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: November 21, 2023, by 2:00 PM ET
	Issue Date: November 17, 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 Delivery Instructions.	**Requisition No.:** N/A

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

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

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

OFFEROR: KPMG LLP			
STREET ADDRESS: 4242 Six Forks Road, Suite 850		P.O. BOX:	ZIP: 27609
CITY & STATE: Raleigh, NC		TELEPHONE NUMBER: 615-248-5626	TOLL FREE TEL. NO:
PRINT NAME & TITLE OF PERSON SIGNING: Jerod Holloway, Managing Director		FAX NUMBER: 919-664-7251	
AUTHORIZED SIGNATURE: Jerod Holloway	DATE: 11/20/2023	E-MAIL: jerodholloway@kpmg.com	

Offer valid for ninety (90) calendar days from date of offer 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 IFB which have not been superseded by this BAFO and the Department of Information Technology Terms and Conditions. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR AGENCY USE ONLY

Offer accepted and contract awarded this 30th *day of* November, *2023, as indicated on attached certification,*

by PandC - Melinda Tomlinson (Authorized representative of the Agency).

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

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

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

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

The following terms of the RFP shall be deleted in their entirety and replaced with the following:

1. 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 <u>herein, except as otherwise noted in Vendor's proposal.</u>**

2. 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, except as otherwise negotiated between the parties. Depending upon the Goods or Services being offered, other terms and conditions may apply, as mutually agreed.

3. RFP Section 2.7 Proposal Submittal: By so redacting any page, or portion of a page, the Vendor warrants that it has formed a good faith opinion that the portions determined to be confidential and proprietary and redacted as such, meet the requirements of the Rules and Statutes set forth above.

4. Section 4.10 Additional Requirements, a. Work Papers RFP To the extent a Scope of Work identifies work papers as a deliverable, such work papers shall be provided to the agency, provided that the Vendor may retain a copy of information, including a copy of work papers, to the extent necessary to comply with AICPA and other applicable professional standards.
5. RFP Section 4.10 Additional Requirements, c. Confidentiality: Except as set forth herein, 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.

   The following N.C. General Terms and Conditions are deleted in their entirety and are replaced with the following:

   1. Section 1 **<u>PERFORMANCE</u>**

      a) It is anticipated that the tasks and duties undertaken by the Vendor under the contract which results from the State solicitation in this matter (Contract) shall include Services, and/or the manufacturing, furnishing, or development of goods and other tangible features or components, as deliverables.

b) Except as provided herein, and unless otherwise mutually agreed in writing prior to award, any deliverables not subject to an agreed Vendor license and provided by Vendor in performance of this Contract shall be and remain property of the State. During performance, Vendor may provide Proprietary Components as part of the deliverables. Vendor grants the State a personal, permanent, non-exclusive, non-transferable, non-sublicensable license to use such Proprietary Components , as provided under this Contract. "Proprietary Components" shall mean all Vendor intellectual property, technology, know-how, methodologies, works of authorship, and other materials pre- existing the Contract or created, acquired, or licensed separately from the Contract, or created in performance of the Contract which are not specific to the State, including any modifications, enhancements, improvements, or derivative works. Notwithstanding anything herein that may be construed to the contrary, State agrees that nothing in this Agreement prevents Vendor from using Residual Knowledge, which includes generalized knowledge, experience, know-how, or any of the ideas, concepts, methodologies, tools or techniques derived from or discovered during the provision of the Services performed under the Agreement. Vendor may also use materials pre-existing the Agreement or created, acquired, or licensed separately from the Agreement, or created in performance of the Agreement which are not specific to the State, including any modifications, enhancements, improvements, or derivative works. Any technical and business information owned by Vendor or its suppliers or licensors made accessible or furnished to the State shall be and remain the property of the Vendor or such other party, respectively. Vendor agrees to perform under the Contract in at least the same or similar manner provided to comparable users and customers. The State shall notify the Vendor of any defects or deficiencies in performance or failure of deliverables to conform to the standards and specifications provided in this Contract. Vendor agrees to timely remedy defective performance or any nonconforming deliverables on its own or upon such notice provided by the State.

c) Vendor has a limited, non-exclusive license to access and use State Data provided to Vendor, but solely for performing its obligations under and during this Agreement and in confidence as further provided for herein or by law.

d) Vendor or its suppliers, as specified and agreed in the Contract, shall provide support assistance to the State related to all Services performed or other deliverables procured hereunder during the State's normal business hours. Vendor warrants that its support, customer service, and assistance will be performed at a minimum in accordance with generally accepted and applicable industry standards.

e) The State may document and take into account in awarding or renewing future procurement contracts the general reputation, performance and performance capabilities of the Vendor under this Contract as provided by G.S. 143-52 and 143-135.9 (a) and (b) (Best Value).

