deliver analytics within those four areas.

[redacted]

Descriptive and Diagnostic Analytics

Together, descriptive, and diagnostic analytics form the foundation for comprehending the past and deciphering the reasons behind it. While descriptive analytics offers a panoramic view of historical data,

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diagnostic analytics goes deeper, unraveling the interconnected threads that weave the fabric of events. These analytics methods, with their distinct yet intertwined capabilities, contribute to a holistic understanding of the past and its intricacies, thereby guiding organizations toward more informed actions and future success.

Deloitte has played a crucial role in transforming the analytical potential across several sectors and agencies. The table below demonstrates examples of Deloitte's capabilities and successfully executing descriptive and diagnostic analytics for organizations.

Table E-1: Descriptive/Diagnostic Data Analytics Capabilities

Descriptive/Diagnostic Data Analytics		
Capability	**Description**	**Value to State of North Carolina**
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

As depicted below, Deloitte will follow a structured approach, in alignment with all applicable professional standards, when performing descriptive or diagnostic data analytics. We have qualified professionals standing ready to surge to support agency resources and deliver quality results to help improve operations.

Table E-2: Descriptive/Diagnostic Data Analytics Tasks, Deliverables, & Schedule

Descriptive/Diagnostic Data Analytics		
Planning		
Detailed Task	**Deliverable**	**Illustrative Schedule[5]**
Deloitte will: • Define project scope and objectives with either a descriptive or diagnostic orientation, answering the questions of "What is happening in our organization?" or "Why is this happening?"	• Project plan inclusive of scoping, timeline, roles, synergized with descriptive or diagnostic analytics principles	Within one to two weeks, Deloitte will provide a project plan inclusive of scoping, timeline, roles, synergized with descriptive or diagnostic analytics principles.

[5]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Descriptive/Diagnostic Data Analytics		
• Determine business problem and outcomes to be addressed, driving identification of key stakeholders as well as benchmark and KPI development • Define specific KPIs and metrics that will be used to quantify and evaluate audit outcomes (such as audit department coverage, risk mitigation steps, and corrective action timeliness) • Define stakeholders, roles, and build cross-functional team • Create a project timeline interweaving milestones, promoting effective analysis and meaningful results • Identify relevant data systems and source existing documentation (e.g., data dictionaries, previous dashboards/charts) • Define the project data environment and develop a list of tools and programs that will be used to approach each task • Identify relevant standards to use as benchmarks and for compliance (such as Section 508)		
Data Collection and Preparation		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Identify and prioritize potential data sources aligned with the project's goals, focusing on historical and real-time data • Gather data via collaboration with data owners to conduct transfers, sharing, or database access or automate data extraction from defined sources via predefined tools/languages • Cleanse data by identifying missing data or elements, outlier and error detection, duplicate records, etc., thus preparing data for analysis with a focus on accuracy and consistency • Conduct data transformations (e.g. scaling, normalization, one-hot encoding) and pre-processing (e.g. data quality checks, standardization, handling missing values and outliers) with an eye for swift readiness, aligning with the prompt ethos of analytics.	• Preprocessed/cleaned data	Preprocessed and cleaned data, ready for rapid analysis, typically gets delivered within a span of two to four weeks.
Visualization Design		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Identify appropriate charts, graphs, or dashboards • Organize visual elements logically and intuitively within dashboards or reports to facilitate easy comprehension, enabling stakeholders to swiftly glean insights from the data presented. • Utilize approved business intelligence tools to begin visualizing KPIs - creating initial dashboards, prototypes, and wireframes • Include drill-down or export functionality • Perform user acceptance testing & demo initial visualizations too relevant stakeholders for review and usability - iteratively incorporating feedback into the design	• Visualization template, prototypes, and wireframes	Developing initial visualization designs can take two to four weeks

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Descriptive/Diagnostic Data Analytics		
Implementation and Monitoring		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Identify appropriate reporting mediums to house visualizations, such as on a dedicated intranet site or within a monthly status report • Conduct training and demonstrations for user accessibility • Deploy visualizations to intended users/platforms • Monitor and control dashboards for accuracy, validity, and correct user access • Integrate with other platforms (e.g., Python, SQL) for further analysis or advanced calculations	• Visualization Deployment • Training Plan • Cross Platform Integration	Deployment, training, and integration for dashboards can take two to four weeks
Business Relevance Assessment		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Interpret dashboard in context of audit goals • Utilize drill-down features or analytics integration for insights • Identify key insights and potential risks based on trends • Analyze performance against KPIs to quantitatively determine if business objectives were met • Communicate technical findings and KPIs to stakeholders	• Business Relevance Report	Creating a report of business-focused insights and recommendations can take one to two weeks
Documentation and Reporting		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Provide documentation to preserve and share project knowledge • Document data sources, processing, design, and results interpretation • Provide recommendations for refinement and next steps	• Project documentation • SOPs and desktop guides • Final Report	Project documentation and a final report of insights and recommendations can take one to two weeks

Predictive and Prescriptive Analytics

Predictive and prescriptive analytics are forms of advanced analytics that are increasingly employed to identify “what is likely to happen” and “what should happen,” respectively. Predictive analytics relies on regression analysis, predictive modeling, forecasting, and pattern matching to identify what is likely to happen as it pertains to an organization’s financial and operational future. Ultimately, predictive analytics empowers swift anticipation of results in a way that's practical and easy to understand, significantly improving decision-making. Prescriptive analytics, as an advanced analytical approach, explores data or content to provide answers to questions like "What actions should be taken?" or "How can we make something happen?" This method is distinguished by its utilization of various techniques such as graph analysis, simulation, complex event processing, neural networks, recommendation engines, heuristics, and machine learning. By offering practical recommendations in a user-friendly manner, prescriptive analytics enhances decision-making processes and drives more efficient outcomes.

