STATE OF NORTH CAROLINA Department of Administration Division of Purchase and Contract	REQUEST FOR BEST AND FINAL OFFER NO. DPC-646236801-MT
	Offers will be received until: October 31, 2023, at 5:00 PM ET
	Issue Date: October 30, 2023
Refer ALL inquiries regarding this BAFO to the procurement lead through the Events Message Board in the Sourcing Tool.	**Commodity Number:** 84111600 – Audit Services
	Description: Supplemental Internal Audit Services
	Using Agency: STATEWIDE
See page 2 for Submission Instructions	**Requisition No.: N/A**

NOTICE TO VENDOR: Offers submitted in response to this Best and Final Offer (BAFO) for the furnishing and delivering the goods and services described herein, subject to the conditions made a part hereof, will be received through the Sourcing Tool until 5:00 PM Eastern Time on the day of opening. Refer to page two for submission instructions. Offers submitted in any other way in response to this BAFO will not be accepted. Offers are subject to rejection unless submitted on this form.

EXECUTION: In compliance with this Request for BAFO, along with the terms and conditions in the original solicitation, as maybe modified 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 GS §143-54 and §143-59.2 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 or fraud.

Failure to execute/sign offer prior to submittal shall render offer invalid. Late offers will not be accepted.

VENDOR: Experis US LLC, for its Jefferson Wells Division	EMAIL: Timothy.lietz@jeffersonwells.com	
STREET ADDRESS: 430 Davis Drive, Suite 100	P.O. BOX:	ZIP: 27560
CITY & STATE & ZIP: Morrisville, NC 27560	TELEPHONE NUMBER: 336-706-2030	TOLL FREE TEL. NO:
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: Tim Lietz, National Practice Leader – Risk & Compliance	FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE: 10/31/2023	

Offer valid for ninety (90) calendar days from date of opening unless otherwise stated here: _____ 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 Solicitation which have not been superseded herein, and the North Carolina General 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 STATE USE ONLY: Offer accept and Contract awarded this **8th** day of **November 2023**, as indicated on the attached certification, by PandC - Melinda Tomlinson

(Authorized Representative of Division of Purchase and Contract)

SUBMISSION INSTRUCTIONS: Vendor shall submit its offer through the Sourcing Tool. Any files submitted shall not be password protected and shall be capable of being copied to other media.

REQUEST FOR BEST AND FINAL OFFER (BAFO):

This request is to solicit a best and final offer from Vendor for Supplemental Internal Audit, Assurance, Data Analytics, and Managerial Advisory Services. The offer should integrate the previous response to the Solicitation and any changes listed below. Any individual Vendor may receive a different number of BAFO requests 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 any 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.

Specific requests begin on the next page. Vendor may copy requests onto additional pages, as needed, to provide sufficient space for its response.

Added Provision:

PRICE ADJUSTMENTS

The Price List proposed by the Vendor shall be firm against any increases for one (1) year from the effective date of the Contract.

Price increase requests shall be submitted in writing to the Contract Manager, which shall include the reason(s) for the request and contain supporting documentation for the need. Price increases will be negotiated and agreed to by both the State and Vendor in advance of any price increase going into effect. The State is not obligated to accept pricing adjustments or increases and reserves the right to accept or reject them in part or in whole. Price de-escalation or decreases may be requested by the State at any time.

It is understood and agreed that project pricing will utilize established Contract prices in effect on the date an order is placed. Invoicing that deviates from this provision may result in Contract to cancellation.

Services Category	Staff Base Rate	Staff Upper Rate	Supervisor	Executive
Operational/Performance Audit	$130.00	$155.00	$175.00	$240.00
Investigative Audit	$130.00	$165.00	$180.00	$240.00
Compliance Audit	$130.00	$155.00	$175.00	$240.00
Information System Audit	$140.00	$170.00	$190.00	$250.00
Construction Audit	$135.00	$160.00	$180.00	$240.00
Risk Assessment and Audit Plan Development	$130.00	$160.00	$180.00	$240.00
Financial Audit	$130.00	$155.00	$175.00	$240.00
Data Analytic Services	$175.00	$215.00	$225.00	$275.00
Managerial Advisory Services	$135.00	$160.00	$180.00	$240.00
Accounting Services	$130.00	$155.00	$175.00	$240.00

1.0 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.

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 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, 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
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 **Requisition No.: STC# 8411A**	**Commodity No. and Description: 84111600 – Audit Services**

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: Experis US LLC for its Jefferson Wells division		
STREET ADDRESS: 430 Davis Drive, Suite 100	P.O. BOX:	ZIP:
CITY & STATE & ZIP: Morrisville, NC 27560	TELEPHONE NUMBER: 336-706-2030	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: Timothy Lietz, National Practice Leader - Risk & Compliance	FAX NUMBER:	

Proposal Number: DPC-646236801-MT *Vendor:* Experis US LLC for its Jefferson Wells division

VENDOR'S AUTHORIZED SIGNATURE*:		DATE: 09/01/2023	EMAIL: Timothy.Lietz@jeffersonwells.com

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)

Contents

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.

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.

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

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: <u>This is an absolute requirement.</u> 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. <u>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</u>. 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

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

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 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

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.

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

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

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.

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.

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

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. <u>Confidentiality</u>

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. <u>Records Retention</u>

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. <u>Travel</u>

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 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. ***<u>Operational/Performance Audit</u>***

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 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.

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.

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

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:	Tim Lietz, National Practice Leader - Risk & Compliance
Office Phone #:	336-706-2030
Mobile Phone #:	336-706-2030
Email:	Timothy.Lietz@jeffersonwells.com

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:	Koreen Bennett
Office Phone #:	919-360-8650
Mobile Phone #:	919-360-8650
Email:	Koreen.Bennett@jeffersonwells.com

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.

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

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

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

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

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.

Proposal Number: DPC-646236801-MT *Vendor:* Experis US LLC for its Jefferson Wells division

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.

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.**

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

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.

(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.

State of North Carolina

Division of Purchase and Contract
Request for Proposal #: DPC-646236801-MT

Prepared for State of North Carolina, Division of Purchase and Contract
September 6, 2023

Jefferson Wells
430 Davis Drive, Suite 100
Morrisville, NC 27560

September 6, 2023

Melinda Tomlinson
State Procurement Manager
State of North Carolina
Division of Purchase and Contract
116 West Jones Street, 4th Floor
Raleigh, NC 27063-8002

RE: Request for Proposal #: DPC-646236801-MT

Melinda,

Experis US LLC, doing business as Jefferson Wells, is pleased to present to the Division of Purchase Contract this proposal for Internal Audit Supplemental Staffing Services. We have prepared this proposal response to your request for proposal (RFP) # DPC-646236801-MT issued on July 14, 2023. This proposal highlights our capabilities in addressing each audit service category presented under Section 5, Scope of Work. Furthermore, this proposal will address our methodology and approach to delivering these services. It has been our privilege to serve the State of North Carolina for the past 10 years under the current contract, 946C, and we look forward to the continuation of that service.

For 25+ years, we have assisted our public, private and government sector clients in assessing, planning, implementing, managing, and improving organizational risk and compliance. Jefferson Wells professionals are experts in accounting, project management, internal audit, data analytics, managerial advisory services, construction audit, security controls, IT audit, and risk management. We have delivered and managed complex programs and projects for major government organizations across the United States.

Jefferson Wells has developed a top-down risk management approach designed to address the critical areas of governance, risk and security, and compliance to create a comprehensive, pragmatic, and economical framework. Our approach is further supported by the distinct experience of our personnel (Financial Reporting, Accounting, Internal Audit, Security, and Tax) and utilization of various best practice standards.

In preparing this RFP response, we have focused on our experience working with our clients and our extensive track record delivering thousands of consulting engagements. Please find below key Jefferson Wells attributes that have led to successful engagement delivery and lasting client relationships with numerous State of North Carolina Internal Audit entities:

Experienced People – Jefferson Wells is a talented workforce of seasoned professionals in the areas of Internal Audit & Controls and Information Technology. Our North Carolina based team averages 18 years of experience, which is often a blend of public accounting and industry knowledge, while many hold licenses or designations from professional organizations like CPA, CIA, CRMA, CISA, CISSP, CRISC, CCSA, CBCP and CFE. Assigning seasoned engagement professionals at cost effective rates is one of our competitive advantages, as it permits us to maintain a flat management infrastructure that promotes more efficient engagement communication and completion. State entities will work with an experienced, high caliber Jefferson Wells team that brings significant experience and expertise to their engagements.

Approach & Methodology – Jefferson Wells' approach and methodology has been honed from thousands of engagements from small clients to large, global organizations. We consider an organization's size and complexity, our approach is reasonable, cost effective and developed to be sustainable from year to year.

Consistent High-Quality Service – All services are provided under the Jefferson Wells Service Quality Process (SQP), which applies quality standards and consistent project management to all engagement activities. The SQP process includes four phases, beginning with an initial engagement assessment and continuing through agreement of the engagement scope, engagement planning and delivery, and engagement closure, including a client satisfaction survey.

We at Jefferson Wells appreciate the opportunity of partnering with The Department of Administration, Division of Purchase and Contract, along with the State of North Carolina to provide high quality, cost effective professional resources. We look forward to working with you. Please do not hesitate to contact us with questions or comments.

Tim Lietz
National Practice Leader – Risk & Compliance
timothy.lietz@jeffersonwells.com
336-706-2030

Koreen Bennett
Business Development Manager
koreen.bennett@jeffersonwells.com
919-360-8650

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4.4 JEFFERSON WELLS EXPERIENCE

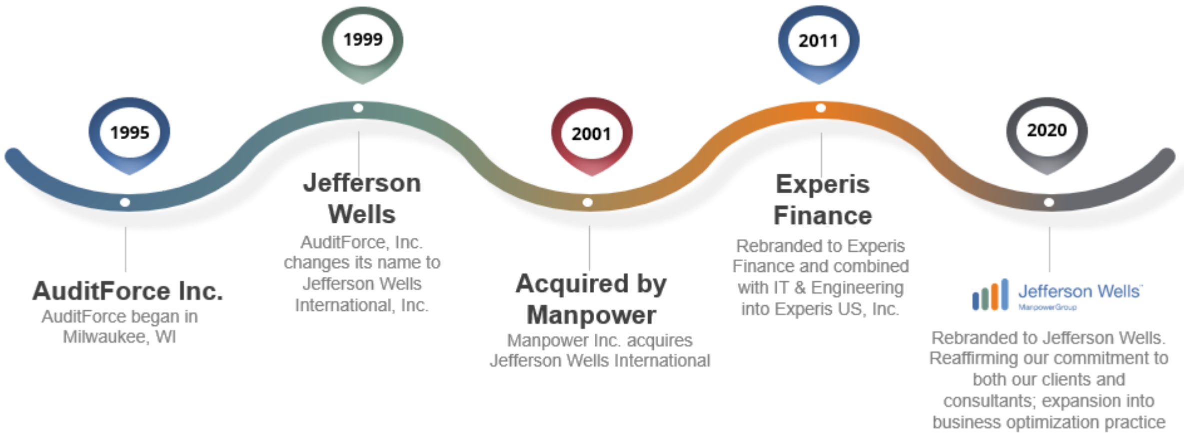
In its Proposal, Vendor shall demonstrate experience with public and/or private sector clients with similar or greater size and complexity to the State. Vendor shall provide information as to the qualifications and experience of all executive, managerial, legal, and professional personnel that were assigned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

Jefferson Wells Introduction

Founded over 25 years ago, Jefferson Wells has a unique business model emphasizing proven professionals with public accounting and industry experience. Since we require all our engagement professionals to have a minimum of eight (8) years of experience and our firm-wide average is over 20 years, our clients are assured of receiving a seasoned team on every engagement. Our experts, best-in-class solutions, and experience are why more than 4,000 companies have approached us with their business challenges. At Jefferson Wells, we've built a reputation for results-driven, innovative solutions that help companies create a competitive advantage.

Jefferson Wells History



Overview of Recent Awards

Recognized for Our Use of Innovation and People-First Approach to Solve Today's Security Challenges — CSO50 WINNER 2021

Named one of World's Most Ethical Company by Ethisphere for 14 Years — 2023 WORLD'S MOST ETHICAL COMPANIES ETHISPHERE 14-TIME HONOREE

Perfect score on the Corporate Equality Index for 7th Consecutive Year — BEST PLACES TO WORK 2022 for LGBTQ+ Equality 100% CORPORATE EQUALITY INDEX

Ranked 165 on the 2021 FORTUNE 500 — FORTUNE

Ranked 1,835 on the 2021 Forbes Global 2000 — Forbes GLOBAL 2000

Best Places to Work for Disability Inclusion, Receiving Top Score for 7th Consecutive Year — DEI BEST PLACE TO WORK FOR DISABILITY INCLUSION 2022 100% DISABILITY EQUALITY INDEX

Named to FTSE4Good Index for 13th Consecutive Year — FTSE4Good

2020 Women on Boards Winning "W" Award Since 2011 — 20% BY 2020 WOMEN ON BOARDS

Best Companies to Work for Women (2018-2019) — 2019 WOMEN'S CHOICE AWARD BEST COMPANIES TO WORK WOMEN

Cumulative total of Platinum, Gold & Silver EcoVadis ratings to more than 24 countries in the last 5 years — PLATINUM Top 1% 2021 ecovadis Sustainability Rating

America's Best Staffing Firms and Employers for Women by Forbes — Forbes

Recognized as a Catalyst Champion for Change in advancing women, particularly women of color' — CATALYST CEO CHAMPIONS FOR CHANGE

Dow Jones Sustainability Index Leader for 13th Consecutive Year — MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

Disability Confident Leader in the UK — disability confident LEADER

Highest rating awarded by Sustainalytics in 2022 placing our firm in the second percentile of global companies — #1 Received HIGHEST POSSIBLE SCORE BY SUSTAINALYTICS, putting us in the second percentile of all companies

Overview of Our Firm

Jefferson Wells is a professional services firm providing solutions in Finance & Accounting, Internal Audit, Risk and Compliance, and Tax. Our clients choose from flexible delivery options, including thought leadership, complete project solutions, and professional resourcing. Our solutions result from a deep understanding of our clients' business issues and the personalized collaboration we build with our clients. Led by recognized risk management and finance and accounting experts, our Centers of Expertise (COEs) offer access to focused, in-depth expertise for specific processes, industries, and technical issues. Within our COEs, we can mobilize a national network of highly experienced professionals to address specialized client needs and solutions.