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

a) In the event of a default by the Vendor, which is not cured within thirty (30) days of the State's written notice thereof, the State may, as provided by NC law, procure goods and services necessary to complete performance hereunder from other sources and hold the Vendor responsible for any excess cost occasioned thereby. *See,* G.S. 25-2-712. In addition, and in the event of default by the Vendor under the Contract, or upon the Vendor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Vendor, the State may immediately cease doing business with the Vendor, terminate the Contract for cause, and take action to recover relevant damages, and if permitted by applicable law, debar the Vendor from doing future business with the State. 01 NCAC 05B.1520.

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

c) If this Contract contemplates deliveries or performance over a period of time, the State may terminate this Contract for convenience at any time by providing 60 days' notice in writing from the State to the Vendor. In that event, any or all finished or unfinished deliverables prepared by the Vendor under this Contract shall, at the option of the State, become its property, and under any applicable Vendor license to the extent necessary for the State to use such property. If the Contract is terminated by the State for convenience, the State shall pay for those items or Services for which such option is exercised, less any payment or compensation previously made.

3. Section 16 **GENERAL INDEMNITY**

a) The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from third-party liability of any kind, including all claims and losses accruing or resulting to any person, firm, or corporation for death, bodily injury, or damage to personal property to the extent that may be injured or damaged by the Vendor in the performance of the Contract that are attributable to the negligence or intentionally tortious acts of the Vendor, provided that the Vendor is notified in writing within 30 days from the date that the State has knowledge of such claims.

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

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

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

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

4. Section 20 **CARE OF STATE DATA AND PROPERTY**

Any State property, information, data, instruments, documents, studies or reports given to or prepared or assembled by or provided to the Vendor under the Contract (“State Data”) shall be kept as confidential, used only for the purpose(s) required to perform the Contract and not divulged or made available to any individual or organization without the prior written approval of the State, except to its partners, principals, employees, vendors, and subcontractors.

The following provisions shall be added to the existing NC General Terms and Conditions:

1. Section 29 **LIMITATION OF LIABILITY**

a) Notwithstanding anything else in this Agreement to the contrary, the total liability of the Contractor on account of any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the Contract, a Task Order, or the services performed shall be limited to two (2) times the amount of fees paid to KPMG under the relevant Task Order. The Contractor will not be liable for consequential, special, indirect, incidental, punitive, or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits, and opportunity costs). The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, rule, regulation, or tort (including but not limited to negligence) or otherwise.

b) The foregoing limitation of liability shall not apply to claims for injury to persons or damage to tangible personal property, gross negligence or willful or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. 1B-1 et seq., the receipt of court costs or attorney’s fees that might be awarded by a court in addition to damages after litigation based on the Agreement.

2. Section 30 **AUTHORIZED THIRD PARTIES**

a) The Vendor may engage member firms of the KPMG network of independent firms and/or affiliated third- party providers (“Contractor Resources”), which may be in or outside the United States, to assist in the performance of the services. The Vendor remains responsible to the State for the performance of such Services, and adherence to obligations of confidentiality, by any Contractor Resources to the same extent the Vendor is obligated under the terms of this Contract. With the understanding that the Vendor will remain responsible to the State for the Contractor Resources, the State acknowledges and agrees that the Contractor Resources will not be subject to flow-down terms set forth in the Contract.

b) The State acknowledges and agrees that Vendor- controlled parties, member Firms of KPMG International, and other third-party service providers (collectively, “Service Providers”) may have access to Confidential Information from offshore locations, and that the Vendor uses Service Providers within and outside of the United States to provide at the Vendor’s direction administrative or clerical services to the Vendor. These Service Providers may in the performance of such services have access to the State Data. The Vendor represents to the State that with respect to each Service Provider, the Vendor has technical, legal and/or other safeguards, measures and controls in place to protect State Data from unauthorized disclosure or use. The Vendor shall be responsible to the State for Vendor-controlled, Member Firms, or Service Providers' failure to comply.

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

Vendor must submit the completed form to ESRMO.Security.Reviews@nc.gov. Vendors must reference the RFP# DPC-646236801-MT STC Supplemental Internal Auditing Services.

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.

Vendor must submit the completed form to ESRMO.Security.Reviews@nc.gov. Vendors must reference the RFP# DPC-646236801-MT STC Supplemental Internal Auditing Services.