The table below demonstrates some key examples of Deloitte’s commitment to harnessing the power of predictive and prescriptive analytics to drive informed decision-making and achieve tangible business improvements.

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Table E-3: Predictive/Prescriptive Data Analytics Capabilities

Predictive/Prescriptive Data Analytics		
Capability	Description	Value to State of North Carolina
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

As with the services provided above, Deloitte will adhere to a structured approach, outlined below, in accordance with relevant professional standards while conducting predictive or prescriptive data analytics. Our team of skilled experts is well-prepared to swiftly assist agency resources, ensuring the delivery of high-quality outcomes that contribute to operational enhancements.

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Table E-4: Predictive/Prescriptive Data Analytics Tasks, Deliverables, & Schedule

Predictive/Prescriptive Data Analytics		
Planning		
Detailed Task	**Deliverable**	**Illustrative Schedule[6]**
Deloitte will: • Define project scope and objectives with either a predictive orientation; transcending conventional description, classification, or clustering; or a prescriptive focus to answer the questions of "What actions should be taken?" or "How can we make something happen? • Determine business problem and outcomes to be addressed, driving identification of key stakeholders as well as benchmark and KPI development. • Define stakeholders, roles, and build out cross-functional team of necessary staff • Create a project timeline interweaving predictive milestones, promoting effective analysis and meaningful results • Identify relevant data systems and source existing documentation (e.g. data dictionaries) • Define the project data environment and develop a list of tools and programming languages that will be used to approach each task • Identify relevant standards to use as benchmarks and for compliance (e.g., Section 508)	• Project plan inclusive of scoping, timeline, roles, synergized with predictive or prescriptive analytics' principles.	Within one to two weeks, Deloitte will provide a project plan inclusive of scoping, timeline, roles, synergized with predictive or prescriptive analytics' principles.
Data Collection and Preparation		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Identify relevant data sources conducive to modeling for audits, ensuring an emphasis on relevant features. • Gather data either via collaboration with data owners to conduct transfers, sharing, or database access or automate data extraction from defined sources via predefined tools/languages • Cleanse data by identifying missing data or elements, outlier and error detection, duplicate records, etc. thus preparing data for analysis with a focus on accuracy and consistency, driving toward producing reliable insights. • Conduct data transformations (e.g. scaling, normalization, one-hot encoding) and pre-processing (e.g. data quality checks, standardization, handling missing values and outliers) with an eye for swift readiness, aligning with the prompt ethos of analytics.	• Preprocessed/Cleaned Data	Preprocessed and cleaned data, ready for rapid analysis, typically gets delivered within a span of two to four weeks.
Model Development		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Gain insights into the data with exploratory data analysis, focused on data profiling, visualization techniques, and iterative data exploration to inform the development of the model • Identify features that impact audit outcomes (e.g., risk assessment, improved audit planning)	• Selected Features List • Trained Model • Model Performance Report	Developing a list of selected features, training the appropriate model, and evaluation report of model performance takes anywhere between four and eight weeks depending on the type of model

[6]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Predictive/Prescriptive Data Analytics

- Engineer new features based on domain expertise, enriching the model's predictive capability, and embracing the predictive analytics' focus on relevant insights.
- Select an appropriate predictive modeling technique, supporting ease of use and rapid analysis criteria or choose an appropriate prescriptive technique for modeling (e.g., graph analysis, simulation, neural networks, etc.)
- Develop training and test datasets for the model
- Train the model using the training dataset, optimizing for performance, in line with the emphasis on precise and timely results
- Evaluate model accuracy against predefined metrics, ensuring commitment to precision
- Validate model performance against historical data, anchoring the model's reliability in real-world applicability
- Optimize the model for accurate, actionable, and insightful outcomes

Business Relevance Assessment

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Interpret the model results in the context of the current audit goals • Identify key insights and potential risks based on the results gleaned from the model • Translate technical findings into actionable business recommendations	• Business Relevance Report	Creating a report of business focused insights and recommendations from the model is typically delivered in one to two weeks

Implementation and Monitoring

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Create or adapt user-friendly tools and interfaces for users to interact with the models and integrate outputs into the decision-making process • Develop dashboards or visualization tools for easy data interpretation • Establish dashboard monitoring to ensure it maintains accuracy and validity (e.g. no broken links, etc.) • Conduct training and demonstrations as needed so that users can utilize the model, related tools, and outputs effectively • Conduct UAT and employ human centered design to leverage users' feedback on related tools and dashboards • Automate data flows for continuous modeling • Monitor model performance and optimize as necessary for accurate, rapid insights	• Dashboards • Visualization Tools	Developing dashboards and tools to access and utilize model insights normally takes three to four weeks. Continuous data and model monitoring will be ongoing within scope and timelines.

Documentation and Reporting

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Provide documentation of project process, data sources, processing methodology, model techniques, and interpretation of available results	• Project Documentation • SOPs and Desk Guides • Final Report	Project documentation and a final report of insights and recommendations is delivered in one to two weeks

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Predictive/Prescriptive Data Analytics

- Develop SOPs and desk guides to help inform the future use of models
- Detail the impact of conducted analytics on audit efficiency
- Provide recommendations for further refinement and next steps

F Risk Assessment and Audit Plan Development

Our Proposed Approach

NC requires a vendor that has an innovative risk assessment approach to allocate limited internal audit resources to areas of the organization that are most critical to reaching its goals. A well-developed risk assessment model provides an efficient and systematic procedure to: determine the auditable areas of an entity, measure the risk of each unit, and identify activities exposed to high risk, rank the units by risk, determine the time necessary to complete audits, distribute available resources in the most efficient manner, and develop an annual and/or long-term audit plans.