Jefferson Wells is a professional services firm delivering solutions in Finance & Accounting, Internal Audit, Risk & Compliance, and Tax. We provide project consulting, integrated resourcing, and executive search.

- Our people leverage their extensive ***industry & technical experience*** to deliver practical and actionable solutions.
- Our tailored solutions and flexible delivery model, ranging from standalone ***projects*** and ***integrated teams*** through to ***full outsource,*** results in business acceleration for our clients.
- Our experience & independent solutions combined with practical and proven methodologies drives a ***lower relative cost*** of delivery.

Jefferson Wells Services

Risk & Compliance

- Internal Audit Co-Sourcing
- Technology & Security Risk
- Financial Services Audit & Compliance
- SOX Compliance
- IT Audit
- Enterprise Risk Management

Finance & Accounting

- Finance Operations
- Finance & Accounting Consulting
- Transformation & Digitalization
- Process Optimization
- M&A Integration Support
- Policy & Procedure Development

Tax Services

- Corporate Income Tax Compliance
- Indirect Tax Compliance
- Tax Accounting & Consulting
- Property Tax Appeals
- Audit Defense
- Voluntary Disclosures

Project Solutions | **Integrated Resourcing** | **Executive Search** | **Thought Leadership**

Our Risk & Compliance Capabilities

Expertise – Client Base

Since 2007, Jefferson Wells has served more than 40% of the Fortune 500 and 60% of the Fortune 100. On a national scale, over 4,000 organizations have turned to us with their business challenges. Additionally, over the past 5 years, our Jefferson Wells Carolinas Team has served **15** State of North Carolina entities by providing them with high quality internal audit services.

Expertise – Consultant Base

In addition to our project-based solutions, we delivered over 2 million hours of professional consulting talent in 2022. Today, our parent organization has over 10,000 consultants on assignment throughout the United States and Canada, while Jefferson Wells provides our clients access to more than 1,200 finance, audit, and tax specific delivery consultants around the globe.

Project Solutions Capabilities

Risk & Compliance – our firm's Cornerstone Practice. Jefferson Wells works with our clients to help identify, manage, and mitigate risk (business, operational, financial, technology, and security), increase revenue and control costs, and meet growing regulatory compliance requirements. Areas of expertise include:

- Internal Audit Co-Sourcing
- IT Security and Controls
- Risk Assessment and Management
- Resiliency Planning
- Grants Monitoring, Compliance, and Administration
- Data Analytics
- Management Advisory
- Fraud and Investigative Services
- Construction Audit

Finance & Accounting – Armed with a deep understanding of financial and accounting processes, issues, and best practices, we help our clients identify cost savings, improve asset management, and resolve process and operational issues. Areas of expertise include:

- Account Reconciliation
- Policy and Procedure Development
- Technical Accounting and Reporting
- Finance and Accounting Professional Resourcing

Tax – No matter the tax need or concern, we work with our clients to address the technical demands, personnel and operational concerns, and compliance and reporting issues that challenge organizations every day. Areas of expertise include:

- Federal and International Tax Compliance/Consulting
- Tax Accounting Automation and Reporting
- Tax Risk and Controls

Over 4,000 clients have gained significant value by having our Jefferson Wells team serve them over the years. Below are a few reasons why our loyal clients return to us year after year.

Why Work with Jefferson Wells

Experience

- Experienced Subject Matter Experts
- Averages 15+ years of Internal Audit Experience
- Leaders of Internal Audit Teams
- Former Public Accounting Leaders
- Leverage Best Practices

Value

- Quality Assurance with High Client Satisfaction
- Experienced Team at Competitive Rates
- Strong Continuity of Resources
- High Quality Alternative to Big Four and Regional Consulting Firms
- Knowledge Exchange from Practice Directors

Pragmatic & Customized Solutions

- Adaptable Solution Based on Client Needs
- Tailored Approach to Align with Client Goals and Culture
- Flex to Respond to Emerging Business Needs
- Ability to Stand Up Teams

Active in Internal Audit Community

- Active board members for local IIA Chapters
- Participate in local IIA training seminars and conferences

Corporate and Local Raleigh Office Information

- Company Name: Jefferson Wells
- Office Locations

Headquarters	Raleigh Office
100 Manpower Place	430 Davis Drive, Suite 100
4th Floor	Morrisville, NC, 27605
Milwaukee, WI 53212	Phone: 919-838-7886
Phone: 414-319-3400	Fax: 919-800-3853

- Date established: 1996
- Ownership: A division of Experis US LLC, a Subsidiary of ManpowerGroup, a public company (NYSE: MAN)
- State of incorporation: Wisconsin

Experience with Government Agencies

Jefferson Wells is proud to have served more than 29 state governments including North Carolina, Illinois, Georgia, Virginia, Ohio, New York, California, Texas, Arizona, Oregon, Massachusetts, Washington, Michigan, and Wisconsin, as a key provider of Internal Audit, Finance & Accounting, Operational, IT Audit, Risk Management, Compliance, Data Analytics, Construction Services, and project management services.

Jefferson Wells has a long history of successful internal audit projects completed on time, on budget and in a collaborative manner with various state and local governmental agencies in the Carolinas. Our Carolinas practice, with management over both North and South Carolina, has provided and continues to provide internal audit services to a number of state and local clients – including but not limited to NC DHHS, NC DOT, NC DNCR, NC DEQ, NC CCS, NC DPS - NC ORR, NC DPI, NC DOA, NC DOJ, NC OSBM, PBS NC, City of Raleigh, City of Charlotte, Mecklenburg County Sherriff's Office, Union County Executive Offices, UNC Hospitals, UNC System, UNC Charlotte, and the South Carolina State Ports Authority.

Among our worldwide offices, Jefferson Wells maintains two offices in North Carolina (Raleigh and Charlotte) and will support the State of North Carolina with skilled internal audit professionals from these locations to meet NC based requirements and our network of domestic US offices to meet any needs the State has for locations outside North Carolina. Currently, Jefferson Wells employs more than 100 professionals across the state. The Company is registered to do business in all 50 states and has met all necessary criteria for doing business with The State of North Carolina.

Jefferson Wells was approved as a chartered member of the 946C convenience contract, when originally enacted over 10 years ago. Over the past 10 years, we have brought the following attributes to each engagement we have completed for State of North Carolina internal audit entities:

Internal Audit Experience for North Carolina Entities

Professional Resourcing and Project Organization

It is our understanding that this contract is a convenience contract and may be used for both professional resourcing (our staff will be working at the direction of a state entity utilizing this contract without the oversight of Jefferson Wells project management) and project solutions (our staff will be working in conjunction with Jefferson Wells Engagement Managers and Directors to deliver defined deliverables or a pre-defined number of tasks).

Jefferson Wells leadership and project management resources will be provided directly from our Carolinas practice. The State of NC can be assured that Jefferson Wells will provide exceptional service and outstanding people. The project team will be comprised of experienced professionals with the skill sets and/or industry experience required to complete each engagement for the State. We will utilize our national network of professionals and web-based Professional Skills Inventory database (PSI) to quickly identify the individuals with the required skills by location and nature of services requested by the State throughout the contract period. Where possible, we will staff the project team locally to minimize out-of-pocket expenses incurred.

We will employ the approach and tools of our standard talent management process, which routinely assigns our resources to match the needs of our clients. Where applicable, Jefferson Wells proposes a team structure tailored to meet the unique needs of each engagement and the related tasks. Our team structure commonly consists of an Engagement Director, Engagement Manager, and Audit Professionals.

Engagement Directors

The Engagement Director will provide quality assurance over all aspects of the solution. The Director has overall accountability for the technical success of the engagement, ensuring that our professionals and project engagement managers have the appropriate technical expertise to carry out a successful project, ensuring that project management principles are being soundly applied, and reviewing pertinent deliverables for quality assurance.

Engagement Managers

The Engagement Manager will function as the primary client liaison by coordinating the efforts of our professionals, monitoring, and communicating progress and ensuring that all your expectations are met. Such communications will be documented in regular status reports and shared at regularly scheduled meetings.

Professionals

These individuals will have the required technical knowledge and strong interpersonal skills to perform in an efficient and timely manner. Our firm does not hire directly off college campuses, and we require a minimum of eight (8) years of professional experience before you are eligible to join our firm. Jefferson Wells will seamlessly provide deep subject matter experts for each of the 10 Service Categories listed in this RFP.

Deployment and Organization of Personnel

Below, we illustrate a sample project organization structure for this engagement. Jefferson Wells is committed to offering our clients a flexible approach to service delivery and project organization. As such, this model will be revised to reflect an engagement organization that best meets the needs and requirements of each individual State entity requiring services from Jefferson Wells.

Project Management Office

The Project Management Office (PMO) will have overall accountability and responsibility for:

- Coordinating Services with the Department of Administration and State Entities
- Planning & Controlling the projects
- Providing ongoing Quality Assurance
- Providing Subject Matter Expertise for specific project assignments or situations that may impact planning, resource management, verification of alternative conclusions, and recommendations.

Coordination with State Entities

For this proposal, we assume that a specific individual in the state entity utilizing this contract would be designated as the primary liaison between Jefferson Wells and that entity. The liaison for the state entity would:

- Identify and coordinate contacts between Jefferson Wells and the state entity as appropriate to each specific engagement
- Receive approved deliverables
- Address issues identified during the overall working relationship with Jefferson Wells or on any specific engagement
- Serve as the primary point of contact for status reporting and other communications
- Promote other activities to support the successful working relationship between the state entity and Jefferson Wells

Deployment

Using an example scenario, the deployment would work in the following manner:

1. Liaisons of state entity and Jefferson Wells would clarify the assignment objectives, scope, timing, geographic location, and related requirements. With appropriate input from the state entity and Jefferson Wells Subject Matter Experts, the specific assignment would be confirmed.
2. Jefferson Wells' PMO would use our nationwide skills inventory database (PSI) and work with appropriate office to identify and assign resources to the engagement.
3. Jefferson Wells' PMO plans the service quality process for the specific assignment and shares with assigned resources the appropriate start-up package of information for the specific assignment.
4. Jefferson Wells' PMO and Department personnel provide engagement orientation as needed and conduct an engagement kick-off for the specific assignment.

To accomplish the deployment steps and other engagement communications, Jefferson Wells will employ a variety of communication techniques including, but not limited to, in-person meetings, telephone conference calls, web-based meetings, email messages, and information sharing to secured project management web-page.

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.

CLIENT	PROJECT TIMEFRAME	PROJECT SCOPE
NC Department of Administration (NC DOA)	2022	Operational Grants Monitoring Compliance
	2022	Risk Assessment & Audit Plan Development
NC Department of Community Colleges System (NC CCS)	2022-2023	Risk Assessment & Audit Plan Development
NC Department of Environmental Quality (NC DEQ)	2023	Risk Assessment & Audit Plan Development
NC Department of Health & Human Services (NC DHHS)	More than 5 years through 2023	Process Improvement
	2021-2023	Compliance Monitoring
	2022-2023	EAGLE internal audit support
NC Department of Justice (NC DOJ)	2021	Risk Assessment & Audit Plan Development
	2022	Risk Assessment & Audit Plan Development
	2023	Business Continuity Plan Services
NC Department of Natural and Cultural Resources (NC DNCR)	2022-2023	EAGLE internal audit support
NC Department of Public Instruction (NC DPI)	2023	Construction Grants Monitoring and Compliance
NC Department of Public Safety, Office of Recovery and Resiliency (NC DPS, NC ORR)	2023	Investigative Audit
	2023	Risk Assessment & Audit Plan Development
	2023	Information Systems Audit
	2023	Compliance Audit
	2023	Operational and Performance Audit
NC Department of Transportation (NC DOT)	10 years through 2021 and 2023	EAGLE internal audit support
	2021	Construction change order study for internal audit
	2018	Civil Rights and Business Development Reporting Audit
Public Broadcasting System of NC (PBC NC)	2021	CRM Audit Services
University of North Carolina - Charlotte (UNCC)	2019	Grants Compliance Internal Audit Services
University of North Carolina Systems (UNC Systems)	2019	UNC Datamart IT Security Audit

ATTACHMENT E: CUSTOMER REFERENCE TEMPLATE

Solicitation #: DPC-646236801-MT

Vendor Name: Experis US LLC for its Jefferson Wells division

Instructions: Vendor shall use this template to submit five (5) customer references with its offer.

Name of Customer Organization:	North Carolina Department of Health and Human Services, Division of Health Benefits, Office of Compliance and Program Integrity
Customer Reference Name:	John E. Thompson, Chief of Compliance and Program Integrity in Division of Health Benefits
Customer Reference Address:	2501 Mail Service Center, Raleigh, NC 27699-2501
Customer Reference Email:	john.e.thompson@dhhs.nc.gov
Start Date:	02/08/2021
End Date:	06/30/2023
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Services included risk assessment, regulatory compliance, process improvements, data analytics, and internal audit support for external audits.

Name of Customer Organization:	North Carolina Department of Administration, Council for Women and Youth Involvement
Customer Reference Name:	David Elliott, Deputy Secretary for Advocacy and Diversity, Equity, and Inclusion (DEI)
Customer Reference Address:	116 West Jones Street, Raleigh, NC 27603, 1320 Mail Service Center
Customer Reference Email:	david.elliott@doa.nc.gov
Start Date:	06/30/2022
End Date:	10/16/2022
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Operational grants internal audit and process recommendations for NC Council for Women & Youth Involvement and state grant programs.

Name of Customer Organization:	North Carolina Department of Natural and Cultural Resources
Customer Reference Name:	Claire Mufalo
Customer Reference Address:	109 East Jones Street, Raleigh, NC 27601, 4620 Mail Service Center, Raleigh, NC 27699
Customer Reference Email:	claire.mufalo@dncr.nc.gov; claire.mufalo@ncdcr.gov
Start Date:	03/07/2022
End Date:	07/09/2023
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Services include outsourced internal audit and management consulting support for annual EAGLE services for 2 fiscal year ends: 06/30/2022 and 06/30/2023.