1.3 LOCATION OF WORKERS UTILIZED BY VENDOR

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

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

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

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

If **YES**, please indicate below:
a) where the work will be performed: ______________________________
b) what type of work is being performed (Help Desk, Coder, etc.): _______________________
c) what type of work that employee performs (help desk support, coding, etc.): _______________

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

a) All materials, including software, Data, information and documentation provided by the State to the Vendor (State Data) during the performance or provision of Services hereunder are the property of the State of North Carolina and must be kept secure and returned to the State. The Vendor will protect State Data in its hands from unauthorized disclosure, loss, damage, destruction by natural event, or other eventuality. Proprietary Vendor materials shall be identified to the State by Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services hereunder shall be provided to the State as part of the Services. The Vendor shall not access State User accounts, or State Data, except (i) during data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State's written request. The Vendor shall protect the confidentiality of all information, Data, instruments, studies, reports, records and other materials provided to it by the State or maintained or created in accordance with this Agreement. No such information, Data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written agreement with the State. The Vendor will have written policies governing access to and duplication and dissemination of all such information, Data, instruments, studies, reports, records and other materials.

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

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

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

e) The Vendor shall certify to the State:
   i) The sufficiency of its security standards, tools, technologies and procedures in providing Services under this Agreement;
   ii) That the system used to provide the Subscription Services under this Contract has and will maintain a valid 3rd party security certification not to exceed 1 year and is consistent with the data classification level and a security controls appropriate for low or moderate information system(s) per the National Institute of Standards and Technology NIST 800-53 revision 4The State reserves the right to independently evaluate, audit, and verify such requirements.
   iii) That the Services will comply with the following:
      (1) Any DIT security policy regarding Cloud Computing, and the DIT Statewide Information Security Policy Manual; to include encryption requirements as defined below:
         (a) The Vendor shall encrypt all non-public data in transit regardless of the transit mechanism.
         (b) For engagements where the Vendor stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Vendor's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the Service Provider cannot offer encryption at rest, it must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach. Additionally, where encryption of data at rest is not possible, the Vendor must describe existing security measures that provide a similar level of protection;
      (2) Privacy provisions of the Federal Privacy Act of 1974;

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

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

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

h) Notification Related Costs. Vendor shall reimburse the State for all Notification Related Costs incurred by the State arising out of or in connection with any such Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement resulting in a requirement for legally required notifications. "Notification Related Costs" shall include the State's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (1) preparation and mailing or other transmission of legally required notifications; (2) preparation and mailing or other transmission of such other communications to customers, agents or others as the State deems reasonably appropriate; (3) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (4) public relations and other similar crisis management services; (5) legal and accounting fees and expenses associated with the State's investigation of and response to such event; and (6) costs for credit reporting services that are associated with legally required notifications or are advisable, in the State's opinion, under the circumstances. If the Vendor becomes aware of any Security Breach which is not due to Vendor acts or omissions other than in accordance with the terms of the Agreement, Vendor shall immediately notify the State of such Security Breach, and the parties shall reasonably cooperate regarding which of the foregoing or other activities may be appropriate under the circumstances, including any applicable Charges for the same.

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

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

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

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

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

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

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

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

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

BAFO Number: **01**

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

☒ Hosted on State Infrastructure

☐ Not Hosted on State Infrastructure

KPMG

Proposal to serve

North Carolina Department of Administration Division of Purchase and Contract

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

RFP Number: DPC-646236801-MT

Submitted by:
KPMG LLP

September 06, 2023

kpmg.com

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: **KPMG LLP**		
STREET ADDRESS: **1201 Demonbreun Street, Suite 1100, Nashville TN 37203**	P.O. BOX:	ZIP: **37203**

CITY & STATE & ZIP: **Nashville, TN, 37203**	TELEPHONE NUMBER: **+1-212-758-9700**	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE (SEE INSTRUCTIONS TO VENDORS ITEM #21): **4242 Six Forks Road, Suite 850, Raleigh, North Carolina, 27609**		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF VENDOR: **Jerod J Holloway, Managing Director**	FAX NUMBER: **+1-615-244-1602**	
VENDOR'S AUTHORIZED SIGNATURE*:	DATE: **September 6, 2023**	

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)

Signed receipt pages.

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

[signature]	September 6, 2023
Authorized Signature	Date
Jerod J Holloway	Managing Director
Printed Name	Title

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.

[signature]	September 6, 2023
Authorized Signature	Date
Jerod J Holloway	Managing Director
Printed Name	Title

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):

F

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]	September 6, 2023
Authorized Signature	**Date**
Jerod J Holloway	Managing Director
Printed Name	**Title**

Cover Letter

KPMG LLP
4242 Six Forks Road
Suite 850
Raleigh, North Carolina, 27609

Tel: +1 919 664 7100
Fax: +1 919 664 7251
Internet:
http://www.us.kpmg.com/

September 06, 2023

Melinda Tomlinson, State Procurement Manager
Division of Purchase and Contract
801 Ruggles Drive
Raleigh, NC 27603
Proposal Number: **DPC-646236801-MT**

Dear Melinda,

We at KPMG LLP (KPMG), thank you for the opportunity to submit our proposal to the North Carolina (the State) Department of Administration (NCDOA) Division of Purchase and Contract (DPC) request for proposal for Supplemental Internal Audit, Assurance, Accounting, Data Analytics, and Managerial Advisory Services. This proposal serves to confirm our commitment to serve the State and further demonstrate why our firm, the proposed team, and our qualifications can be of substantial benefit in this engagement. We have both, a long history and relationship with the State and KPMG is once again ready to support your mission to promote a stronger North Carolina.