Deloitte's Risk Assessment and Audit Plan Development Experience

Deloitte supported a state government's retirement agency with the development, execution, and maturation of the Internal Audit and Enterprise Risk Management functions, delivering high-quality outcomes for the past three years. Deloitte is responsible for facilitating the annual internal audit risk assessment, developing the audit plan, executing reviews, presenting results to audit and risk committees, and tracking issue remediation. Deloitte provided independent assurance over specific risks and critical business processes and delivered leading-edge Internal Audit capabilities (e.g., advisory reviews, maturity assessments) to the agency, promoting a cross-functional relationship to identify risks, promote effective control design, and provide feedback on industry leading practices.

Deloitte provides a well-built foundational risk assessment to support NC in strengthening internal controls and agency procedures and complying with laws and regulations. Deloitte develops and provides an agile integrated risk-based internal controls plan that focuses on NC's significant business risks, is tailored to your industry and is responsive to a frequently changing risk environment. Our methodology uses both qualitative and quantitative inputs for risk assessments, relying on data driven analytics and key risk indicators wherever possible as a primary objective input, while maintaining focus on the State's top-of-mind concerns.

Deloitte's Financial Audit Experience



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Figure F-1: Risk Assessment & Audit Plan



Deloitte understands that performing cost effective risk assessments and developing an audit plan will consider developments within the State and its risk environment. Our emphasis is on upfront planning and understanding your needs, developing a risk assessment that focuses on the right areas, and a scalable approach that adapts to your environment and is suitable for NC. As the internal audit, accounting, and manageria advisory functions have become increasingly complex over recen years, the State is faced with potential new vulnerabilities and exposure to new risks. We are dedicated to bringing industry and sector risk management specialists in the areas that matter most to the State. Our carefully selected team with over [redacted] in the four disciplines of Compliance, Internal Audit, Fraud, and Risk Management is designed to bring the right skills and experience to help inform those processes, and our team brings the tools and accelerators to capture the maximum value for the State to align target capabilities, providing a more complete end-to-end picture of the 'to-be' risk intelligent organizational state. Our team, with the use of tools and accelerators, will facilitate effective change and risk-informed decision making and efficient use of resources to advance the State's interconnected risk capabilities. These tools and accelerators set us apart in the industry and have advanced strategic decision-making across human, financial, and information resources. Therefore, Deloitte can provide the State with an innovative way of performing risk assessment to allocate limited internal audit resources to areas of the organization that are most critical to reaching its goals.

The three phases (Initial Risk Assessment, Ongoing Risk Assessment Refresh, and IA Plan Development) of Risk Assessment and Audit Plan Development are to establish a baseline risk assessment, which will later be the basis for the development of a risk-based IA plan. We then focus on developing/refining a tailored risk model and creating/refining the audit universe based on the performance of the risk assessment. We include analytics as part of this process, where possible, to achieve the assurance, consulting, and advisory objectives of an IA activity. Our methodology and tools focus on significant organizational risks, tailored specifically to NC. Asking the right questions to the right people, gathering, and analyzing relevant data, and making the right decisions are critical to managing risks, identifying opportunities, and adding demonstrated long-term value to the State's operations. These phases incorporate the State's needs and expectations throughout the IA Plan and provides the basis for the delivery of cost-effective solutions and value-added services. Our insights enable the State to develop efficient and effective processes, maximize the return for resource investment, and confirm that processes are scalable for future growth. Additionally, as areas to save costs are identified, we include them as part of our overall recommendations

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Initial Risk Assessment:

The object is to understand the issues that may impact NC's risk profile, such as changes in organizational objectives or strategies, operations, organization and infrastructure, financial indicators, governance, and reputational/industry/regulatory trends. Our focus is to develop a common risk taxonomy that covers an inclusive spectrum of risks. This facilitates a common way of thinking about, discussing, and managing risk. We leverage external (e.g., news and events, regulatory compliance, industry benchmarks) and internal factors (e.g., management interviews, prior audit history, organizational changes) to develop the IA risk and audit universe. Risks are identified across multiple categories and organized and prioritized during the risk assessment process. Defined impact, likelihood, and vulnerability criteria are applied to risk categories in the IA universe and assigned a risk ranking and prioritization score. The result of this exercise helps drive creation of the initial Internal Audit Plan and project pipeline.

Deloitte's Risk Assessment and Audit Plan Development Experience

Leaders at a higher education university wanted to remediate the business process observations identified by their external auditor and strengthen controls across the university. Deloitte designed and executed the risk assessment process, developing the internal audit plan for the year, and conducting impactful internal audits. Deloitte provided meaningful recommendations to strengthen the control environment; the university established new monitoring procedures to promote coordination/communication between accounting and other university departments for new contracts and contracts' closeouts to better mitigate accounts receivables' risk.

Ongoing Risk Assessment Refresh:

On at least an annual basis, we refresh the risk assessment. In organizations like NC, we have conducted a facilitated session with key management participants to discuss industry trends and emerging risks, and initiatives/concerns across functions that may impact the organizational risk profile or control environment. At the conclusion, IA aggregates the information gained to identify areas of higher risk or priority. This information is used to develop the proposed IA plan. On an ongoing basis, IA monitors changes in the risk environment and proposes adjustments to the IA plan as needed to better align with higher organizational risks and priorities and optimize use of limited resources. The risk assessment process is a continuous, systematic process for assessing risk vulnerability, impact, velocity, or speed of onset.

IA Plan Development:

Based on our extensive risk assessment and IA plan development experience helping over 100 commercial and government clients evolve their interconnected risk capabilities, we have refined our approach to: (1) delineate risk management roles and responsibilities so risk management activities are not duplicative and complement each other across the mission, business, and support functions, (2) balance risk and internal controls to avoid over- and under-controlling risks, and (3) leverage and incorporate technology, data, and analytics to analyze and report on risks. High-performing and value-add IA functions provides a mix of projects focused on assurance and internal controls combined with providing insights and advice to the organization. While maintaining their objectivity and independence, internal auditors provide advice and share methods, tools, and leading practices. The goal is to shift from reporting on the past to bringing an independent risk and control lens to the future. We develop the IA plan with this in mind and allow the time and space to deliver strategic reviews and advisory work. We leverage risk planning discussions with stakeholders to develop an IA plan that contains a

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representative mix of assurance and advisory based on the expectations of management and the Audit Committee.