ATTACHMENT E: CUSTOMER REFERENCE TEMPLATE

Name of Customer Organization:	North Carolina Department of Justice, State Crime Lab
Customer Reference Name:	Tiffany Lucas, Assistant Attorney General & Internal Audit
Customer Reference Address:	114 West Edenton Street, Raleigh, NC 27603
Customer Reference Email:	tlucas@ncdoj.gov
Start Date:	November 2021
End Date:	Currently engaged
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Services include risk assessment, audit plan development, and currently an internal audit project for business continuity plan.

Name of Customer Organization:	North Carolina Department of Transportation
Customer Reference Name:	Lonetta W. Raynor, Inspector General
Customer Reference Address:	1 South Wilmington Street, Raleigh, NC 27601
Customer Reference Email:	lwraynor@ncdot.gov
Start Date:	03/22/2023 for L. Raynor, 10 years ago started with Mary Morton (now at NC DOA)
End Date:	08/15/2023
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Services included supplemental internal audit services for EAGLE testing for fiscal year ended 06/30/2023. Note: Served NCDOT for EAGLE for 10 years.

4.6 LEGAL RIGHT TO PRACTICE IN NORTH CAROLINA

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

More Legal Practice in North Carolina

Jefferson Wells, a division of Experis US LLC, is actively serving many NC governmental agencies. Under the name Experis US LLC, Jefferson Wells submits proposals for RFP's under the eVP company ID number 104649 for the vendor called "Experis US LLC".

Experis US LLC is registered with the NC Secretary of State as registration number 2425834 on 6/1/22. Note that through the years, Experis US LLC was sometimes known as Experis US, Inc. and Experis Finance. In 2022, the company name reverted back to Experis US LLC.

Experis US LLC is a part of global ManpowerGroup US Inc. ManpowerGroup US Inc is also registered with the NC Secretary of State as SOS ID number 1296854 on 1/16/2013.

The 2023 Form W-9 for Experis US LLC shows that Jefferson Wells is a disregarded entity name, or brand name under Experis US LLC.

See attached Experis US LLC Certificate of Authority filed in NC in 2022. Jefferson Wells, as a division of Experis US LLC, is not a Certified Public Accounting firm. As such, Jefferson Wells has the advantage of being independent of any client's external auditor attestation independence limitations.

NORTH CAROLINA
Department of the Secretary of State

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

APPLICATION FOR CERTIFICATE OF AUTHORITY

OF

EXPERIS US LLC

the original of which was filed in this office on the 1st day of June, 2022.

Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 1st day of June, 2022.

Elaine F. Marshall

Secretary of State

Certification# C202213702377-1 Reference# C202213702377-1 Page: 1 of 4
Verify this certificate online at https://www.sosnc.gov/verification

DocuSign Envelope ID: 42E445C1-8E4D-4B70-BC58-1E7852A9F174

SOSID: 2425834
Date Filed: 6/1/2022 2:06:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C2022 137 02377

State of North Carolina
Department of the Secretary of State

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR LIMITED LIABILITY COMPANY

Pursuant to §57D-7-03 of the General Statutes of North Carolina, the undersigned limited liability company hereby applies for a Certificate of Authority to transact business in the State of North Carolina, and for that purpose submits the following:

1. The name of the limited liability company is Experis US LLC;

   and if the limited liability company name is unavailable for use in the State of North Carolina, the name the limited liability company wishes to use is __________.

2. The state or country under whose laws the limited liability company was formed is Wisconsin.

3. Principal office information: (*Select either a or b.)*

   a. ☒ The limited liability company has a principal office.

   The principal office telephone number: (414) 906-6168.

   The street address and county of the principal office of the limited liability company is:

   Number and Street: 100 Manpower Place

   City: Milwaukee State: WI Zip Code: 53212 County: Milwaukee

   The mailing address, ***if different from the street address***, of the principal office of the corporation is:

   Number and Street: __________

   City: ______ State: ____ Zip Code: _____ County: ______

   b. ☐ The limited liability company does not have a principal office.

4. The name of the registered agent in the State of North Carolina is: C T Corporation System.

5. The street address and county of the registered agent's office in the State of North Carolina is:

   Number and Street: 160 Mine Lake Ct., Ste. 200

   City: Raleigh, State: NC Zip Code: 27615-6417 County: Wake

6. The North Carolina mailing address, ***if different from the street address***, of the registered agent's office in the State of North Carolina is:

   Number and Street: __________

   City: ______ State: NC Zip Code: _____ County: ______

BUSINESS REGISTRATION DIVISION P.O. BOX 29622 RALEIGH, NC 27626-0622
(Revised July 2017) *(Form L-09)*

NC057 - 11/9/2017 Wolters Kluwer Online

Certification# C202213702377-1 Reference# C202213702377- Page: 2 of 4

APPLICATION FOR CERTIFICATE OF AUTHORITY
Page 2

7. The names, titles, and usual business addresses of the current company officials of the limited liability company are: *(use attachment if necessary) (This document must be signed by a person listed in item 7.)*

Name and Title	*Business Address*
ManpowerGroup Global Inc.-Member	100 Manpower Place, Milwaukee, WI 53212

8. Attached is a certificate of existence (or document of similar import), duly authenticated by the secretary of state or other official having custody of limited liability company records in the state or country of formation. **The Certificate of Existence must be less than six months old. A photocopy of the certification cannot be accepted.**

9. If the limited liability company is required to use a fictitious name in order to transact business in this State, a copy of the resolution of its managers adopting the fictitious name is attached.

10. (Optional): Please provide a business e-mail address: Privacy Redaction. The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

11. This application will be effective upon filing, unless a delayed date and/or time is specified: ________________________.

This the ____day of ______________, 20___

Experis US LLC
Name of Limited Liability Company

Signature of Company Official

Paul Meyer Vice President, Global Tax of ManpowerGroup Global Inc., its Member
Type or Print Name and Title

Notes:
1. **Filing fee is $250.** This document must be filed with the Secretary of State.

BUSINESS REGISTRATION DIVISION | P.O. BOX 29622 | RALEIGH, NC 27626-0622
(Revised July 2017) | *(Form L-09)*

United States of America

State of Wisconsin

DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Corporate & Consumer Services

To All to Whom These Presents Shall Come, Greeting:

I, Michelle Y. Knuese, Administrator of the Division of Corporate and Consumer Services, Department of Financial Institutions, do hereby certify that

EXPERIS US LLC

is a domestic corporation or a domestic limited liability company organized under the laws of this state and that its date of incorporation or organization is March 06, 1998.

I further certify that said corporation or limited liability company has, within its most recently completed report year, filed an annual report required under ss. 180.1622, 180.1921, 181.0214 or 183.0120 Wis. Stats., and that it has not filed articles of dissolution.

Department of Financial Institutions State of Wisconsin

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department on May 09, 2022.

MICHELLE Y. KNUESE, Administrator
Division of Corporate and Consumer Services
Department of Financial Institutions

DFI/Corp/33

To validate the authenticity of this certificate

Visit this web address: http://www.wdfi.org/apps/ccs/verify/
Enter this code: **330892-EC577396**

rtification# C202213702377-1 Reference# C202213702377- Page: 4 of 4

NORTH CAROLINA
Department of the Secretary of State

CERTIFICATE OF AUTHORITY

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

EXPERIS US LLC

having filed on this date an application conforming to the requirements of the General Statutes of North Carolina, a copy of which is hereto attached, is hereby granted authority to transact business in the State ofNorth Carolina.

Scan to verify online.

Document Id: C202213702377
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 1st day of June, 2022.

Elaine F. Marshall

Secretary of State

4.7 EXTERNAL REVIEWS AND REGULATORY ACTION

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.

According to AICPA Standards, public accounting firms that render attest services are required to undergo a Peer Review once every three years. Since Jefferson Wells is not a public accounting firm, we are not subject to the AICPA requirements stipulating an external peer review every three years.

Internal Quality Program

Jefferson Wells has a formalized internal Service Quality Process ("SQP"). General best practices describe monitoring as one of five elements of a sound quality control program for a consulting firm. This suggests that a firm should establish policies and procedures to provide the firm with reasonable assurance that the policies and procedures relating to each of the elements of quality control are suitably designed and are being effectively applied. Monitoring involves an ongoing consideration and evaluation of the:

- Relevance and adequacy of the firm's policies and procedures
- Appropriateness of the firm's guidance materials and any practice aids
- Effectiveness of professional development activities
- Compliance with the firm's policies and procedures

All Jefferson Wells service deliveries are monitored under our firm's SQP program (shown below), which applies quality standards and consistent project management to all engagement activities.

Jefferson Wells Service Quality Process

Jefferson Wells Engagement Directors oversee the SQP phases and guide our professionals on each engagement. SQP drives our approach to all services and directly affects on-going communication with the State throughout the engagement. Through our SQP, we provide a decrease in the number of surprises, greater consistency in delivery across all of our offices, and a measurable increase in client satisfaction. Jefferson Wells will utilize the following SQP methodology elements to support the State:

Engagement Approach – Verifies the project's business objectives are achieved across projects and workgroups. Determination of client communication requirements and development of a communication plan.
Risk Management – Identifies potential risk areas and managed impacts appropriately.
Workplan Management – Confirms a smooth process throughout the project by developing and executing a workplan.
Resource Management – Determination of resource requirements, completion of staffing, management of engagement professionals, and completion of performance assessments.
Internal Communications – Development of an internal communication plan and conduct of internal kick-off meetings, status meetings, and closing meetings.

Client Communications – Determination of client communication requirements and development of a communication plan, conduct client kick-off meeting, status meetings and closing meeting and presentation of deliverables. Provides a standard method of creating, tracking, and resolving issues.
Delivery Quality Management – Together, these elements guarantee the highest quality of service is delivered to the State.

Once clients work with Jefferson Wells, they call us again and again. Our return-engagement rate is exceptionally high, and that's not an accident. Because we value client satisfaction so highly, the commitment to exceptional client service, assured by SQP, constitutes a core value of our firm.

Client Survey Responses – Net Promoter Scores

Quarterly, Jefferson Wells sends surveys to all clients where we completed an engagement, to receive feedback on our delivery performance. Jefferson Wells currently utilizes the Net Promoter Score framework to obtain this client feedback, where on a scale of 1-10, 1-7, Jefferson Wells considers this to be average to below average performance ratings. Scores of 8-10 are favorable to us and this is our target score range from each client to exhibit their high level of satisfaction with our level of service to them.

Regulatory Sanctions

No regulatory sanctions have been levied against Experis US LLC for its Jefferson Wells division or any of their partners, officers, directors, employees, or agents by any state or federal regulatory agencies within the last three (3) years.

Regulatory Investigations

No regulatory investigations are pending against Experis US LLC for its Jefferson Wells or any of their officers, directors, employees, and agents by state or federal regulatory agencies.

Unpaid Judgments

Experis US LLC for its Jefferson Wells has no outstanding liabilities to the IRS, other government, entities, or unpaid final judgment 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 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.

Jefferson Wells is a division of Experis US LLC, a subsidiary of and wholly owned by ManpowerGroup (NYSE: MAN), a public company. Due to the size of the annual report, a copy of ManpowerGroup's annual reports/10-K reports can be found on website at http://investor.manpowergroup.com.

Attachment G: Certification of Financial Condition is also provided on the following page of this response.

ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION

Solicitation #: #DPC-646236801-MT

Vendor Name: Experis US LLC for its Jefferson Wells division

The undersigned hereby certifies that: [check all applicable boxes]

- [x] The Vendor is in sound financial condition and, if applicable, has received an unqualified audit opinion for the latest audit of its financial statements.

  Date of latest audit: 05/05/2023 (If no audit within past 18 months, explain reason below.)
- [ ] The Vendor has no outstanding liabilities, including tax and judgment liens, to the Internal Revenue Service or any other government entity.
- [ ] The Vendor is current in all amounts due for payments of federal and state taxes and required employment-related contributions and withholdings.
- [ ] The Vendor is not the subject of any current litigation or findings of noncompliance under federal or state law.
- [ ] The Vendor has not been the subject of any past or current litigation, findings in any past litigation, or findings of noncompliance under federal or state law that may impact in any way its ability to fulfill the requirements of this Contract.
- [ ] He or she is authorized to make the foregoing statements on behalf of the Vendor.

Note: This shall constitute a continuing certification and Vendor shall notify the Contract Lead within 30 days of any material change to any of the representations made herein.

If any one or more of the foregoing boxes is NOT checked, Vendor shall explain the reason(s) in the space below. Failure to include an explanation may result in Vendor being deemed non-responsive and its submission rejected in its entirety.

Jefferson Wells is a division of Experis US LLC, a subsidiary of and wholly owned by ManpowerGroup (NYSE: MAN), a public company. A copy of ManpowerGroup's annual reports/10-K reports can be found on http://investor.manpowergroup.com.

	8/31/2023
Signature	Date
Timothy Lietz	National Practice Leader - Risk & Compliance
Printed Name	Title

[This Certification must be signed by an individual authorized to speak for the Vendor]

North Carolina Certification of Financial Condition
Version Date: 09/2021
Page | 1

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.

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

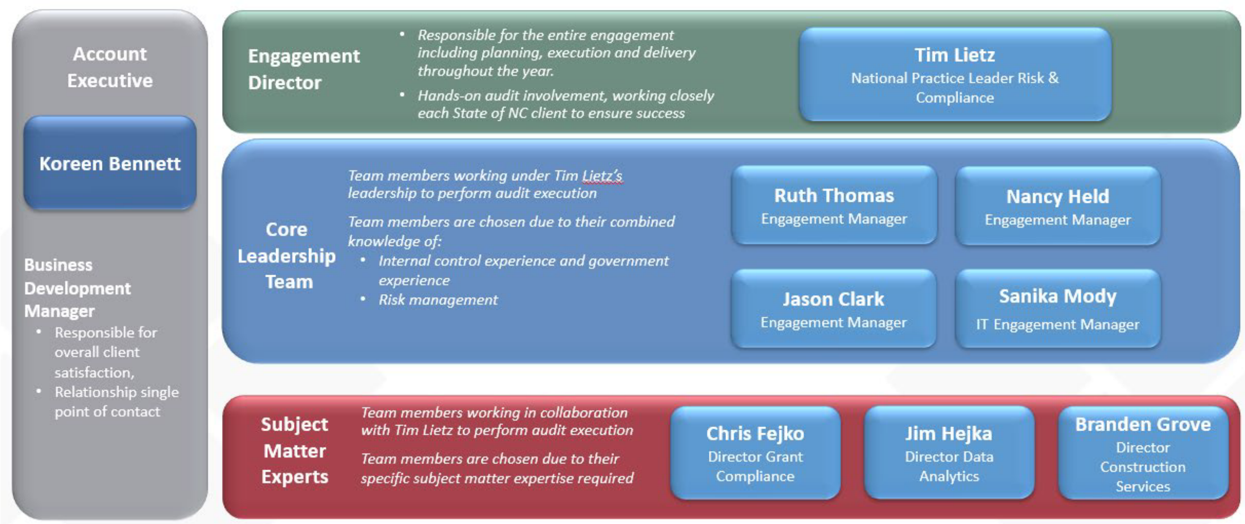
					OTHER PROFESSIONAL STAFF *Vendors may enter provide rates for additional staff categories, if applicable.*		
Services Category	**Staff Base Rate**	**Staff Upper Rate**	**Supervisor**	**Executive**			
Operational/Performance Audit	130	160	180	250			
Investigative Audit	130	160	180	250			
Compliance Audit	130	160	180	250			
Information System Audit	135	160	180	250			
Risk Assessment and Audit Plan	130	160	180	250			
Development							
Financial Audit	130	160	180	250			
Data Analytic Services	175	215	225	275			
Managerial Advisory Services	135	160	180	250			
Accounting Services	130	160	180	250			

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.