We know you: For over 100 years, KPMG's Government practice has served State and Local Government clients of all types. This practice consists of more than 2800 professionals who devote their efforts to serving more than 3,000 government clients nationwide including North Carolina. As a recognized leader in government services, we anticipate the challenges our clients face because of legislative changes, economic trends, and constituent needs. As you will read in the following paragraphs, we believe that KPMG is well-suited to help the State on this important initiative and believe we exceed the requirements noted in your RFP.

We care about our community: KPMG's values and culture reflect our commitment to our employees as well as our clients. KPMG's five values (Integrity, Courage, Excellence, Together, and For Better) extend outside what we do on a day-to-day basis and expand into our communities. To celebrate KPMG's 125th Anniversary, the North Carolina offices in Charlotte and Raleigh came together for a Community Impact Day volunteering to help strengthen our local communities. The KPMG Raleigh office volunteered with multiple local community organizations including Habitat for Humanity of Wake County, National Stars of Hope, National American Cancer Society, and Junior Achievement-In-A Day. Needless to say, KPMG is focused not only on our values and culture, but similar to the NCDOA's mission, we are focused on bettering the State of North Carolina and those who live within it.

We bring experienced and trusted internal audit and subject-matter professional(s): We are an experienced, established and trusted advisory, audit, and tax firm with strong internal, financial, and forensic audit practices and subject matter professionals in various areas to meet your needs. KPMG has market-leading audit and advisory methodologies employed in conjunction with a deep understanding of leading practices in public, non-profit, private and multinational organizations. Moreover, KPMG is a firm that has been in business for more than 125 years and has built a legacy of accountability, integrity and trust through thousands of successful engagements. We believe that KPMG, together with our professional resources, reputation and competence, and quality of services can enable us to successfully complete the services you are seeking. We are pleased to offer you a team that has successfully collaborated on other projects with higher education institutions. As your project team leadership, I commit to provide the quality resources necessary to satisfy or exceed your expectations.

Skilled team of professionals: Comprised of local and national resources, your engagement team was thoughtfully selected and brings a breadth of skillsets across the board. All our team members are committed to being on the ground, working side by side. Our internal audit team also views quality as a top priority. If you choose KPMG for internal audit, you will receive seamlessly integrated, coordinated services from an experienced core team of deeply qualified subject matter professionals.

We look to make good use of technology: KPMG's work is heavily enabled by technology, and this normally enhances our ability to effectively collaborate with Department of Administration to efficiently deliver high quality work and achieve more impactful outcomes. Our extensive investment in technology includes data analytics, process mining, automation, Governance, Risk and Compliance (GRC) platforms, Enterprise Resource Planning (ERP) toolkits, and internal/external data sets to help enhance the results of our delivery.

Proud of our local industry leading partnerships and alliances: KPMG prioritizes teaming with local, industry leading companies who add specialized insight and solutions to our client's goals. For this reason, KPMG is teaming with Indelible Business Solutions, LLC (Indelible), a minority owned firm to help assist the Division in achieving its objectives. Indelible brings valuable experience in program administration, social equity and outreach, grants management implementation, and oversight solutions to our team. Indelible has been a major contractor working with subrecipients in grants management across the country including the states of Colorado, Florida, Kentucky, South Carolina, and Virginia.

Invested in you and North Carolina: The KPMG team is not only connected to North Carolina from a business perspective, but also from a deeply personal one. Several of our key personnel are residents of North Carolina and raising their families in the local communities that we will be serving with the Division. As part of our local team, you will receive support from our Lead Account Partner for North Carolina, Young Kim. Young is based in Raleigh and can draw on the experiences, methodologies, and resources of the global KPMG firm. Overall, several of our team members live, work, and build their futures in the Raleigh area and hold deep commitments to serving not only our clients, but our neighbors as well.

Further, KPMG affirms that, if selected, we will negotiate in good faith.

KPMG LLP (KPMG) is committed to serving the State of North Carolina (State), and we are invested in your success. As the individual authorized to negotiate on behalf of KPMG, I look forward to the opportunity to work alongside DPC as your trusted Supplemental Internal Audit, Assurance, Accounting, Data Analytics, and Managerial Advisory Services integrator. Should you need any additional information or have any questions, please do not hesitate to contact at 615-248-5626 or jerodholloway@kpmg.com.