Table F-1: Risk Assessment and Audit Plan Development Tasks, Deliverables, and Schedule.

Risk Assessment and Audit Plan Development		
Initial Risk Assessment		
Detailed Task	**Deliverables**	**Illustrative Schedule[7]**
Deloitte will: • Develop a common risk taxonomy that covers an inclusive spectrum of risks to think, discuss, and manage risks • Gather/combine information externally and internally to initially assess the IA risk and audit universe • Validate our understanding of the organization and its structure during the initial risk assessment phase to gain insight into current state and the existing relevant processes/controls • Create the risk assessment project schedule to develop the Risk Model and confirm that all facets of our risk assessment are considered and performed throughout the IA Plan • Plan a risk package that may include Risk Framework Document, Impact Criteria, Vulnerability Criteria, and Speed of Onset Criteria • Plan meetings with stakeholders to communicate and update the risk package • Leverage analytics to identify risks (as explained in the Data Analytics section) to better understand complex data results and to identify potential risk areas to be discussed with the State • Utilize Deloitte's technologies (e.g., Deloitte Diamonde and Deloitte Enterprise Risk Assessment Tool) to improve risk assessment productivity through automated workflows	• Preliminary/Draft Risk Package, including Risk framework Document, Impact Criteria, Vulnerability Criteria, and Speed of Onset Criteria • Automated data workflow for the risk assessment • Risk taxonomy with full coverage of spectrum of risks the State faces • Checklist/timeline to provide to Stakeholders	2-3 months of the initial risk assessment for the complete understanding and coverage of risk spectrum
Ongoing Risk Assessment Refresh		
Detailed Task	**Deliverables**	**Illustrative Schedule**
Deloitte will: • Refresh the risk assessment by conducting a facilitated session with key stakeholders at least annually • Monitor changes in the risk environment • Propose adjustments as needed to better align with higher State risks and priorities and optimize the use of limited resources • Utilize previously noted recommendations/ observations to better align with the ever-changing risk environment • Continuously communicate with the State/stakeholders throughout the IA Plan	• Proposals of adjustments/recommendations to risk assessment as needed • Refreshed risk assessment report	Ongoing monitoring per the State's needs
Internal Audit Plan Development		
Detailed Task	**Deliverables**	**Illustrative Schedule**
Deloitte will: • Identify staffing needs, tools, and approach by incorporating/blending industry experts, CPAs, subject-matter advisors, and others as necessary to execute the IA Plan, considering required technical and functional skills as	• Draft/finalize the IA Plan based on risk assessment to avoid over-and under-controlling risks to maximize resource investment returns	1-2 months to develop efficient and effective IA Plan

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Risk Assessment and Audit Plan Development	
well as individuals' knowledge of required professional standards • Develop an IA plan tailored to the State's specific needs and requirements, evaluating the State's compliance with applicable federal and state guidelines and determining high-risk areas • Deliver strategic reviews and advisory work, leveraging the initial risk assessment to develop an IA plan that contains a representative mix of assurance and advisory • Confirm risk management roles and responsibilities complement each other across the support functions • Balance risk and internal controls to avoid over-and under-controlling risks to maximize the return for the resource investment • Deliver reports or deliverables the State can use to align target capabilities, providing a more complete end-to-end picture of the 'to-be' risk intelligent organizational state	• Reports or presentations to communicate the IA Plan to stakeholders

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G. Financial Audit

Deloitte does not wish to be considered for the financial audit service category.

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H. Accounting & Financial Services

Our Proposed Approach

NC is responsible for demonstrating accountability and integrity to their taxpayers; meeting federal and state grant requirements; achieving programmatic results; and preventing fraud, waste, and abuse. Accordingly, NC is expected to provide accurate financial information that its stakeholders can rely on, comply with applicable laws and regulations, and adhere to accounting standards (e.g., U.S. Generally Accepted Accounting Principles [GAAP], Governmental Accounting Standard Board [GASB]).

NC requires an advisor that understands its programmatic and operating challenges, internal and external financial reporting obligations, relevant business and IT processes and controls, and evolving business environment and programmatic demands and funding streams. The figure below summarizes Deloitte's accounting and financial services that will benefit the State.

Figure H-1: Accounting and Financial Focus Areas

[redacted]

With Deloitte's existing relationship with the State, we understand the State's systems like no other company; [redacted]

Through our technical experience and local presence, brings world-class knowledge to support month-end financial closings, annual preparation, Annual Comprehensive Financial Report (ACFR), trial balance preparation, GASB implementation efforts, general ledger accounting transactions, cash management, and related operational accounting functions. Our table below provides a detailed breakdown of deliverables and an illustrative schedule for each accounting and financial services task communicated in the RFP.