Jefferson Wells Core Leadership Team

The team that has served State of North Carolina's 946C Contract needs over the past 10+ years is based in Raleigh, just minutes from where many of the State of NC internal audit entities are located. Below is an overview of the Jefferson Wells Leadership Team who will provide tailor made internal audit, accounting, data analytics and managerial advisory services.



Jefferson Wells Team to Serve Contract Need

Under the leadership of the Jefferson Wells Team listed above, the following individuals will complete engagements from all 10 categories of services covered under this new contract. The team below has significant experience in successfully serving State of NC internal audit and other functions over the past 10+ years.

Audit

Tim Lietz, CIA, CRMA, MBA – National Practice Leader Risk & Compliance

Tim brings more than 30 years of diverse internal audit experience to Jefferson Wells through executive positions in internal audit, risk management and process improvement. He was directly responsible 14 of the 15 engagements completed by Jefferson Wells for State of NC entities over the past 5 years. Tim has held senior leadership positions in internal audit, client service, risk management and process improvement, and has been involved in building best practice audit functions within multiple industries. Tim has also been responsible for creating, executing, and maintaining risk management initiatives for clients in a variety of industries. He has led over a thousand internal audit, IT audit, financial audit, process improvement, data analytic and fraud investigation projects during his career. Tim has been a Chief Audit Executive for two organizations earlier in his career, most recently, leading the internal audit function for LabCorp, a Fortune 250 company based in Burlington, NC.

Branden Grove, PMP, CCA – Director Construction Services

Branden has over 15 years of diverse business experience in management consulting and capital project advisory services, specializing in helping owners improve return on their capital project investments. His experience includes risk management, construction audit, dispute resolution, process improvement, contract compliance, and other capital project control services for clients with multi-billion dollar projects. Highlighted industry experience includes real estate, transportation, higher education, public sector, healthcare, and industrial products. Branden has a valuable combination of strong leadership and technical skills, consistently focusing on delivering successful outcomes for his clients. Currently, Branden is co-leading our Jefferson Wells construction services engagement for NC DPI along with Chris Fejko.

Chris Fejko – Director Grant Compliance

Christopher has over 25 years of diverse business experience in audit, planning and analysis, project management, accounting, and financial environments. Specializing in Internal Audit and Risk Management, Christopher has performed numerous risk assessments and operational / financial audits throughout organizations spanning various industries; government, transit (bus and rail), construction, real estate, manufacturing, biotech and pharmaceuticals, hotel and service, computer software and liquor / Distillery. Additionally, Christopher has a deep background in governance, enterprise risk and compliance focused on identifying, managing, and mitigating risks. He is the firm’s subject matter expert for both federal and state grant compliance. Chris recently led our grant compliance engagement for NC DOA in 2022-2023 (this engagement was used as a reference for this Jefferson Wells proposal response) and is currently co-leading our construction services engagement for NC DPI along with Branden Grove.

Steve Gunn, CPA, CISA – Director IT Audit and Cybersecurity

Stephen has over 30 years of Information Systems and Information Security auditing and consulting experience with extensive industry and technology domain experience. He has extensive experience in IT audit, risk management, compliance, and business process analysis. Stephen has performed Cyber Security reviews and audits, numerous IT risk assessments, and, IT Governance reviews. His diversified experience includes systems development and financial software package implementation projects. Stephen has a proven record of building/leading teams and global coordination and delivery. He is former Director IT Audit North America for Barclays, former VP Internal Audit for Citigroup, former VP Internal Audit for Prudential Financial and former Senior Manager for PwC NYC Office.

Ruth Thomas, MBA – Engagement Manager

Ruth has over 25 years of significant internal and compliance audit, state government audit, and financial management experience; managing, scoping, performing, designing, and leading internal operational, compliance, financial and information system audits; managing accounting & financial reporting projects; developing operational & capital budget plans; performing & leading grant and contract compliance audits; performing QAR reviews; performing risk management assessments; and providing financial analysis. She has a thorough understanding of internal control and financial processes in a variety of industries. Her experience expands to banking, manufacturing, printing/publication, surgical, energy, pharmaceutical, insurance, healthcare, broadcasting, university, telecommunication, and state/federal compliance environments as well. Ruth has been involved in all facets of the accounting function, including ESG (Environmental, Social & Governance), non-profit accounting, budgeting, account analyses, inventory, cost recovery, grant and contract compliance, tax, vendor management and internal audit. She has also been involved in Sarbanes-Oxley, as well as leading EAGLE testing engagements for the State of NC, in the process and IT areas for over 20 years. Ruth just successfully led our Jefferson Wells finance team that completed annual EAGLE testing for NC DOT IA Team in 2023.

Nancy Held, CPA – Engagement Manager

Nancy has the ability to manage and direct multiple engagements and communicate effectively with all levels of the organization and Board of Directors. She has over 30 years of diverse business experience in internal audit, Sarbanes-Oxley compliance, risk assessment & management, operations, finance management, marketing, and information technology in varied industries including healthcare, utilities, financial services, telecommunications, state government, manufacturing, retail, and non-profit. Nancy has strong project management skills as professional has planned, organized, and led various audit engagements as well as Sarbanes Oxley compliance engagements. She has excellent interpersonal and communication skills, and the ability to work well with all levels of personnel. During 2023, Nancy completed an internal audit risk assessment and audit plan development engagement for NC DPS/NC ORR. She is currently leading active Jefferson Wells engagements for NC DPS/NC ORR, NC DOJ, NC CCS and NC DEQ.

Jason Clark, MBA – Engagement Manager

Jason has over twenty years of diversified experience in finance, accounting and audit which has equipped him with a great variety of skills in accounting, business, and personnel management. He is an experienced professional holding positions as an Audit Manager and Controller. He has supported clients in various industries including service, manufacturing, pharmaceutical, banking and insurance. He has excellent analytical, interpersonal, and organizational skills, including the use of Microsoft Office applications. Jason is highly organized with a strong attention to detail and accuracy and is well versed in all aspects of the audit process and possesses the ability to communicate effectively with all levels of the organization and Board of Directors. Over the past few years, Jason has successfully led internal audit risk assessment and audit plan development engagements for NC DOA, NC DOJ, NC CCS and NC DPS.

Sanika Mody, CISSP, CISA, ITIL SMM – IT Engagement Manager

Sanika has 30 years of experience in Information Systems and Management Consulting. She has in-depth understanding of financial markets, as well as compliance and regulatory requirements such as the European General Data Protection Regulation (GDPR) and ensuing privacy laws, the US Federal Information Security Modernization Act (FISMA), and Sarbanes-Oxley (SOX). Sanika is well-versed in standards such as ISO 27000 series, NIST 800 Special Publications (NIST 800-SPs), Federal Information Systems Control Audit Manual (FISCAM), and other publications such as the ITIL Framework. Sanika is results and people oriented with excellent communication and problem-solving skills, and a strong analytical background. She has successfully conducted and managed risk and controls assessments and management; and has hands-on experience with each phase of the software development lifecycle (SDLC), as well as hardware management. Sanika has built and led cross-functional, high-performing teams across organizational boundaries, including Big 4 consultants and auditors, on simultaneous, large projects including implementations using commercial off-the-shelf (COTS) products. She is repeatedly sought after by clients as they are impressed with her willingness and professionalism in helping them meet their goals. Sanika recently completed internal audit engagements for the NC Public Broadcast System and UNC System's Internal Audit Team.

Sarah Turner, CPA, MAC – Internal Audit Professional

Sarah has over 9 years of increasing experience within internal and external audit, risk management, and accounting. Her experience includes: performing risk assessments for State of NC internal audit entities and audit planning; assessing the reliability of financial and operational data; and recommending changes to improve processes and controls. She has specific experience performing analysis and evaluations related to all aspects of accounting, management control, and risk management as a Senior Auditor & Advisory Associate. Sarah was also a key member of the Jefferson Wells engagement team providing process improvement services to the NC DHHS Compliance Executive and Department (engagement selected as reference for this Jefferson Wells proposal response). Sarah is currently working on completing internal audit risk assessment and audit plan development engagements for both NC CCS and NC DEQ.

Kristin Delf, CRMA, DBA – IT Audit Professional

Kristin is a 25+ year professional who offers a diverse background with experience in Internal Audit, IT Audit, SOX/EAGLE testing, documentation, remediation, information security, regulatory compliance, and risk management. She is a hands-on leader who adds value through her leadership and mentorship experience. Recently, Kristin led Jefferson Wells IT teams who completed annual EAGLE testing for NC DNCR and NC DOT.

Cynthia Buesgens – IT Audit Professional

Cynthia is an experienced professional with 20+ years of supporting roles in public accounting and private industries such as wholesale/retail, financial/investments, state government, electric/utilities, and public audits for nonprofits, healthcare, and government entities. She has over 10 years of IT Audit experience and strong background in ITGC and SOX/EAGLE audits and testing. Recently, Cynthia was responsible for managing the quarterly access review process for SOX applications and supporting systems via the SailPoint tool. She maintained a database of open IT Audit Issues which included working with the impacted departments to obtain the issue resolution evidence and close audit issues. Cynthia coordinated the effort to setup the testing program for the ITGC's in the Wdesk application and created and communicated internal Wdesk training documents. She conducted and documented walkthroughs for IT processes, tested ITGC's, and has planned, coordinated, and executed operational and IT Audit projects. Currently, Cynthia is part of our firm's engagement team serving NC DPS/NC ORR with IT audit projects in 2023.

Ruthanne Ziolkowski, MBA – Accounting and Internal Audit Professional

Ruthanne is a financial compliance professional with a proven track record of collaboration with management to identify risks, design and develop a implementation strategy for balanced business controls that mitigate business risk and also provide revenue savings. She has international managerial skills and the ability to drill down to the root cause of issues. She has expertise in financial and operational processes and controls related to ESG (Environment, Social, and

Corporate Governance) reporting, cash, procure to pay, inventory management, record to report, and system user access cleanup and reviews. Ruthanne has established, led, and improved, numerous Sarbanes-Oxley program functions for organizations. Most recently, Ruthanne completed annual EAGLE testing for NC DOT in 2023.

Michael Cardenas, CISA, CRISC, MBA – IT Audit Professional

Michael is a versatile, proactive, results-oriented IT professional offering diverse experience in risk and control assessment, cybersecurity, operations, retail, and application development roles in large and small organizations among varied industries.   He has a demonstrated ability to assess risk and controls; work with various levels of management, including executives, and cross-functional teams; and assess activities from multiple viewpoints. Michael has experience communicating and interacting with all levels of staff from executives to front-line employees. Recently, Michael just completed 2023 EAGLE testing for NC DOT.

Paul Finney, CPA, CIA – Internal Audit Professional

Paul has over 25 years of public company internal audit and 5 years of public accounting experience. His experience spans both manufacturing, state government, financial services, professional staffing, insurance, and telecom industries. Paul has reported directly to board Audit Committees as a Chief Audit Executive and administratively to CFOs, and has initiated, built, and directed successful internal audit functions at 3 public companies that forged collaborative relationships with executives, corporate and business unit managers, and other audit stakeholders. Paul has helped companies document, implement and test SOX controls effectiveness. He has hired and shared knowledge to develop capable staff, and many were promoted to higher roles. Paul obtains specialized knowledge as required within internal audit and accounting.   Paul successfully led the Jefferson Wells EAGLE engagement for NC DNCR in 2023.

Virginia Wicks Riley, CPA (inactive in NY) – Accounting and Internal Audit Professional

Virginia has over 30 years of diverse business experience in public accounting, financial, audit, tax, internal controls and project management in both consulting and industry environments. She has been involved in all facets of the accounting function, including manufacturing industry in telecommunications, mortgage banking, public accounting, and government. Virginia has experience as a project manager, financial manager, controller, and consultant. She has assisted several clients with Sarbanes-Oxley/EAGLE projects from Scoping, Planning, Walkthrough Documentation, Developing Test Plans for all Processes, Facilitating the Testing Phase to Monitoring Remediation Tracking. Big 4 and regional public accounting firms have placed high reliance on Virginia's work on behalf of client management. Virginia has completed numerous engagements under our 946C contract, most recently, completing annual EAGLE testing for NC DHHS Internal Audit team.

Deron Rossi, CFS – Accounting, Internal Audit and Fraud Professional

Deron brings more than 40 years of diverse experience to Jefferson Wells through management and staff positions in internal audit investigations, risk management, accounting, and accounting system installations. He has experience within the information technology, financial services, banking, and consulting industries. Deron has international experience leading and supporting investigations including working in North America, the Caribbean, and Europe. He has worked with all levels of employees and management, including senior executive management at IBM, which included fraud mitigation and control improvement recommendations. Deron has spoken about fraud and investigations at industry conferences (Jefferson Wells, NCACPA, IIA, various credit union conferences), and universities. Deron has held leadership positions in internal audit, accounting, and accounting systems installation. Currently, Deron leads fraud investigation efforts for our Jefferson Wells team serving NC DPS/NC ORR.