Very truly yours,

KPMG LLP

Jerod J. Holloway
Lead Engagement Managing Director
615-248-5626
jerodholloway@kpmg.com

Young Kim
North Carolina Lead Account Partner
919-696-1015
yhkim@kpmg.com

Table of contents

Response matrix table

KPMG experience and qualifications

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.

A. KPMG Overview

KPMG International Limited ("KPMG International") is a global network of professional member firms providing audit, tax, and advisory services. **KPMG LLP** ("KPMG") is the U.S. member firm of KPMG International with professionals serving a wide range of public sector and private sector clients, from Fortune 500 companies to federal and state government agencies.

We are one of the largest providers of professional services to state and local governments and were one of the first large professional advisory services firms to create a practice of dedicated professionals (the KPMG Government practice). KPMG is made up of a Board of Directors and Management Committee that oversees the three main areas of our business: Tax, Audit, and Advisory. Infrastructure & Climate Advisory Practice is one of the service groups within the KPMG Advisory business and will be the lead practice for administering the state of North Carolina.

KPMG is a recognized public sector professional services leader, as reflected by the size of our government market share, deep involvement in sector organizations, and thought leadership. We help organizations transform financial and operational challenges into opportunities with cross functional public sector knowledge, open collaboration, and an insightful approach that is tailored to each organization's situation and needs. One of our principal strengths is our structure, which combines the extensive reach, thought leadership, research, rigor, objectivity, and other capabilities of a Big Four Firm, with the individual commitment to serve state and local government that is typical of a boutique firm.

With more than 40,000 people in the US, including more than 2,200 partners, we are a leader among professional services firms. We provide services out of over 90 offices in the US, serving clients in all 50 states.

KPMG by the numbers

Around the World		In the United States		In the State of North Carolina	
265,000+	Professionals	40,000+	Professionals	900+	Professionals
12,000+	Partners operating in	2,000+	Partners	75	Partners
143	Countries and territories	Serving clients in all 50	states	3	Offices
700+	Offices	90+	Offices		
$34.64B	In revenue	$11.0B	In revenue		

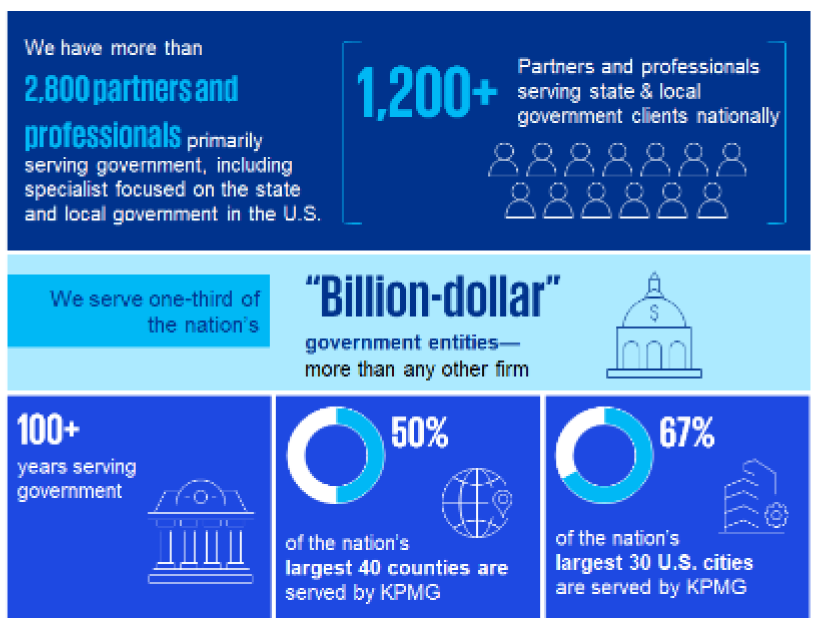
KPMG State and Local Government experience

KPMG has assisted public sector organizations of all types, including federal agencies, states, cities, counties, school districts, public hospitals, finance authorities, transit authorities, and virtually all other institutions that serve the public. This practice consists of professionals, who devote their efforts full time to serving state and local, federal, higher education, research, and other not-for-profit organizations. KPMG offers professional services to help public sector agencies meet the needs of their constituencies.

A longtime leader in the public sector, KPMG has made serving the public sector a key focus of our business and our future. State and local government (SLG) officials face unique challenges. They are called upon to deliver "quality services" efficiently and effectively, allocate and increase resources, and comply with federal and state regulations – even as their budgets decline.