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Table H-1: Accounting & Financial Services Tasks, Deliverables, & Schedule

Operational Accounting & Related Operational Accounting Functions		
Detailed Task	**Deliverables**	**Illustrative Schedule[8]**
Deloitte will: • Identify operational accounting/financial reporting vulnerabilities, recommend specific remedial steps, and/or assess/implement solutions to resolve vulnerabilities • Leverage our deep pool of resources with direct and significant experience implementing the State's financial systems to support all facets of the State's operational environment to drive improved financial and accounting processes via new technology systems, organizational changes, and legislative requirement compliance • Review the State's current guidance and existing process documentation/policies and procedures for operational business controls, and current gaps • If applicable, update the current assessment methodology to reflect the principles and attributes to support the State's financial reporting assertions and help to verify effectiveness and efficiency of operations and compliance with applicable laws and regulations • Perform walkthroughs to identify early design of process issues that impact internal controls across finance and operational functions • Develop an operational readiness checklist on operational responsibility, key processes or technology, risk management, information security, and physical security to meet deadlines and maintain a highly efficient operational rhythm • Provide knowledgeable guidance to help close audit findings from State auditors, legislative analysts, and federal auditors • Assist the State with strategic finance operations to improve key processes • Integrate strategy, process, and technology to drive accuracy, transparency, and integrity into governance, risk, and finance • Capture the future state vision and develop an implementation plan to collaboratively achieve risk management goals within the State's operational and functional areas by prioritizing growth areas based on the value they add to operational and functional areas • Leverage our deep pool of resources and experienced staffing partner, DSI, to provide timely and experienced operational accounting staff during surge periods on an as needed basis • Provide continuous communication with the State and stakeholders to meet applicable deadlines	• Operational Readiness Checklist to meet deadlines and maintain a highly efficient operational rhythm • Walkthrough Reports to identify issues early • Responses to Audit Findings by providing knowledgeable guidance • If applicable, updated current assessment methodology • Drafted/finalized Implementation Plan that incorporates risk management goals	Ongoing and ad hoc, as needed
Assisting full time agency finance staff with month end financial closings, to include Monthly Financial Close Package, Monthly / Quarterly Trial Balance (TB), Monthly General Ledger Report, and Annual Comprehensive Financial Report (ACFR)		
Detailed Task	**Deliverables**	**Illustrative Schedule**
Deloitte will: • Enhance the State's approach to prepare and reconcile the general ledger in the proprietary and budgetary accounts	• Reporting tools to prepare and reconcile the general ledger to trial balance	Monthly, Quarterly, and Annually, as appropriate

[8]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Operational Accounting & Related Operational Accounting Functions

and leverage our understanding of the State's old and new chart of accounts to maintain compliance with laws and regulations • Have the capability to leverage Deloitte's GLAD to help the State navigate the complexities of the financial reporting cycles efficiently and accurately from start to finish by analyzing the entire journal entry population • Develop automated process and reporting tools to reconcile the general ledger activity to the trial balances to decrease processing time, manual workload, and risk of human error for financial statement preparation and period-over-period analysis • Provide a monthly financial close package inclusive of supporting documentation that tie-to month-end balances at the conclusion of each month-close • Analyze financial system processes to validate subsidiary support for required general ledger accounts • Advise and support the implementation of recording accounting transactions into the State's general ledger • Enhance management reporting capabilities to quickly see encumbrances and expenditures by fund source and timelines, and provide auditable financials for the entity • Reconcile and summarize general ledger accounting transactions to assist in the preparation of Trial Balances that will tie to the amounts reported in the ACFR • Leverage our knowledge and technology to reconcile data from the general ledger to the financial statement level and provide financial reporting processes for financial statement preparation and reporting • Assess the readiness to utilize robotic process automation for standardized and repeatable processes to streamline the reporting process • Can implement a configurable and integrated ACFR software solution from requirements definition through implementation and go-live support	• Drafted/finalized analysis of financial system processes • Drafted/finalized analysis of reconciliations and summarizations of the GL accounting transactions • Completely and accurately reconciled Monthly Financial Close Package, Monthly/Quarterly Trial Balance, Monthly General Ledger Report, and ACFR	

GASB Implementation Efforts

Detailed Task	Deliverables	Illustrative Schedule
Deloitte will: • Enhance staffing capabilities by supplying GASB subject-matter advisors, CPAs, and others as needed to facilitate GASB implementation efforts • Research, analyze, and provide recommendations to the State regarding conformance to accounting rules and regulations, as stipulated by GASB • Submit a written plan, for approval by the State, detailing milestones, including gathering information for new GASB standard implementations • Draft initial/revised drafts to suggest implementation efforts, including generating accounting records for financial reporting, updated processes, and internal controls documentation to address the GASB requirements • Advise and recommend changes in system processes or data gathering using chart fields to support adherence to GASB standards	• Timeline detailing milestones in implementation efforts of new GASB standards • Drafted/finalized reports with recommendations to address the GASB requirements related to processes and internal control documentation • Drafted/finalized instructional papers, analyses, memos, and training decks related to GASB requirements	1–4 months to prepare for the implementation efforts and ongoing monitoring thereafter

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Operational Accounting & Related Operational Accounting Functions		
• Provide ongoing knowledge sharing, including office hours sessions, memos, training decks, instructional papers, accelerators, and analyses • Provide recommended internal control procedures to the State around the completeness and accuracy of the data used in implementing GASB standards		
Cash Management		
Detailed Task	**Deliverables**	**Illustrative Schedule**
Deloitte will: • Leverage industry knowledge and our Treasury Advisory Services practice to incorporate best practices for cash management • Assess the current cash management process and, if needed, develop or enhance a "to-be" design and gap analysis, leveraging the organizational structure, manual invoice, letter of credit, and cash management • Enhance the State's ability to perform daily state cash reconciliations • Assist with streamlining cash management and bank accounts and optimizing interest income • Assist with reviewing and redesigning the system processes and related business controls for cash management and billing • Assist with identifying and implementing initiatives to enhance agency reporting, forecasting, and cash management • Provide best practice solutions which help effectively manage cash through optimization of funding streams, financial planning, and forecasting processes and tools • Have the capability to deliver technology-enabled treasury, debt, and cash management solutions to comply with evolving regulatory requirements • Have the capability to place safeguards to alert the State that it has placed a request that may exceed its cash-on-hand	• Gap analysis leveraging the organizational structure, manual invoice, letter of credit, and cash management • Analysis of the system processes and controls for cash management and billing • Report of best practice solutions for cash management	Ongoing monitoring of cash, as the State is a 100% cash-based accounting system which is mandated within the legislature and cash reconciliations must be completed daily

I. Managerial Advisory Services

Our Proposed Approach

NC requires a vendor who provides organizational efficiencies, cost reductions, budget and revenue forecasting, economic forecasting, research, analysis of unmet demand for public services, strategic planning, project implementation, and front-line public customer-facing improvements. Deloitte has over [redacted] helping states transform their financial and administrative programs. We collaborate with government and public services organizations to build strategies and implement initiatives to help states better manage financial and human resources—making innovation, efficiency, and service effectiveness the main goals. Deloitte understands the business of government and the need to support states to deliver enhanced value to their citizens, employees, and businesses it connects with.