Casey Chong – Internal Audit and Internal Control Professional

Casey has over 20 years of diverse business experience in Internal Audit, Sarbanes-Oxley/EAGLE compliance, risk assessment, finance, accounting management and operations in various industries including utilities, financial services, state government and high tech companies. Casey has proven experience in identifying and resolving process and data inadequacies through examinations and investigations. Most recently, Casey completed annual EAGLE testing for NC DNCR.

Accounting

Michelle Search, CPA – National Practice Leader – Accounting & Finance, Technical Accounting Center of Expertise Director

Michelle has over 30 years of experience in public accounting, industry, and professional services consulting. Her areas of expertise include SEC reporting, technical accounting, private to public company transformation, governance, compliance, and audit. Her clients range from startups and mid-size companies, PE backed and newly public organizations to those in the Fortune 500. Michelle is recognized as a dynamic leader who uses her exceptional problem-solving skills to guide clients through complex challenges. In addition to her roles leading the Jefferson Wells Technical Accounting and Financial Reporting Center of Expertise and as their National Practice Leader for Finance & Accounting, Michelle is chair of the board of the not for profit, Freedom Service Dogs.

John Fiore, CPA (inactive in NY) – Director Accounting

John has the ability to manage and direct multiple engagements, and partner with senior management to identify the largest risk issues within a company. John possesses the ability to mitigate risks and improve internal controls while returning value to the organization. John is a highly motivated detail-oriented professional with 20 years of Accounting and Finance experience in dynamic corporations. With experience in Internal Audit he has multi-tasked on all audit issues including Sarbanes-Oxley, reviewing financial statements, developing risk assessments and audit plans. John has strong project management skills and has planned, organized, and led various engagements. Additionally, John has excellent interpersonal and communication skills, and has the ability to work well with all levels of personnel.

Chris Fejko, MBA – Director Accounting

Christopher has over 25 years of diverse business experience in audit, planning and analysis, project management, accounting, and financial environments. Specializing in Internal Audit and Risk Management, Christopher has performed numerous risk assessments and operational / financial audits throughout organizations spanning various industries; government, transit (bus and rail), construction, real estate, manufacturing, biotech and pharmaceuticals, hotel and service, computer software and liquor / Distillery. Additionally, Christopher has a deep background in governance, enterprise risk and compliance focused on identifying, managing, and mitigating risks. He is the firm’s subject matter expert for both federal and state grant compliance.

Melanie Spamer, CPA, CFE – Accounting, Compliance and Internal Control Professional

Melanie is a seasoned professional with experience in the following areas: Model Audit Rule (MAR) compliance for insurance companies, Sarbanes-Oxley (SOX) Section 404 compliance; external and internal financial reporting; development and coordination of business plans and forecasts; management of accounting functions -- payroll, accounts payable, accounts receivable, and monthly / year-end financial close process; audit coordination; and corporate income tax compliance, including Federal/State income tax return preparation, review, and audits. Melanie has served a variety of industries including: coal mining, insurance, manufacturing, service, paperboard packaging, financial institutions, telecommunications, and state government. Melanie was a key leader of the Jefferson Wells team serving NC DHHS Compliance function during 2022 and 2023.

Russ Gabel, CPA – Accounting Professional

Russ is a broad-based finance and accounting professional with extensive auditing, internal control, process improvement, system implementation/conversion, regulatory compliance, and specialized reporting experience both in private and public industry. He has worked with in numerous industries including energy, insurance, and publishing. He has served in many capacities including Controller, Project Manager, Auditor, Treasurer and Director of Finance. He has proven experience in managing day-to-day financial operations of various departments in accordance with corporate policies, procedures, and internal control practices. He has worked as team member for multiple systems conversions and installations including SAP. He has specific experience relating to purchase and acquisition accounting, merger transaction accounting and head office closure/relocation. He has also handled Sarbanes-Oxley compliance related responsibilities. He possesses advanced skills in Excel, Visio, and PowerPoint, with some Access usage, and has experience with ERP systems. He has been responsible for creating both recurring and adhoc executive management, reports, and presentations.

Data Analytics

Jim Hejka, MBA, CMA – Business Optimization Center of Expertise Director

Jim is the National Practice Lead of the Software Selection Assessment, Technology Assessment and Deployment Support service lines within the Business Optimization Services Center of Expertise. Much of Jim's career has been spent in selection, design, and implementation of software systems. As a part of these projects, he has also had many opportunities to lead process improvement efforts, analyze business processes, develop recommendations, and implement proven solutions to drive measurable efficiencies. Jim's extensive background with both systems and processes provides clients with the experience necessary to assist them in making immediate improvements and provide structure for continuous process improvement that best meet their organization's long-term needs. He has a very broad background in many areas of Finance and Accounting including a deep understanding of manufacturing, logistics, inventory control, and shared financial services Jim is a Certified Managerial Accountant.

Jay Smith, MBA – Director Data Analytics

Jay has 20+ years of experience and a broad background in finance and accounting with specialties in the areas of data analytics, expert level financial modeling, organizational and accounting process improvement, SEC and regulatory reporting, transaction services, technical accounting and financial planning and analysis. Throughout his career, Jay has worked in a variety of industries including technology and technology outsourcing, retail, manufacturing, oil and gas, hospitality, alternative energy, and healthcare. In addition to his functional and industry experience, Jay has also taught college level courses in Microsoft Excel modelling and data analytics to both students and clients.

Michele Schaeffer, ACDA, CISA – Data Analytics Professional

Michele is a certified data analyst with over 18 years' experience in delivering strategic Internal Audit solutions using advanced scripting, data analytics and visualization tools. She assists both internal and external audit teams in addressing regulatory standards as well as coordinating efforts to provide more effective and efficient audits through the incorporation of technology into risk assessment planning, audit scoping and detail testing. She provides data analytics training and on-going support to individuals throughout various functions as well as leads and assists in project scoping, planning, execution, and documentation of complex data analytics in accordance with accounting standards. Most recently, Michelle was our firm's leading data analytics subject matter expert serving NC DHHS Compliance Executive (engagement selected for reference in this Jefferson Wells proposal response) in 2022 and 2023.

Mike Hoye, MBA – Data Analytics Professional

Mike is a technology proficient accounting, audit, risk, and compliance professional with experience planning and executing risk-based IT audits in accordance with ISO 27001 information security standards. He has extensive experience in documenting and testing SOX ITGC and business process controls and providing guidance in the remediation and development of new controls. Additionally, Mike has also planned and executed business process audits, operational audits, contract compliance reviews and fraud investigations utilizing numerous data analytics tools. He possesses extensive functional experience which enables him to easily adapt to new environments across multiple industries. Mike pioneered the development and implementation of SOX controls for end-user computing applications and is highly proficient in spreadsheet modeling.

Managerial Accounting Services

Michelle Search, CPA – National Practice Leader Accounting & Finance & Technical Accounting Financial Reporting Center of Expertise Director

Michelle has over 30 years of experience in public accounting, industry, and professional services consulting. Her areas of expertise include SEC reporting, technical accounting, private to public company transformation, governance, compliance, and audit. Her clients range from startups and mid-size companies, PE backed and newly public organizations to those in the Fortune 500. Michelle is recognized as a dynamic leader who uses her exceptional problem-solving skills to guide clients through complex challenges. In addition to her roles leading the Jefferson Wells Technical Accounting and Financial Reporting Center of Expertise and as their National Practice Leader for Finance & Accounting, Michelle is chair of the board of the not for profit, Freedom Service Dogs.

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**
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.**

Jefferson Wells Technical Approach

Professional Standard Guidance

Jefferson Wells personnel and teams refer to the GAGAS when working on government entity engagements, and incorporate additional best practices from other publications such as the GAAP, COBIT, ISO standards, and the ISPP of IA. Our teams have a deep knowledge and understanding of industry standards and best practices. We employ guidance from the vast variety of standards and publications in our daily work, and stay abreast of the evolving regulatory, legal, and technical business environment.

We clearly illustrate our Internal Audit Methodology Framework and describe how we will apply audit techniques that align with standards and frameworks based on the nature of the audit and the external entity auditing the particular state entity that Jefferson Wells is engaged with at the time. Our methodology will accordingly always include one or all of the following sources of Professional Guidance:

- GAGAS, aka the GAO Yellow Book
- COSO Internal Control-Integrated Framework (ICIF) 2013 and its 2023 supplemental guidance
- COBIT 2019 Framework
- NIST Cybersecurity Framework
- IIA International Professional Practices Framework (IPPF)
- ISO applicable Standards

Our approach is based on an understanding of state entities and their objectives, the risks they face, the relationships between those risks and controls, and their tolerance for risk. The audit approach is business driven and focuses on the operational, technology, financial reporting, and compliance aspects of their organization.

We are uniquely positioned to provide state entities with a strong internal audit co-sourcing/professional resourcing partner as a result of our knowledge and experience in providing similar services to other clients including NC state agencies. Jefferson Wells will provide a multi-disciplined team, based out of North Carolina, which will team with state entities' existing Internal Audit team to function as needed. We will leverage our experienced team of internal auditors, investigators, and IT and construction auditors to provide state entities with a focused and customized approach to address their internal audit needs. Further, we will provide extensive background and subject matter experts within construction project auditing, operational and performance audit, and information systems experts to further meet the specific needs of state entities.

Based on state entities needs and expectations, the key elements of our approach include:

- Partnering with state entities Management and their existing Internal Audit and other teams;
- Providing Investigative Services to our clients which include the oversight and completion of fraud investigations and forensic accounting cases;
- Timely and meaningful audit reports;
- Leading practice suggestions;
- Aligning Internal Audit's plan with Management's goals and objectives;
- Implementing a risk-based methodology;
- Providing customized risk assessment and audit planning capabilities;
- Matching expertise to requirements;
- Recommending best practices;
- Keeping state entities' existing Internal Audit Teams trained and up to date on current industry trends; and
- Ensuring flexible resource scheduling of experienced and appropriate personnel

Jefferson Wells Internal Audit Methodology

The Jefferson Wells modular integrated Internal Audit Methodology depicted above can be initiated at any point of the audit lifecycle.

Technical Approach to Internal Audit Engagements

The following section gives an overview of our eight-step approach to providing Internal Audit services to clients. We understand that working with different NC state entities, not all steps within our methodology will be required.

Audit Department Infrastructure Development – We will work with clients when needed, to take a fresh look at their audit function to ensure that the governance in place matches the key audit objectives of the organization. Specifically, we work with clients to facilitate a review of the audit charter, mission statement, and policies and procedures to determine whether any revisions or updates are warranted.

Risk Assessment and Audit Plan Development – As needed by our clients, we collaborate with them to conduct a Risk Assessment and develop their overall audit plan. This process starts with the development of the audit universe though identification and prioritization of risks. Our approach is focused on the following four elements: (1) Audit Universe Identification, (2) Application of Audit Risk Universe Model, (3) Audit Universe Risk Ranking, and (4) Audit Plan Development. In addition, we will evaluate external factors such as emerging risks, market conditions and current and pending regulatory requirements and their potential impact on the client. The result is an audit plan that is not only risk-based, but that also adds value to key stakeholders by providing coverage over the key risk areas identified. This will also help to ensure there is better alignment between the risks the stakeholders are concerned about and the focus of IA. This approach allows the IA function to serve as a "trusted advisor" to our client's Senior Management team.

Auditable Entity-Level Information Gathering – One area that can drive value, with respect to developing the audit plan, is working with clients to focus on the entity-level. Sometimes referred to as "Tone at the Top," the entity level can be defined as oversight of the operating structure and corporate governance of the organization. Additionally, understanding and gathering entity-level information around the business objectives, major initiatives, etc. and assessing the risk around those initiatives, allows the IA function visibility to key initiatives and the opportunity to evaluate "Tone at the Top." Once the critical areas are identified, it is important to prioritize and assess the risk and focus audit effort to minimize risk exposure. Focusing on the entity-level can further drive efficiencies within the audit process.

Audit Planning and Program Development – The key to planning is communication and driving consistency in the set-up of audit execution. Our approach to audit planning and program development is to focus on the following:

- Develop a communication protocol for executive management to announce planned audits in advance and to outline the expectations of the process and control owners with respect to completing the audit (i.e., access to information, responsiveness, etc.).
- Leverage existing Audit Planning memos and templates based upon leading practice from the IIA's guidance to allow audits to be consistently scoped and planned.
- Continue to develop and leverage consistent documentation templates for process flows, control narratives, work plans, risk, and control matrices, etc.; ensuring that each audit is subject to a similar level of consistency when executed.

- Coordinate and communicate on a continuous basis with the external auditor for audits that have the potential to be leveraged or relied upon.
- Leverage the existing Jefferson Wells Audit program library to provide additional best practices and guidance for the specific areas under review.
- Our experience shows that spending the time upfront on formalizing your planning process can save time in the end as it allows for each audit to have a common framework in place for planning and execution.

Audit Program Execution– The main component of any audit is the actual execution. This is the phase where smart planning can make all of the difference. Proactive communication with stakeholders and process owners, along with leveraging common frameworks and templates, creates a means for efficient audit execution. Our approach to audit execution is to focus on the following:

- Utilize standard meeting template and agenda to re-confirm the communication plan, the scope of the audit, availability of key contacts, and access to information.
- Establish an agreed-upon communication protocol to ensure open and frequent communication throughout the audit. Standardizing the documentation of test procedures, results, and related conclusions to allow for clear, concise, and consistent work plans to be documented each and every time.
- Conduct the audit procedures as outlined in the audit program to assess the design and operating effectiveness of identified key controls.
- Make use of existing draft observation templates to drive consistency in documenting audit finding and management action plans.
- Facilitate a formal closing meeting with the audited and key stakeholders to clearly communicate issues, observations, and value-added recommendations. Utilize the meeting to ensure both parties agree with the audit results and next steps.

Execution of fieldwork includes the following elements:

Planning Memo – This is developed for each audit and will be reviewed and approved by the Audit executive at least two weeks before fieldwork is scheduled to begin. The audit scope will be developed through adequate preparation and planning which would normally consist of three areas:

- Information Gathering – Review of information regarding risks and exposures and areas where audit efforts might be concentrated.
- Review of existing process documentation – Review of prior risk and control matrices, work papers, and prior audit reports.
- Additional background information – Through discussion with management, obtain information about the department, activities, and functions, to be reviewed and any anticipated or recent changes to the process. Identify key support units and higher-risk business processes.