KPMG's SLG practice provides services to more of the nation's billion-dollar government entities than any other firm nationwide. KPMG has assisted public sector organizations of various types, including state entities, federal agencies, cities, counties, school districts, public hospitals, finance authorities, transit authorities, and other institutions that serve the public.
This practice consists of more than 2800 partners and professionals, who devote their efforts full-time to serving state and local, federal governments.

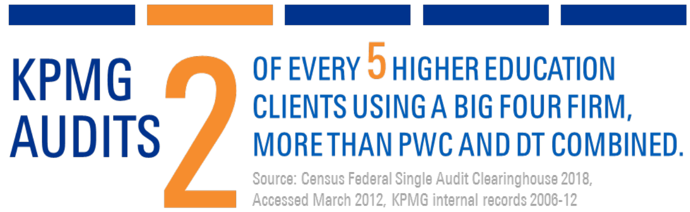
KPMG offers professional services to help public sector organizations meet the needs of their constituencies. KPMG anticipates the challenges organizations face as a result of legislative changes, economic trends, and customer needs. Additionally, we realize that today's fast-paced economy and business world require attentiveness to detail – since it influences the business of public sector entities today and tomorrow.



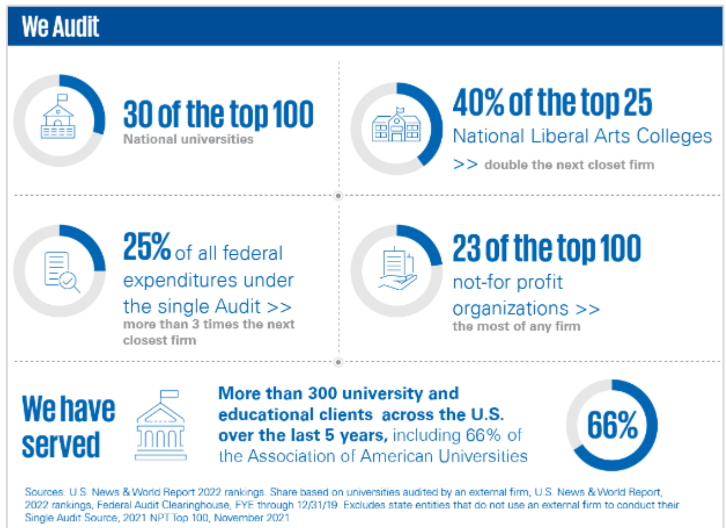
Our project team members focus extensively on government clients and have deep experience with performance audits and compliance assessments at all levels of government. Our engagement team is extensively familiar with workforce policies, funding streams and the local workforce development boards' organizational structure and practices. We have aligned a knowledgeable team, ready to hit the ground running with little onboarding needed, ready to deliver for NCDOA.

KPMG HERON Practice

With a Higher Education, Research, and other Not-for-Profits (HERON) practice comprising more than 541+ dedicated professionals, including 71+ partners and managing directors, we bring a depth of resources to serve the State of North Carolina today and tomorrow.



In fact, KPMG was the one of the leading major professional services firms to develop a HERON practice, and we remain one of the largest professional services firms to these organizations today—so we can bring the relevant industry observations and insights you need to help stay ahead of the curve. Our focus on and commitment to advancing the business of higher education and not-for-profit sectors through research and strong relationships is unwavering.



We provide professional services to well over 200 colleges and universities nationally—more than any other national firm—as well as over 200 research and other not-for-profit entities. Our dedicated HERON professionals devote their talents to help meet their clients' reporting and compliance needs, while providing timely perspectives to audit, finance, and governance committees and management on how comparable organizations address key issues. We also work closely with industry standards setters, including the American Institute of Certified Public Accountants (AICPA), Financial Accounting Standards Board (FASB), Governmental Accounting Standards Board (GASB), Institute of Internal Auditors (IIA), National Association Of College And University Business Officers (NACUBO), Office of Management and Budget (OMB), Council of Government Relations (COGR), and others, to provide leading guidance to higher education clients.

KPMG presence in North Carolina

KPMG has approximately 900+ professionals in the North Carolina. We serve a wide range of clients, from the FORTUNE 1000 to smaller public and private companies, giving us the breadth and experience needed to provide the quality service our clients expect and deserve. We are a leading provider of audit and tax services and offer a variety of advisory services, enabling us to bring our clients the right team of professionals who live and serve in our mutual community.

Since 2012, KPMG has provided North Carolina Department of Transportation (NCDOT) with strategic, commercial, and financial advisory across public private partnerships in highways and broadband. KPMG has further supported NCDOT with asset management and data governance, Infrastructure Investment and Jobs Act (IIJA) federal grants strategy and implementation, and right of way policy development. KPMG supported NCDOT with the development, procurement, negotiation and closure of the I-95, US 70, and US74 Broadband Project, a 600-mile middle mile project that will provide North Carolina with significant rural penetration while unlocking NCDOT's capabilities for remote traffic monitoring.