Deloitte leverages new approaches, including creating new digital interactions, strategic use of technology, and management of core government services to help leaders transform their business. We have the experience, tools, and knowledge ranging from strategic to technical to

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help NC achieve its strategic visions while better managing even the most complex systems and processes.

Organizational efficiencies, cost reductions

Often, transformative thinking and action is needed to achieve cost reductions and customer-centric services. Deloitte helps finance, human resources, and program leaders develop their vision, strategy, design, and execution of sustainable transformation across government operations. We bring deep public sector experience and broad private sector insights to help governments cut hidden costs across a wide range of areas and lay a foundation for renewed fiscal sustainability. Deloitte works with state and local government leaders to adopt innovative, customer-focused approaches to service delivery, while realizing significant operating and program savings.

Budget and revenue forecasting

The need for newer, improved business processes and solutions to help governments determine where to invest their money is magnified as government revenue struggles to keep pace with costs. We focus on implementing budget solutions which help state and local governments achieve their objectives during difficult economic conditions. Modern budgeting solutions can have a major impact across a government, but implementations must navigate various complexities to maximize success and Return on Investment (ROI). Deloitte is uniquely positioned to support NC in overcoming inconsistent budget development processes, inflexible forecasting and reporting, and excessive time commitment to provide budget documents.

Deloitte combines the capabilities of cloud-based planning solutions with our breadth of public sector industry experience and unique transformational capabilities to show organizations how to develop and execute operating and capital budgeting to drive informed decision making and respond faster to changing economic conditions.

Economic Forecasting, Research, and Analysis of Unmet Demand for Public Services

Our US-based team of economists, financiers, planners, and engineers help governments plan for, develop, and maintain critical government functions—blending financial, economic, operational, and technical experience to deliver the most complex projects and programs. We have experience in advising

public governments on economic and financial analysis services for policies and projects and helping to navigate planning and development challenges. Our team focuses on supporting our clients' requirements across the project life cycle, helping them meet their goals and objectives.

Deloitte's Managerial Advisory Services Experience

Deloitte has repeatedly been named a leader in data analysis, operational efficiency, and process optimization by multiple preeminent entities worldwide. Among our organization's accolades in these field Deloitte scored highest in two use cases in 2022 Gartner Critical Capabilities for Data and Analytics Service Providers, including Strategy and Consulting and Data Science and AI/ML. We leverage data across channels to provide a multi-dimensional perspective to our clients that other vendors and agencies cannot.

Deloitte brings an integrated, data-driven approach to performance assessment and process improvement, which is already utilized by several government clients to optimize their strategic initiatives and elevate the experience for the citizens they serve.

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In addition to our quantitative expertise, we are well versed in a variety of qualitative methods (e.g., observations, ethnographic research, and focus groups) to gain insights that are contextually relevant to stakeholders and decision makers alike and encourage utilization of findings for the improvement of both those providing and receiving the services. Deloitte is the world's largest professional services firm and has the technical and evaluation experience, organizational capabilities, and thought leadership to deliver the requirements outlined in this Solicitation demonstrated in the breadth of talent highlighted below.

Strategic planning

Deloitte was named the leader in Data and Analytics Service Providers worldwide by Gartner for our understanding of the importance of bringing data and analytics into management strategy, which is a central and unique quality we bring to this service area. Applying an outcome-based approach to Strategic Planning requires measurable improvements for our clients and the stakeholders they serve. Deloitte is uniquely positioned to support NC to make decisions which protect its financial health and achieve its goals in workforce cultivation and sustainable, resilient, and equitable infrastructure "to become the most trusted agency in the region." Deloitte brings deep experience supporting public agencies in developing strategic plans with the requisite situational and subject matter knowledge.

State leaders feel the pressure to do more for their constituents and economy, even as competing priorities limit resources. Top-level state leaders need innovative policies, program approaches, and service delivery models to help grow their economies and keep pace with global pressures which may be outside their experience. When innovative approaches are identified, translating big ideas into effective policy and administration can challenge even the most experienced teams.

Deloitte's Innovation and Change services bring a global perspective on innovative public and private sector solutions, rigorous, objective analysis of approaches, outcomes and risks, and a top leadership perspective to help state teams turn innovative ideas into practical outcomes.

Project implementation

Our Project Implementation discipline provides a robust and dependable foundation for the overall execution of the initiative and involves the areas of knowledge applied during the engagement life cycle. It is represented by a defined and comprehensive set of activities

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conducted to deliver value to the State. The discipline supports activities in the areas of estimation, project and program management, and quality management.

Front-line public customer facing improvements to further a public agency's statutory mandates and directives.

Our experience shows that public outreach must be deeply connected to the customer experience and business strategies and deliver transparency, reliability, capability, and humanity at every touchpoint for NC to meet a vision of being a trusted public institution. Deloitte recognizes the challenge NC faces in reaching distinct groups and meaningfully impacting their perception, and we adjust our channel selection, messaging, and campaign tactics accordingly. We find the greatest impact is driven when we bring the voice of the constituent in early. This, combined with award-winning creative thinking, takes the messages and the experiences to where they are most receptive in channel selection.