Kick-Off Meeting – A kick-off meeting may be held on the first day of fieldwork with the Division Director, Division Management (at the Director’s discretion), Jefferson Wells Internal Audit team, Jefferson Wells Engagement Manager and/or Director, Customer Relationship Manager. The meeting will include a discussion of the engagement statement of work, objectives, details such as budgets, status meetings, updates to be held, deliverables, special equipment requirements, and scheduling

issues during the audit. Depending on the area audited (risk, familiarity with the process, etc.); this meeting may be held informally between the professional and Business Unit manager.
Conduct Fieldwork – The audits will be conducted in accordance with the Standards for the Professional Practice of Internal Auditing as promulgated by the IIA. We will also utilize resources with relevant industry knowledge and experience to the areas being audited.
Hold Status Meetings – Status meetings and/or reports will be provided to division management and the Internal Audit Executive or management sponsor on a periodic basis.
Closing Meeting – An exit conference with the management sponsor and applicable Division management will be held at the end of fieldwork to discuss the results of the audit and obtain agreement on business issues.
Audit Report – Once the audit has been fully executed and the findings, issues, observations, and recommendations are agreed upon, a draft audit report is written. To avoid potential contention, open communication and executive support of the audit process are essential. Our approach to audit reporting is to focus on the following:

- Perform adequate due diligence review of a draft report prior to documenting issues in the final report to ensure that all aspects of the issue are validated and that consideration points, such as mitigating or compensating controls, are considered.
- The audit report will summarize the scope and objectives of the audit, procedures performed executive summary, audit observations, and recommendations, along with management's response.
- Utilize the audit risk ratings to add structure and prioritization of audit issues. Leverage the rating classifications to elevate and obtain management support for timely remediation of critical "unsatisfactory" audit issues.
- Utilize existing audit report templates to provide a balanced scorecard for final audit reporting.
- Review and consider findings, including value-add recommendations (where applicable) based upon knowledge of the issue and leading practice information.
- Review management's response to the business issues and obtain concurrence with the action plan or discuss any concerns with the Audit Executive or management sponsor and the Division Director.
- Issue final reports within 2-3 weeks of final fieldwork completion.

Follow-up Procedures – Follow-up is critical to ensure that issues identified have been properly remediated. This contributes to a culture of continuous improvement and demonstrates to the stakeholders that the given NC state entity considers control issues to be a priority to ensure safe and sound operations.

- Management action plans address audit report issues and will include an expected date of implementation, as well as the individual(s) responsible for remediation. When an audit finding is reported to the Audit Committee, IA will determine the most appropriate manner to validate management's response. The follow-up review will be conducted and may include interviewing department personnel, observing the revised processes and in limited cases, additional testing may be performed based on the level of risk associated with the issue.
- It is also important to solicit stakeholder feedback relating to the perceived value of the audit performed and understanding lessons learned to identify aspects of the audit that went well and opportunities for improvement. Typically, these follow-up discussions are

facilitated by an IA Manager so that independent and objective feedback can be obtained and leveraged for future process improvement.

Audit Committee and/or Board Reporting – Effective communication to the Audit Committee and Board is paramount to establishing credibility of the IA function. The purpose of this interaction is to apprise the Audit Committee and Board on updates of stated objectives, progress against the audit plan, key accomplishments, as well as significant audit issues and corrective action plans to mitigate risk. Our approach in an out-sourced Audit arrangement is to take guidance from the state entity Audit Executive as to the level of visibility the out-sourced partner will have in these interactions. At a minimum, we will collaborate on the appropriate communication protocol and messaging necessary to make the Audit Committee and Board reporting as effective as possible.

Finally, our Service Quality Process is conducted throughout the engagement to ensure the highest quality service and deliverables for our clients. Our audits are performed in accordance with professional standards set forth by the Institute of Internal Auditors and relevant standards and guidelines. As such, Jefferson Wells will not perform management functions, make management decisions, or act or appear to act in a capacity equivalent to that of a member of management or an employee of the state.

a. Operational/Performance Audit

a. Operational/Performance Audit

An operational audit is a systematic and independent evaluation of organizational activities. Financial data may be 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 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.

Operational & Performance audit completion is the cornerstone of an internal audit function. As such, for these types of audits we will leverage our Jefferson Wells Internal Audit Methodology (previously illustrated and described in Section 5.5) to systematically execute these audits from start to finish. A Jefferson Wells team to complete this type of audit would have significant internal audit experience (CIA's), business analyst skills (MBA's), a data analytics expert and IT audit expertise (CISA's) as needed. Our Business Optimization Services COE would also have process improvement experts as needed if new workstreams need to be created for the client to optimize operations in the area of audit focus.

Jefferson Wells works collaboratively with our client teams to uncover true causes for any inefficiencies or waste of resources, however uncomfortable such audits may be. Our teams are made up of senior and seasoned professionals who strive to present meaningful and actionable, prioritized recommendations. We also work to build long-term relationships with our clients, to help evaluate progress as well as pivot to review of other areas or processes, when necessary to help our clients achieve the best long-term outcomes.

Section 5.4 earlier in the Proposal, gives a nice overview of Jefferson Wells teammates who have significant experience already serving many State of North Carolina entities. Current Jefferson Wells employees under the direction of one of our Engagement Managers, such as, Ruthanne Ziolkowski, Sarah Turner, Paul Finney, Michele Schaeffer, Kristin Delf and Cynthia Buesgens, would be the type of people from our existing team to execute these audits very successfully.

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.

Currently, Jefferson Wells completes all NC DPS/NC ORR investigative audits for two large hurricane relief funds. These audits are centered around the monies being invested in the rebuilding of homes and businesses in the eastern part of our state. Deron Rossi has over 13 years of fraud investigation experience with IBM, prior to spending the last three years with Jefferson Wells completing fraud investigations, fraud risk assessments and fraud related training sessions for our JW clients. Pairing Deron with Mike Hoye for data analytics and business practice evaluation, provides a powerful combination to effectively execute any type of investigative audit engagement needed by a State of NC entity.

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.

Compliance Audit Experience

Jefferson Wells teams have performed numerous Compliance Audits for our clients including State of NC entities. Following are five examples of how Jefferson Wells has assisted State of NC entities with compliance audit engagements:

NC DPS/NC ORR – Federal Hurricane Relief Fund Oversight

Jefferson Wells was engaged to assist NC DPS/NC ORR in evaluating the oversight of how hurricane relief funds are being spent within the State of NC. We initially performed a comprehensive risk assessment and built a multi--year internal audit plan to cover high risk areas within this critical function. Jefferson Wells has already completed 2 of 4 scheduled internal audits, ahead of schedule for the first year, and we have completed numerous fraud investigations related to the disbursement of hurricane relief funds. Members of this engagement team includes Nancy Held, Jason Clark, Deron Rossi, Cynthia Buesgens and Ruthanne Ziolkowski.

NC Department of Administration

Jefferson Wells was engaged to complete a grant compliance review of funds flowing into the NC Department of Administration's NC Council of Women and Youth Involvement. We completed an internal audit of the operational grant process and provided process improvement best practices related to the state grant processes tied to this State of NC program. Chris Fejko was the Jefferson Wells Director leading this grant compliance engagement team for the firm. Chris also just recently began another similar grant compliance engagement for NC DPI.

UNC Hospitals

Jefferson Wells was engaged to provide Construction Services to the UNC Hospital System's construction of their Hillsborough Hospital location. Our Construction Services team was engaged to provide specialized expertise to the client as the initial General Contractor construction contract was being developed. Once executed, Jefferson Wells provided construction contract compliance oversight throughout the life of the building project through close out. Branden Grove is the Jefferson Wells Director who leads our Construction Services Center of Expertise. His team of construction industry specific accountants, controllers, and auditors, each have more than 15 years of construction audit experience.

UNC System Office

Jefferson Wells performed an audit of the student datamart being managed by the UNC System Office, for compliance with the Federal Educational Rights and Privacy Act and other federal and state privacy regulations. We reviewed the infrastructure setup, usage and access to the datamart, then provided a number of concrete and meaningful steps for the System Office to take, to ensure the security of confidential data of over 3 million students and over 86,000 university employees. Sanika Mody completed this audit for the UNC System Office in recent years.

NC DHHS Division of Health Benefits

Jefferson Wells was hired to build out a Compliance Monitoring Program & Plan for the Division. Our team reported to the Office of Compliance and managed various agency business units through several audits conducted by the federal DHHS OIG, CMS, besides the NC Office of the State Auditor, and the NC DHHS Office of Internal Audit. While the JW team's role on these audits was to guide the agency business units to respond to audits, the primary focus was to enable the agency to be compliant with federal and state rules, requirements, and regulations. Jefferson Wells had six (6) individuals assisting NC DHHS, over a 2 year period with this engagement. Members of this specific engagement team previously mentioned in this proposal document, included: Nancy Held, Sanika Mody, Melanie Spamer, Sarah Turner, and Michele Schaeffer.

Jefferson Wells Compliance Audit Approach

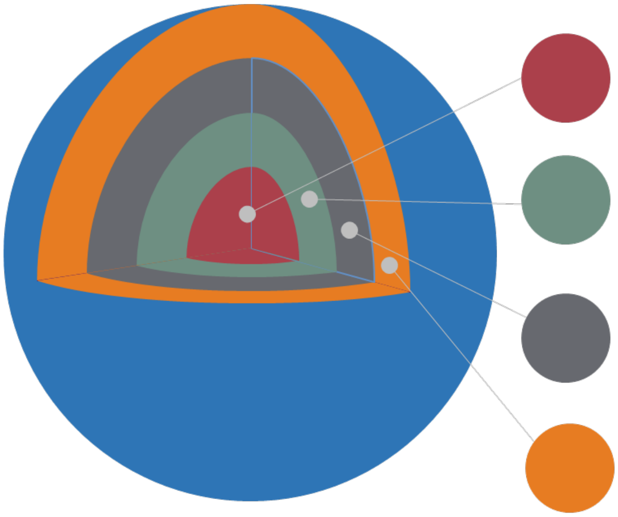
For routine compliance audit needs, our firm will follow our previously illustrated Internal Audit Methodology to complete these audits. For specialized compliance audits, such as grant compliance led by Chris Fejko – Director Grant Compliance, and construction services led by Branden Grove – Director Construction Services, the following technical approaches would be leveraged by our Jefferson Wells teams:

Grants Compliance Audit Approach

Jefferson Wells brings grants management, grant analysis, policy authoring, compliance monitoring, risk assessment, technology PMO, and project management, to Grants Compliance audits. We believe the true strength of our solution is the depth of grant management experience of the Jefferson Wells team members. Additionally, our ability to manage entire grant compliance programs and its operations is our strength.

- Jefferson Wells only hires the most experienced accounting and audit professionals. Our professionals leverage their extensive experience in organizations ranging from government agencies to Fortune-100 companies and major accounting firms to deliver high-value solutions to our clients, helping them drive efficiency, transparency, and effectiveness.
- We have an extensive history of successfully delivering services and solutions to government entities at all levels, that is, federal, state, and local government agencies, quasi-governmental agencies, and other public sector clients. Our experience in completing these engagements over the past twenty-plus years allows Jefferson Wells to minimize any potential learning curve and make an immediate impact on projects, thus lowering the overall project risk and cost.

Our approach to engagements focuses on gaining a deep understanding of the current processes in place as well as the overall goals and mission of the organization. We will define the overall business issue and goals and assess the business challenges (included people, processes, technology, and partners), all with the goal of providing and assisting with the implementation of recommended solutions as defined in the framework below:



Key Elements of Jefferson Wells' Approach

As shown in the graphic above, the Jefferson Wells' approach focuses on four (4) primary phases: *Client Business Issue Definition, Assessment, Solution Proposal and Recommendation, and Solution Implementation*. To align with this approach, we would perform the following audit procedures to assess the entity's internal structure, processes, and reporting / monitoring tools:

- As an early assessment, Jefferson Wells would define the key client issues related to organizational structure, program management and technology requirements / goals (Client Business Issue Phase)
- Review the Current State organizational structure and assess gaps or weaknesses and the impact on current processes (Assessment Phase)
- Review current processes for each grant program and assess procedural gaps and opportunities for improvement (Assessment Phase)
- Review current reporting / monitoring tools and templates utilized by the entity for completeness, transparency and effectiveness of reporting and monitoring (Assessment Phase)
- Perform sample testing at the award and grant level to determine the effectiveness of internal processes (Assessment Phase)
- Provide management with a final observation report focusing on control gaps and improvement opportunities impacting: (Solution Proposal and Recommendation Phase)

Organization Structure (may be supported by Future State Organization Chart).
Grant Management Processes (Future State Process Flows may be provided to support and clarify recommendations).
Reporting and Monitoring Tools / Templates (Sample tools / templates may be provided to emphasize impact of recommendations).
All recommendations will be reviewed with management prior to Final Report completion to ensure reasonableness and actionability.

- Upon completion of the preceding phases, Jefferson Wells would meet with Internal Audit management and provide a scope, approach, and fees proposal for a more in-depth compliance review of the grant programs.

  The expectation is to perform testing over a significant number of executed grant awards to recipients and subrecipients (Implement Solutions).

- Jefferson Wells can assist with the implementation of solutions as desired with management. However, remediation activities or process improvement implementation is not included in the scope and fees associated with this response (Implement Solutions).