KPMG is currently supporting NCDOT and NCDIT with the development of a statewide Middle Mile Broadband Strategic Plan informed by middle mile infrastructure availability, unserved and underserved populations, state connectivity needs, and NCDOT's ITS needs.

Selected past engagements serving the State of North Carolina.

In the table below, we are pleased to share a set of some recent example of our work on behalf of the State. We would be pleased to present additional information if so desired.

Project Name	Description
North Carolina Department of Health and Human Services(NCDHHS) – System Integration Platform	NCDHHS engaged KPMG in 2021 to support transformation of its programs to provide more effective, integrated, and coordinated health benefits to the State's most vulnerable populations. KPMG brought a highly adaptable platform with a person-centered design that would be configured specifically for North Carolina's Medicaid goals.
North Carolina Department of Transportation(NCDOT) – Data Strategy, Governance and Analytics	NCDOT in 2020 engaged KPMG to develop the department's data analytics capabilities to improve operations, reduce costs and better serve the movement of people, services and goods.
Hospital system headquartered in North Carolina	The client, a hospital system headquartered in North Carolina, was looking to buy a Healthcare System, another hospital system in the area. KPMG Provided HR due diligence assistance related to the acquisition with key findings regarding single employer and multiple employers defined-benefit pension plans

Indelible Solutions LLP Overview

We are pleased to introduce Indelible Solutions LLP (Indelible) as a subcontractor firm for this project. Indelible is a minority-owned firm with an established reputation for supporting State and Local governments execute their programmatic missions. Indelible's success is rooted in its understanding of stakeholder needs within vulnerable, under-served and minority communities. From its modest beginnings, Indelible has grown to over 200+ employees strong who leverage over 100 years of combined experience in Business (Finance and Accounting), Technology, Emergency Management, and Health and Human Services. Indelible is organized into four business verticals: Emergency Management Solutions, Health and Human Services Solutions, and General Governmental Advisory Solutions.

With over 10 years in management consulting, Indelible's experienced team takes on complex challenges, provides tailored solutions, and delivers remarkable results on behalf of our clients. Their experience has been established across the diverse federal funding landscapes equips Indelible with exceptional program administration, management, implementation, and oversight solutions. Their services are designed to allow our clients and communities to effectively strategize, implement, distribute, monitor, and adequately evaluate outcomes to assess overall impacts of government funding. Along with key personnel and support across each division, Indelible is currently obligated to support over 22 projects with contract amounts between $100,000.00 and $27,000,000.00. These contracts represent well over a billion dollars in funding for state, county, and local governments, as well as direct funding impacts citizens impacted by disasters.

The Indelible team understands how to navigate complex federal, state, and local processes to help government agencies mitigate risks, promote compliance, and achieve programmatic goals. Clients often rely on Indelible to understand and navigate the complexities of administering, managing, and auditing systems with numerous components, interconnections, and interactions. They promote accountability, community resilience, and public trust through their unwavering commitment to excellence in customer service and equitable delivery of services. Indelible has a history of executing federally funded statewide projects in accordance with federal and state regulations while encouraging equitable solutions.

Indelible extensive experience demonstrates that their consultative guidance is embedded in leading practices and that their team understands the needs of their clients and their communities. Their team brings the specific programmatic knowledge, experienced resources, tailored approach, and complementary services to administer large-scale government programs. Their methodologies have been proven effective and the quality of their work is transformative and impactful. As a recognized partner in government services, they anticipate the challenges clients face because of legislative changes, economic trends, and constituent needs.

Qualifications Table

Please see below a table with our qualifications for each listed technical approach area. For more details on each qualification, refer "Technical Approach" section of the document.

Technical Approach Area	Name of client organization	Project title
Operational Audits	Ivy League University	Internal Audit Co-Sourcing
	School of Medicine	Internal Audit Outsourcing
	Large City School Construction Authority	Internal Audit Outsourcing
	Academic Medical Center Health System	Internal Audit Outsourcing
Performance Audits	State Department of Health	Institutional Cost Report (ICR) Performance Audit
	U.S. Federal Department	Performance Audits
	Fund Administrator Company	High-Cost Program (HCP) Performance Audits
	State Department of Health	Healthcare Reform Act Performance Audits
Investigative Audit	Large City Government	Forensic Audit
	Major City Board of Education	Contractor Investigation
	Regional Transit Authority	Fare Media Loss Investigation
	Metropolitan Transportation Authority	Contract Review
Compliance Audit: Contract Compliance Services	Multiple Clients	Fleet Management Contract Reviews
	Public Stadium Authority.	Contract Compliance Review
	Large Research Institution	Royalty Audit
	University System	Campus Food Service Vendor Review
Compliance Audit: Construction Audit Services	Ivy League University	Construction Program Controls Evaluation and ongoing Construction Auditing
	State University System Building Authority	Construction Audit Program Development
	Major U.S. Airline	Ongoing Construction Monitoring