Effectively reaching an audience starts with understanding who they are, where they are, how they think, how to reach them, and what motivates them. We use qualitative and quantitative research to discover key audiences and stakeholder insights which will shape the communication strategy, messaging, and design. We will take steps to identify main stakeholder groups, allowing us to tailor our outreach strategies to communicate most effectively with the target audience. This might involve altering the method of communication to reach more stakeholders in a certain group or adjusting messaging or even language so specific populations are involved in the desired way.

Successful public outreach necessitates a broad array of capabilities and techniques, and our team has experience leveraging public meetings, marketing campaigns, print materials, digital ads, physical advertising, technology improvements, and more to successfully engage communities. We also have experience directly supporting leadership with message crafting and delivery to bring the voice of NC directly to the stakeholders it seeks to engage. As project needs are defined, our team of industry-leading stakeholder engagement and community outreach practitioners, combined with our in-house customer and marketing practice will work with local leaders to develop tactical strategies for outreach and engagement.

Table I-1: Managerial Services Tasks, Deliverables, and Schedule

Managerial Services		
Organizational Efficiencies		
Detailed Task	**Deliverable**	**Illustrative Schedule[9]**
Deloitte will: • Conduct walkthroughs with key personnel to gain an understanding of current processes based on scope: • Cost recovery and restructuring • Strategic sourcing and procurement transformation • Performance analytics • Real property, fleet, and other capital assets • Revenue advisory services • Develop document request listing • Review support and summarize initial results. • Complete final report	• Cost recovery analysis • Restructuring plan • Procurement transformation roadmap • Performance metrics dashboard	Widely dependent on scope of services selected. Assessment typically runs 2–3 months.

[9]Please note that this timeline is dependent on the scope of the SOW and the responsiveness of the stakeholders.

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Economic Research

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Interview key personnel to gain an understanding of the process based on scope. Examples of scope include but is not limited to the following: • Provide market assessment, strategic planning, and economic/financial feasibility assessments • Provide financial and analytical consultative services on real estate and alternative delivery transactions • Provide asset valuation assistance focusing on valuing transportation and vertical infrastructure assets • Advise government clients on capital programs prioritization and sequencing • Evaluate the economic benefits of public investments. • Conduct capital efficiency modelling. • Energy transitions, sustainability, and resilience. We support various public sector clients with advisory services related to energy transitions, sustainability, and resilience • Develop document request listing and review support • Complete final report	• Feasibility assessments for the requested areas • Asset valuations • Cost/benefit analyses • Financial & economic models • Energy transition strategic plan • Sustainability & resilience assessment	Research efforts typically runs 2-5 months.

Economic Activation Plan

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Interview key personnel to understand regional industry opportunities and infrastructure requirements • Develop document request listing • Review support and summarize initial results. • Share results with stakeholders so that they understand requirements, trade-offs and potential economic, financial, and sustainability impacts • Down select key initiatives (mobility, business, renewables, education, etc.) which would anchor the Activation Plan/Roadmap • Develop a jobs plan/estimation through 2030 • Develop a program governance model	• Cost/benefit analyses • Activation Plan • Jobs estimation through 2030 • Program governance models	Typically, a 2–5-month activity

Cost Reduction and Service Delivery Efficiency

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Bring deep public sector experience and broad private sector insights to help governments cut hidden costs across a wide range of areas and lay a foundation for renewed fiscal sustainability • Conduct walkthroughs with key personnel to gain an understanding of current processes • Develop document request listing • Review support and summarize initial results. • Complete final report	• Transformation strategy roadmap • Stakeholder engagement plan • Cost reduction opportunity assessment • Best practices implementation plan	Will range between 3–8 months depending on scope of services

State and Local Innovation and Modernization (SLIM government)

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Assist government leaders with conducting an organizational operating and service delivery model assessment, complete with defined business cases which demonstrate the opportunities for improved efficiencies in customer-centric business processes.	• Organizational operating and service delivery model assessment	Will range between 3–8 months depending on scope of services

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• Conduct walkthroughs with key personnel to gain an understanding of current processes • Develop document request listing • Review support and summarize initial results. • Complete final report • Use our Enterprise Consciousness tool to help redesign, improve, and implement your organization's new service delivery processes	• Implementation Roadmap • Performance metrics dashboard	

Shared Services Improvement Plan

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Support NC in creating and implementing a road map to achieving increased efficiency, control, and value from your back-office operations through the improvement and consolidation of redundant processes and systems into service-oriented • Conduct walkthroughs with key personnel to gain an understanding of current processes • Develop document request listing • Review support and summarize initial results. • Complete final report	• Current state assessment • Roadmap to efficiency, control, & value • Implementation plan	Will range between 4–8 months depending on scope of services

Leadership Transition

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Support current and recently elected or appointed State government leaders to move quickly on their policy agendas by converting them into effective action promptly, assessing opportunities and risks, setting priorities and milestones, and organizing the team • Conduct walkthroughs with key personnel to gain an understanding of current processes • Develop document request listing • Review support and summarize initial results. • Complete final report meant to help top leaders turn their agendas into effective action	• Leadership transition assessment report • Team organization development & training plan • Briefing materials • Progress reports	2–6 months then ongoing and ad-hoc, as needed

Strategic Alignment

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Support senior leaders led by informal influence, rather than traditional reporting relationships. • Help policy initiatives requiring a "team of teams," approach to be tightly organized, responsive to multiple constituents, and suited to traditional "vertical" leadership approaches • Help senior leaders reduce risk and accelerate progress by establishing an environment of shared purpose, responsive to the needs of interagency constituents	• Interagency collaboration framework • Risk assessment and mitigation strategy	2–6 months then ongoing and ad-hoc, as needed