Grant Program Review Approach

PHASE 1

- Identify current grant compliance activities and key compliance elements of each program
- Determine annual award, number of sub-recipients, type and extent of source documentation/contracts, application systems, etc.
- Identify highest probability for significant grant contract errors and compliance risks

PHASE 2

- Document specific review process for each specific grant program
- Determine population of items and develop a sampling plan based upon the results of the risk assessment
- Analyze data within area and identify items with greatest value or exposure to the organization
- Develop project plan with resources and go/no-go decision points

PHASE 3

- Review grant contracts and subrecipient award contracts in detail
- Execute testing procedures based upon scoping and sampling plan developed in Phase 2
- Track error types to contribute to long-term solutions
- Submit potential compliance issues to management for discussion and approval
- Assemble supporting documentation

PHASE 4

- Accumulate statistics of errors, issues, and observations by program
- Develop recommendations to address each significant error, issue, and observation
- Implement short-term fix procedures
- Document long-term remediation activities
- Establish baseline for monitoring plan until long-term improvements can be deployed

Under the umbrella of a Grant Compliance audit, Jefferson Wells would also perform fiscal grants compliance services, that would involve:

- Establish fiscal compliance review objectives based on results of preliminary work that has been completed by NC Agency's team
- Perform additional Program and Grant level Risk Assessments, as required to further isolate risks
- Develop fiscal compliance review programs
- Perform Internal Control Reviews, when required to build substantive testing plan and level of reliance
- Develop Fiscal Compliance Review plan inclusive of:
  - Prepare a plan of objectives/accomplishments
  - Scheduling and timing of work
  - Project management approach
  - Estimation of resources needed to complete designed tasks

Jefferson Wells would work closely with entity's Project Sponsor(s) to provide the following set of project deliverables:

Fiscal Compliance Planning and Development Phase

- Final Fiscal Compliance Review and Objectives
- Fiscal Compliance Review Program, Approach, and Sample Methodology
- Results of any additional Risk Assessments and/or Control Assessments
- Final Fiscal Compliance Review Plan inclusive of schedule, approach, and resourcing requirements
- Timely status reporting to entity's management

Fiscal Compliance Execution and Review Phase

- Associated work papers documenting work conducted and supporting findings and recommendations
- Final Report outlining the findings, conclusions, and associated recommendations
- Timely status reporting to management, including immediate reporting of critical findings, and
- If necessary, presentation of reports to the agency leadership team upon review and completion of the reports

In addition, Jefferson Wells can perform the following services if needed:

- Document entity processes and procedures
- Collect and review applicable, grant, program, and monitoring documentation
- Develop and administer surveys and interviews focusing on procedures, authority, compliance, and internal controls
- Develop Fiscal Compliance testing procedures including:
    - Testing attributes
    - In-scope Periods
    - Sample methodology
- Execute Fiscal Compliance testing procedures including documentation of:
    - Results of Fiscal Monitoring Testing Exercises
    - Identified findings, observations, and recommended remediation activities

Jefferson Wells Grant Compliance & Monitoring Services

Due to the complexity of funds provided by governing authorities, grant-receiving organizations may find it difficult to balance compliance requirements with internal objectives and internal capabilities. A lack of integrated / updated systems, experienced staff and knowledge of the required reporting systems can pose significant challenges to an organizations internal grant compliance program resulting in ineffective use of taxpayer dollars, declining public perception and potential government audit issues.

Construction Services Approach

Construction Engagement Methodology

The following is an overview of how our Jefferson Wells Construction Services team would approach an NC Agency client engagement:

- Risk based approach
- Review contract and contracting strategy
- Identify and assess risks
- Develop detailed compliance plan
- Request pertinent documents
- Execute compliance validation
- Validate preliminary observations
- Draft report for responses
- Final report and recommendations
- Ongoing periodic status reports
- Service Quality Process (SQP)

Jefferson Wells Construction Service Capabilities

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.

<u>1. General Controls Review</u> - 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.

<u>2. Systems and Applications</u> - 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.

<u>3. System Development</u> - 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.

<u>4. Client/Server</u> - 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.

Jefferson Wells IT Audit Technical Approach

Jefferson Wells IT audit teams utilize standards and guidance such as COBIT and NIST publications, for information systems audits of the nature listed above. Our teams have performed numerous Information Systems audits across organizations of varying sizes, both in the public and private sectors. These audits have encompassed reviews of General Controls, Systems and Applications, System Development, and Client/Server, in various settings and environments, evolving from mainframes all the way to the cloud including public, private and hybrid cloud models.

Jefferson Wells also completes impactful pre- and post-systems implementation audits, depending on the timing of when our teams were engaged by the client for a System Development audit. Additionally, we have performed systems performance audits that include evaluation of infrastructure performance such as telecommunications, intranets, and extranets.

Our team's deep understanding of IT audit and cyber security related challenges quickly gains the confidence of our clients enabling us to be repeatedly relied on for future IT audit needs that their organizations are facing.

Jefferson Wells IT Audit Capabilities

Technology / IT Risk

Cyber Risk Center of Expertise

IT Audits and Assessments

- IT Audit Co-sourcing & Outsourcing
- Technology Risk Assessment
- Risk-Based Technical Systems Reviews
- Automation of Controls and Control Testing
- Data Analytics and Continuous Control Monitoring

Privacy and Regulatory Compliance

- SOX, MAR, and HIPAA Privacy Rule Assessments
- Consumer Privacy Compliance Assessments (CCPA, Multistate, GDPR, Holistic)
- Readiness Assessments (SOC 2, HITRUST, CMMC)
- Regulatory Compliance Monitoring & Consulting
- Specialized Assessments (SWIFT)

Business Continuity and Resiliency

- Business Continuity and Resiliency Development, Assessment, and Optimization
- Business Impact Analysis (BIA) Assessment
- Vendor DR/BCP/BR and Supply Chain Assessment
- Pandemic Planning & Testing

Security Governance

- Cyber Risk Assessment (NIST CSF, ISO/IEC 27001/2, CMMC, CIS)
- Security Governance Framework and Program Design
- Cyber Resiliency Program Design, Assessment, and Optimization
- Security Policy Portfolio Design, Assessment, and Optimization
- Security Metrics Program Design, Assessment, and Optimization

PCI DSS & PCI PIN Compliance

- PCI DSS & PCI PIN Compliance Validation
- Readiness \ Gap Assessment Services
- Remediation Support
- Consultative Services
- Approved Scanning Vendor (External Vulnerability Assessments)
- Additional testing services (Penetration Testing, internal vulnerability assessments, wireless scanning)

Penetration Testing

- Vulnerability Assessment and Penetration Testing
- Web and Mobile Application Testing
- Red Team Penetration Testing
- Social Engineering Testing
- Data Protection Program Design and Assessment
- Cyber Defense Technology Assessment and Optimization

Jefferson Wells IT Audit teammates listed in **Section 5.4**, Kristin Delf, Michael Cardenas, Cynthia Buesgens and Sanika Mody have completed numerous successful IT audit engagements for State of NC entities. Two recent such engagements from 2023, NC DNCR and NC DOT were both listed as client references within this Proposal document.

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.

<u>Descriptive analytics</u> - 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.

<u>Diagnostic analytics</u> - 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.

<u>Predictive analytics</u> - Describes any approach to data mining with four attributes:

An emphasis on prediction (rather than description, classification or clustering)

Rapid analysis measured in hours or days (rather than the stereotypical months of traditional data mining)

An emphasis on the business relevance of the resulting insights (no ivory tower analyses)

(increasingly) An emphasis on ease of use, thus making the tools accessible to business users.

<u>Prescriptive analytics</u>: -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.

Jefferson Wells Data Analytics Technical Approach

Jefferson Wells' Data Analytics teams have broad and deep understanding of the qualitative and quantitative aspects of data analytics, while applying sound and iterative approaches to arriving at stepwise solutions that help build accurate and complete solutions for needs and challenges that our clients face in today's increasingly complex data-driven world.

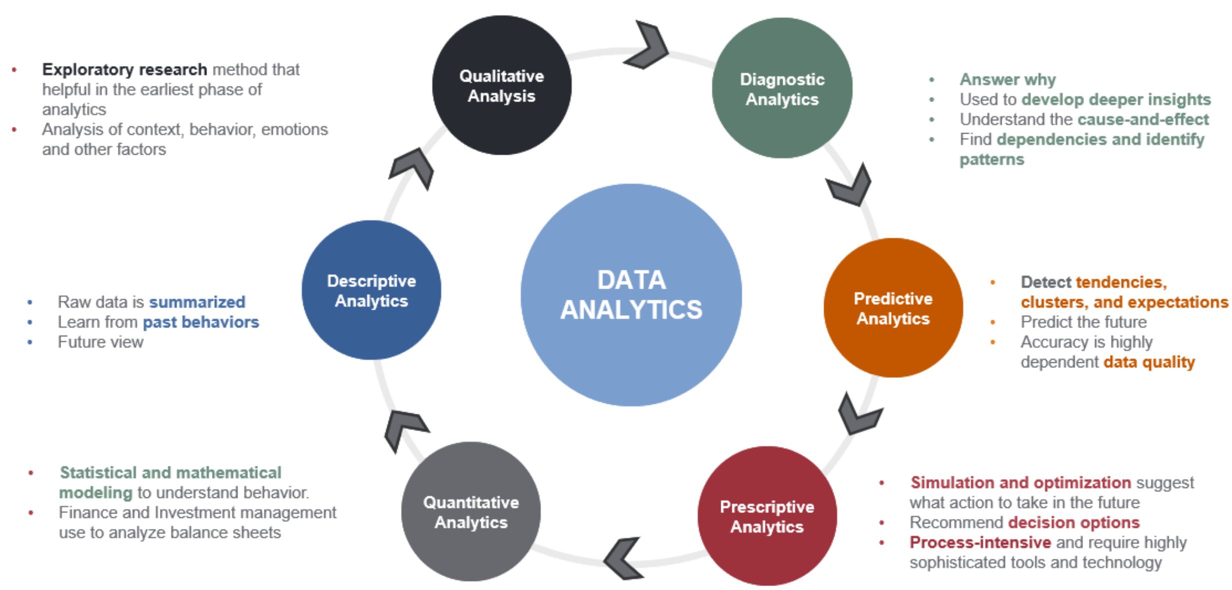
With the rapid pace of change in technological innovation, data intelligence, and process transformation, we recognize that clients are seeking new approaches to deliver on internal audit demands.

Jefferson Wells uses data analytics tools in our internal audit practice in various ways with many clients from risk assessments to audit execution and results analysis. We generally use the tools that our clients prefer and have implemented. We often use SQL, Python, R, Tableau, and Power BI to complete data analytics work for our clients. Tool choice depends partly on the intended use— data mining versus interpretation or predictive analytics. Our data analytics experts also routinely use Galvanize (formerly ACL), IDEA, Access, and even Excel to complete engagements for our clients. We have also gained significant experience and are proficient with several risk assessment and audit management software systems such as TeamMate+, RSA Archer, Open Pages, and AuditBoard. Some of the ways we have used data analytics to assist our clients include:

- Analyzing Trends, Finding Outliers, and Evaluating Entire Populations Quickly—We reviewed multiple years of invoices (both materials and transportation of chemical components) to determine cost analytics for pass-through pricing. The review identified a duplicate invoice for over $1 million.   Our team also found a multimillion-dollar recovery for a client after reviewing 18 months of AP data, which identified overpayments, duplicate payments, and the receipt of fictitious invoices.
- Converting PDF Records into a Database—We converted multiple years' worth of PDF billing records into a database for review of cost-sharing and allocation calculations, with 100% testing on cost allocations. We used the database to determine sample selection for detailed analysis and review for compliance.
- Creation of Data Analytics Program —We have worked directly with multiple internal audit departments to initially create their data analytics function, establish routine data analytics cadence with internal customers and build data analytic routines that the internal audit team could continue running independently.

Illustrated below is a summarized view that depicts the various forms of analytics that can be employed, and how they may relate to each other, while not every form may be utilized or appropriate in any given situation.

Jefferson Wells Data Analytics Options



Our Data Analytics experts can help State of NC entities achieve quick successes and build on them, as summarized in the approach outlined below, while training state employees to perform tasks on their own for the long run:

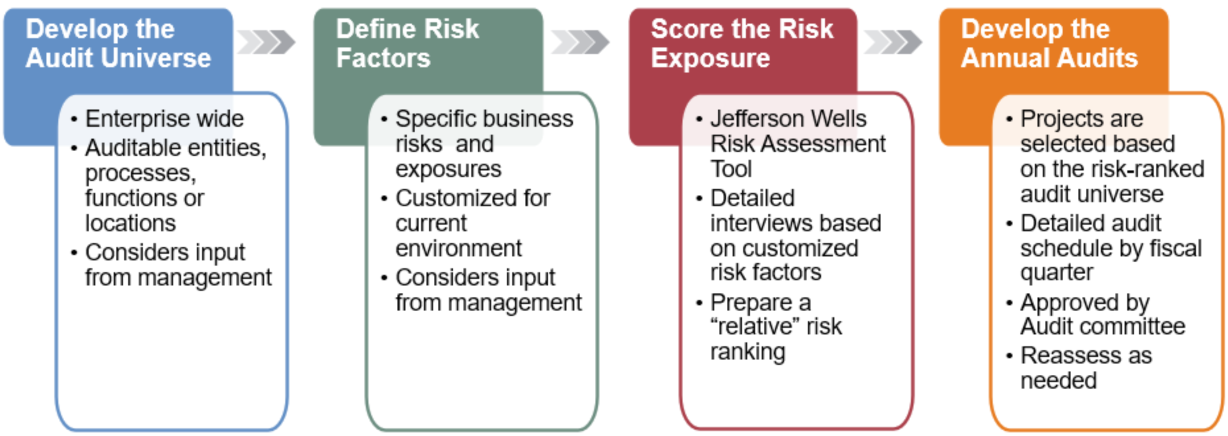
For the past two years, Michele Schaeffer (listed earlier in **Section 5.4**) has provided data analytics leadership to the NC DHHS Compliance function. Her leadership, insights and value add have significantly elevated the performance of this State of NC entity's data analytics team. This engagement was also listed as one of our firm's 5 required references within this Proposal document.

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.

Jefferson Wells Risk Assessment and Audit Plan Development Technical Approach

The first step in the assessment is to obtain an understanding of the NC agency's operations, divisions, goals & strategic objectives. We then proceed through the phases presented below.



Report and Presentation

- Present report of risk assessment methodology and proposed audit plans to NC agency's leadership team after review and completion of the reports

Shown below is a sample, however, by no means exhaustive, list of risk factors that may be utilized for purposes of a risk assessment:

Sample Risk Factors

- Commonly, 10-12 of these risk factors are selected for use in the assessment
- Each risk factor is then used in the assessment of risk across all items in the Audit Universe to achieve a "relative" comparison of risk levels

Functional Risks

Business Processes
- Business Continuity
- Compliance
- Contracting
- Empowerment
- Environmental
- Fraud
- Health and Safety
- Illegal Activities
- Management Information
- Obsolescence/Shrinkage
- Product/Service Quality
- Relevance
- Unauthorized Use

Financial Reporting
- External Reporting
- Evaluation / Preparation
- Financial Statement Falsification
- Regulatory Reporting
- Taxation

Finance
- Credit
- Currency
- Derivatives
- Interest Rate
- Liquidity
- Reinvestment
- Settlement
- Grants administration

Technology
- Customer Network
- Availability
- Access
- Functionality
- Integrity
- Usability

Strategic Risks

- Capital Availability
- Competition
- Financial Markets
- Flexibility
- Industry
- Leadership
- Legal and Regulatory
- Product Life Cycle
- Product Development
- Reputation
- Trademark Erosion
- Sovereign
- Strategic Assumptions
- Valuation
- Corporate Strategy
- Corporate Governance

Conversion Risks

- Authority
- Bench Strength
- Budgeting & Planning
- Capacity
- Commodity
- Communication
- Cycle Time
- Efficiency
- Human Resources
- Organization Structures
- Performance Metrics
- Policies & Procedures
- Pricing
- Resource Allocation
- Supplier
- Technology Selection and Deployment

Jefferson Wells teams have performed numerous risk assessments at various levels of different organizations within the public and private sectors, with successful and meaningful long-term outcomes for our clients. We will continue to provide this level of experience and expertise to NC state departments and agencies through this contract. Over the past 2 years, Jason Clark, Nancy Held, Sarah Turner and Tim Lietz have provided this type of engagement through the existing 946C contract to NC DOA, NC DOJ, NC CCS, NC DPS/NC ORR, and NC DEQ.

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.

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.

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

Jefferson Wells Financial Internal Audit Technical Approach

All internal audits of a financial nature will leverage our previously illustrated Jefferson Wells Internal Audit Methodology approach when completing these type of projects for clients.

Typical internal audit projects in this area would be focused on evaluating Internal Controls over Financial Reporting, Accounts Payable, Accounts Receivable, Fixed Asset, T&E, Expense Accounts, Payroll, Accounting Reserves, Short- and Long-Term Debt, Capital Expenditure project ROI Estimates vs Actuals and Physical Inventory account balances, for completeness and accuracy. Internal Controls are evaluated and tested to ensure performance meets expectations.

Jefferson Wells professionals perform advanced and independent professional auditing work. Duties involve responsibility for financial audits of the most complex accounting records and procedures for comprehensive systems audits. Professionals also are available to perform, at management's discretion, assignments that are generally complex in nature and are associated with large integrated accounting systems governed by a large number of rules, regulations, and procedures. Jefferson Wells' professionals will understand the work is widely varied in scope and includes analysis of traditional Federal and State accounting systems and may also include auxiliary enterprises and large-scale operations. Systems audits may involve recommendations for major organizational or procedural changes. Our professionals will follow well- established audit procedures, rules, and regulations of Federal and State Auditors and internally developed audit guidelines.

Jefferson Wells teammates Nancy Held, Ruthanne Ziolkowski, Chris Fejko, Paul Finney, Ruth Thomas, Casey Chong, Virginia Wicks Riley (all listed earlier in Section 5.4), have completed internal audits within the financial arena within the past year for NC DHHS, NC DOT, NC DNCR, NC DPS/NC ORR, and NC DOA.

h. Accounting & Financial Services

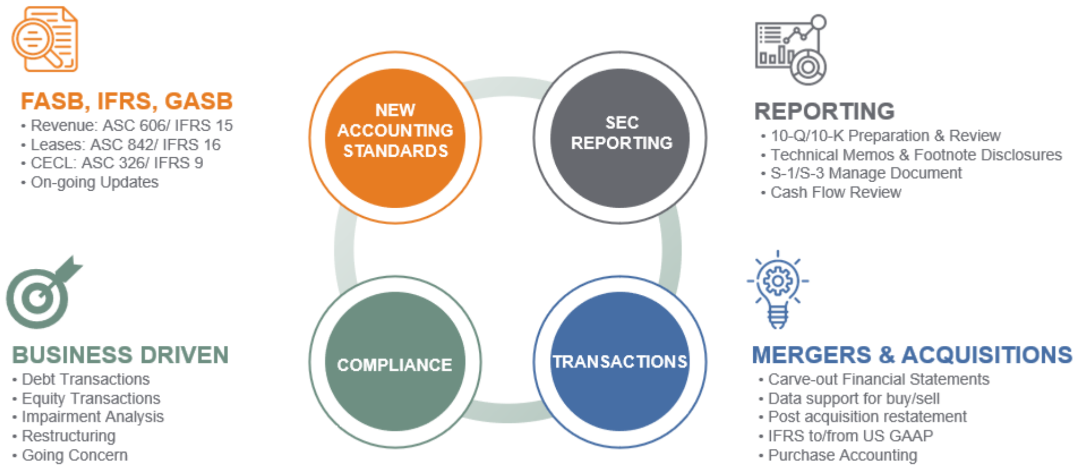
These services include but are not limited to operational accounting, assisting full time agency finance staff with month end financial closings, annual preparation and support of the Annual Comprehensive Financial Report (ACFR), trial balance preparation, Governmental Accounting Standards Board (GASB)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

Jefferson Wells Accounting and Financial Services Technical Approach

Our Finance and Accounting Practice team assists clients by providing very seasoned accounting and finance professionals as needed. Our Finance and Accounting Practice averages 18 years of experience, so our clients receive the benefit of a seasoned professional quickly getting up to speed and making an impact on their organization.

Jefferson Wells Finance & Accounting Capabilities

Jefferson Wells Technical Accounting & Financial Reporting COE



Jefferson Wells Technical Approach to Finance and Accounting

Jefferson Wells approaches every Finance and Accounting engagement with the focus on developing a customized solution for each client. Every client has specific skills needed for their immediate need. Our Director team will meet with each client up front to learn the specific skills and needs for each engagement. The Directors review available staff members and select the best professional for each client.

Specific goals and objectives are developed for each engagement with the client. Milestones are discussed and developed if needed before work begins. Formal Service Quality Program (SQP, which was previously described within this Proposal) steps are followed for each engagement which include the critical steps of Planning, Engagement Kick Off Meeting, Weekly Status Reports & Meetings with the client, Milestone Deliverables, Engagement Closeout Meeting and Satisfaction Survey completion. All Finance and Accounting engagements completed for State of NC entities will be in compliance with GAO Yellow Book Standards.

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.

Jefferson Wells Engagement Approach

Jefferson Wells will provide a qualified resource to lead or contribute to existing program project(s) to update and suggest improvements to the program. The Client's management will select the individual Client process owners to work in collaboration with Jefferson Wells during this engagement. Jefferson Wells will work with the Client to finalize the scope, approach, and final deliverable format for this engagement. If specific NC agency's guidance is not provided to us during the engagement, our professional will utilize Jefferson Wells' methodologies as required.

Jefferson Wells will provide status updates, written and oral, with Client to communicate project progress and identify any issues discovered. Jefferson Wells will hold formal status updates every week, unless otherwise specified by the Client.

Deliverables and Acceptance of Deliverables

During the execution of the engagement, agreed upon deliverables and/or work products will be created to facilitate successful completion and control project quality:

- Updated program documentation
- Listing of best practices and process improvement options

Below is an example of an ongoing project of Jefferson Wells with an NC state agency for managerial advisory services for process improvement and transformational process activities.

At the NC Department of Health & Human Services - Division of Health Benefits (DHB), our multi-year and ongoing Jefferson Wells professional services have assisted the Managed Care Business Operations (MCBO) and Business Technology Relationship Management (BTRM) teams with a variety of Medicaid Transformation and non-Transformation activities. The Jefferson Wells resource has served as a business analyst, documenting requirements and providing recommendations under the direction of DHB management for:

- Assisting DHB Business Units, including but not limited to, Finance, PHP management (PHP being the Prepaid Health Plans, or the larger Managed Care umbrella), DHHS IT, with managed care transformation tasks and processes.
- Supporting DHB management of PHPs, including documentation of DHB requirements for PHP Financial reporting.
- Supporting DHB Finance, DHB Business Information Office (aka BIO or the Analytics office), and DHB PHP management, with business rules and hierarchy for federal reimbursement
- Conduct training for BTRM staff for knowledge transfer

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:	Tim Lietz, National Practice Leader – Risk & Compliance
Office Phone #:	336-706-2030
Mobile Phone #:	336-706-2030
Email:	timothy.lietz@jeffersonwells.com

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:	Koreen Bennett
Office Phone #:	919-360-8650
Mobile Phone #:	919-360-8650
Email:	Koreen.Bennett@jeffersonwells.com

ADDENDA

Please see signed acknowledgements in the following pages of this response for:

- Addendum Number 01
- Addendum Number 02
- Addendum Number 03

Timothy Lietz, National Practice Leader - Risk & Compliance
Date: 08/31/23

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

Timothy Lietz, National Practice Leader - Risk & Compliance
Date: 08/31/23

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.

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

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

[signature]	08/31/2023
Authorized Signature	**Date**
Timothy Lietz	National Practice Leader - Risk & Compliance
Printed Name	**Title**

ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR

Solicitation #: #DPC-646236801-MT

Vendor Name: Experis US LLC for its Jefferson Wells division

In accordance with NC General Statute G.S. 143-59.4, Vendor shall detail the location(s) at which performance will occur, as well as the manner in which it intends to utilize resources or workers outside of the United States in the performance of The Contract.

Vendor shall complete items 1 and 2 below.

1. **Will any work under this Contract be performed outside of the United States**? ☐ YES ☒ NO

   If "YES":

   a) List the location(s) outside of the United States where work under the Contract will be performed by the Vendor, any subcontractors, employees, or any other persons performing work under the Contract.

   b) Specify the manner in which the resources or workers will be utilized:

2. **Where within the United States will work be performed?**

   North Carolina

NOTES:

1. 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.
2. Vendor shall provide notice in writing to the State of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing services under the Contract to a location outside of the United States.
3. All Vendor or subcontractor personnel providing call or contact center services to the State of North Carolina under the Contract **shall disclose** to inbound callers the location from which the call or contact center services are being provided.

ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION

Solicitation #: #DPC-646236801-MT

Vendor Name: Experis US LLC for its Jefferson Wells division

The undersigned hereby certifies that: [check all applicable boxes]

- [x] The Vendor is in sound financial condition and, if applicable, has received an unqualified audit opinion for the latest audit of its financial statements.

  Date of latest audit: 05/05/2023 (If no audit within past 18 months, explain reason below.)
- [ ] The Vendor has no outstanding liabilities, including tax and judgment liens, to the Internal Revenue Service or any other government entity.
- [ ] The Vendor is current in all amounts due for payments of federal and state taxes and required employment-related contributions and withholdings.
- [ ] The Vendor is not the subject of any current litigation or findings of noncompliance under federal or state law.
- [ ] The Vendor has not been the subject of any past or current litigation, findings in any past litigation, or findings of noncompliance under federal or state law that may impact in any way its ability to fulfill the requirements of this Contract.
- [ ] He or she is authorized to make the foregoing statements on behalf of the Vendor.

Note: This shall constitute a continuing certification and Vendor shall notify the Contract Lead within 30 days of any material change to any of the representations made herein.

If any one or more of the foregoing boxes is NOT checked, Vendor shall explain the reason(s) in the space below. Failure to include an explanation may result in Vendor being deemed non-responsive and its submission rejected in its entirety.

Jefferson Wells is a division of Experis US LLC, a subsidiary of and wholly owned by ManpowerGroup (NYSE: MAN), a public company. A copy of ManpowerGroup's annual reports/10-K reports can be found on http://investor.manpowergroup.com.

Signature	08/31/2023 Date
Timothy Lietz Printed Name	National Practice Leader - Risk & Compliance Title

[This Certification must be signed by an individual authorized to speak for the Vendor]

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subContracts, subgrants, and Contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The Vendor, Experis US LLC, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Vendor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Vendor's Authorized Official

Timothy Lietz, National Practice Leader - Risk & Compliance

Name and Title of Vendor's Authorized Official

08/31/2023

Date

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB 0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

1. Type of Federal Action:
[ ] a. contract
b. grant
c. cooperative agreement
d. loan
e. loan guarantee
f. loan insurance

2. Status of Federal Action:
[ ] a. bid/offer/application
b. initial award
c. post-award

3. Report Type:
[ ] a. initial filing
b. material change
For Material Change Only:
year _________ quarter _________
date of last report _______________

4. Name and Address of Reporting Entity:
[X] **Prime** [ ] **Subawardee**
Tier ______, *if known*

Experis US LLC for its Jefferson Wells division has no lobbying activities to disclose.

Congressional District, *if known*:

5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:

Congressional District, *if known*:

6. Federal Department/Agency:

7. Federal Program Name/Description:

CFDA Number, *if applicable*: _____________

8. Federal Action Number, *if known*:

9. Award Amount, *if known*:
$

10. a. Name and Address of Lobbying Registrant (*if individual, last name, first name, MI*):

b. Individuals Performing Services (*including address if different from No. 10a*) (*last name, first name, MI*):

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: Timothy R. Lietz

Print Name: Timothy Lietz

Title: National Practice Leader, Risk & Compliance

Telephone No.: 336-706-2030 Date: 08/31/0202

Federal Use Only:

Authorized for Local Reproduction
Standard Form LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizationallevel below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

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

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.

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 22, 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)**:**

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, 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.

Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
		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).	
3	Section 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.	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.
4	Section 3.4 Evaluation Criteria - Original RFP Evaluation Criteria		

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 the award**	**1000**
NC License to Practice	4.6	Pass/Fail
External Review/Regulatory Action	4.7	Pass/Fail

Modified RFP Evaluation Criteria

Evaluation Criteria	**RFP Section**	**Points**
Vendor's Relevant Background and Experience	4.4, 4.5	275
Financial Statements	4.8	150
Project Staffing	5.4	250
Technical Approach	5.5	200
Cost Proposal	4.9, Attachment A	125
TOTAL	**700 required for award**	**1000**
NC License to Practice	4.6	Pass/Fail
External Review/Regulatory Action	4.7	Pass/Fail

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.**

Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
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.

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.

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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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.

Question #	Document Section	Vendor Question	State's Response
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 6, 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.

Question #	Document Section	Vendor Question	State's Response
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.

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.

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.

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.

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

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.

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.

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.

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.

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.

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.

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

____ ________________________________
Authorized Signature Date

____ ________________________________
Printed Name Title

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**			
Operational/Performance Audit							
Investigative Audit							
Compliance Audit							
Information System Audit							
Risk Assessment and Audit Plan							
Development							
Financial Audit							
Data Analytic Services							
Managerial Advisory Services							
Accounting Services							