Digital Finance Strategy

Detailed Task	Deliverable	Illustrative Schedule
Deloitte will: • Introduce the Art of the Possible • Define the client's starting point and interest in specific digital capabilities • Align on vision for client's future finance function • Identify opportunities to improve finance processes through digital • Define the scope of roles/activities finance will accept, preserve, optimize, or automate	• Digital capability and interest assessment • Digital process roadmap • Roles & activities framework • Value-add opportunities catalog	2–6 months then ongoing and ad-hoc, as needed

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• Define aspirational value-add opportunities for finance • Discuss Future of Work concepts (e.g., augmented workforce) • Identify the skills/talent required in the future finance organization • Determine how finance will access/develop those skills • Build awareness of implications to the future of the physical workplace • Consider culture and collaboration implications for the augmented workforce, including technology needs • Discuss leadership implications, what leaders need to do differently in a digital works	• Skills & talent analysis

Planning, Budgeting, and Forecasting Solutions		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Conduct walkthroughs with key personnel to gain an understanding of current processes • Develop document request listing • Review support and summarize initial results. • Complete final report to include planning, budgeting, and forecasting solutions	• Budget templates • Workforce planning tools • Step-down cost allocation model	4–12 months to prepare for the implementation efforts and ongoing monitoring thereafter

Performance Management and Decision Support		
Detailed Task	**Deliverable**	**Illustrative Schedule**
Deloitte will: • Conduct walkthroughs with key personnel to gain an understanding of current processes • Develop document request listing • Review support and summarize initial results. • Complete final report	• Performance scorecards • Projects and grants management evaluation • RPA & ML implementation plan • Strategic planning framework • Cash planning models	4–12 months to prepare for the implementation efforts and ongoing monitoring thereafter

11.0 Contract Manager and Customer Service

The Vendor shall be required to designate and make available to the State a contract manager. The contract manager shall be the State's point of contact for Contract related issues and issues concerning performance, progress review, scheduling, and service.

Contract Manager Point of Contact	
Name:	[redacted]
Mobile Phone #:	[redacted]
Mobile Phone #:	[redacted]
Email:	[redacted]

The Vendor shall be required to designate and make available to the State for customer service. The customer service point of contact shall be the State's point of contact for customer service-related issues.

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Customer Service Point of Contact	
Name:	[redacted]
Office Phone #:	[redacted]
Mobile Phone #:	[redacted]
Email:	[redacted]

The assigned individual(s) must be responsible to all agency Statements of Work (SOW). Vendors must respond to a Soliciting Agency's SOW within the period stated on the individual SOW in order to be considered

12.0 Appendix

12.1 Confidentiality Disclaimer

Deloitte & Touche LLP requests certain information in its Proposal be withheld from disclosure by the State pursuant to N.C. Gen. Stat. §132-1.2 and 1 N.C.A.C. 5B.0103, to the extent such information is trade secret as defined in N.C. Gen. Stat. §66-152(3). To that end, we are providing the State with a redacted copy of our Proposal and each page containing such information has been clearly identified with the word "CONFIDENTIAL" at the top and bottom. We respectfully request that should the State receive a public records request seeking Deloitte & Touche's Proposal, that the State respond by providing the attached redacted copy.

12.2 Request for Modification to Terms

[redacted]

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Proposal Number DPC-646236801-MT

ATTACHMENT A: PRICING FORM

COST SCHEDULE

Vendor shall provide its best hourly rates in the form of base rate and upper rate for an auditor, audit supervisor and audit executive in the appropriate columns provided below or a duplicate of this form. For staff, supervisor, and executive descriptions, see Section 4.9 of the RFP.

This table captures audit staff compensation rates only and does not include travel or related business expenses. All travel and business expenses, if any, will be subject to North Carolina state travel guidelines and requirements and are required to be presented as part of the issuance of a specific SOW, after approved Vendors have been selected. Chapter 5 of the North Carolina Budget Manual provides primary guidance on state travel guidelines and restrictions and can be found at:

https://www.osbm.nc.gov/budget/budget-manual

					OTHER PROFESSIONAL STAFF *Vendors may enter provide rates for additional staff categories, if applicable.*		
Services Category	**Staff Base Rate**	**Staff Upper Rate**	**Supervisor**	**Executive**	**Junior Staff**	**Mid Staff**	**Senior Staff**
Operational/Performance Audit	164	**210**	247	313	**77**	**96**	125
Investigative Audit	185	238	280	355	87	109	140
Compliance Audit	164	210	247	313	77	96	125
Information System Audit	180	232	273	346	85	**106**	137
Risk Assessment and Audit Plan	160	205	241	305	75	94	122
Development	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Financial Audit	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Data Analytic Services	172	220	259	329	81	100	131
Managerial Advisory Services	176	226	266	337	83	103	134
Accounting Services	168	215	253	321	79	**98**	128

REQUEST FOR CLARIFICATION

Issuing Agency:	Division of Purchase and Contact
Solicitation Number:	DPC-646236801-MT
Solicitation Description:	Supplemental Internal Audit Services
Date:	September 28, 2023
Contract Administrator:	Melinda Tomlinson

I. INSTRUCTIONS

1. Vendor should respond with a signed, completed version of this Request for Clarification via the Sourcing Tool by **Tuesday, October 3, 2023**.
2. Review the table below and the items for which the State is seeking clarification.
3. Provide any additional information requested in the clarification column.

II. ITEMS REQUIRING CLARIFICATION

Clarification #	Response Section/Item	Clarification	Vendor Explanation
1	Attachment F: Location of Workers Utilized by Vendor	Your responses indicated some work under this Contract may be done outside of the US. Will any State data be stored outside of the US? ☐ YES ☒ NO	
2	Proposal	Will any NC data be provided to subcontractors, e.g., data staff? ☐ YES ☒ NO	

III. VENDOR'S AUTHORIZED SIGNATURE

Vendor Name:	Deloitte & Touche LLP
Authorized Signature:	Alexa D. Raimondi
Name & Title:	Alexa Raimondi, Partner
Date:	9/28/23