Technical Approach Area	Name of client organization	Project title
	Integrated Health System	Ongoing Construction Advisory Services
Information Systems Audit: Technology Risk Audits	Private Mid-Western University	IT General Controls Testing
	Large City Government	Procurement and System Assessment
	State Department of Health	State Health Information Network Certification Body
	State Government	Unemployment Insurance Risk and Control Assessment
Information Systems Audit: Cyber Security Services	Federal Legislative Body	Cyber Security Maturity Assessment
	Private University	Gramm-Leach-Bliley Act (GLBA) Assessment
	Research University and Academic Health Center	US National Institute of Standards and Technology (NIST) Assessment
	State Department of Emergency Management	911 and Geospatial Services Bureau Integration Assessment and Statewide NG911 Implementation
Data Analytics/Continuous Monitoring	State Department of Revenue	Automation of Internal Audit Business Processes
	Federal Agency	Improper Payment Intake Audit Automation
	Office of a State Auditor General	Current State Assessment
	State Department of Auditor General	Current State Assessment of Audit Operations
Risk Assessment and Audit Plan Development	Ivy League University	IA Risk Assessment/Plan Development
	Large City Administrative Agency	Risk Assessment
	State Department of Early Education and Care	Risk Assessment
	District Office of The Inspector General	Risk Assessment/Plan Development
Financial Audit (Internal Control Reviews)	Office of a State Treasurer	Unclaimed Property Unit Internal Control Review
	State Convention Center Authority	IT Asset Control Assessment
	District Transit Authority	Internal Control Review
	State Administrative Office of the Courts	Internal Controls Review

Technical Approach Area	Name of client organization	Project title
Accounting & Financial Services	State Medical University	GASB Accounting Change and Financial Reporting Support
	University Medical Affiliate Organization	GASB Joint Venture and Initial Financial Statement Preparation Support
	University and University Healthcare System	FASB Accounting Change and Financial Reporting Support
	State Department of Transportation	GASB Accounting Change and Financial Reporting Support
Managerial Advisory Services: Procurement Operations	Major Northeast University	Procurement Maturity Assessment and Spend Analysis
	Major State University in the Midwest	Procurement Assessment and Transformation Plan
	County Government	Procurement Assessment and Transformation Design and Plan
	State Government	Interfaced or Integrated ERP Systems
Managerial Advisory Services: Finance Transformation	State University	Budget Process Review
	Private University	Budget Process Review
	Large City Comptroller's Office	Current State Assessment
	Large City Government	Multiple Projects: Internal Controls, Business Process Improvement, Financial Reporting, Grant Compliance
Managerial Advisory Services: Economic & Valuation Services - Economic & Statistical Consulting	Large Federal Government Agency	Key Performance Indicator (KPI) Tool Development
	District Government Department of Employment Services (DOES)	Unemployment Insurance Program - Unit Investment Trust Funds(UITF) Forecast and Business Activity Monitoring (BAM) Data Analytics
	State Workforce Development Offices	State Labor Market Information and Data Modernization Study
	State Department of Human Services (DHS) Office of Income Maintenance (OIM), Bureau of Employment and Training Programs (BEP)	Employment and Training Program Improvements for Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) recipients

B. 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).

Perhaps one of the leading indicators of our success as a professional services provider is the clients we serve and what these companies' perspectives are about their experience with us. We welcome the State of North Carolina contacting our references to discuss the services provided by KPMG and the level of quality account service experienced throughout the many years of serving the organizations. To make the efficient use of your time, we would be happy to set up a call with any one of these references and we encourage you to obtain their thoughts on our industry knowledge, interactive approach, and overall level of professionalism.

We will be putting forward an experienced team to conduct or participate as a team member on one (1) or more of the following types of Services: Operational/Performance Audit, Investigative Audit, Compliance Audit, Information Systems Audits, Data Analytics, Risk Assessment and Audit Plan Development, Financial Audit (more accurately internal control reviews), and Managerial Advisory Services.

Please refer to Attachment E – Customer Reference Form submitted separately.

C. Legal right to practice in North Carolina.

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

Please see below KPMG LLP North Carolina Annual Report and CPA certificate to demonstrate that we are legally authorized to work in State of North Carolina.

LIMITED LIABILITY PARTNERSHIP ANNUAL REPORT

1/6/2022

NAME OF LIMITED LIABILITY PARTNERSHIP: KPMG LLP

SECRETARY OF STATE ID NUMBER: 0461041 STATE OF FORMATION: NC

Filing Office Use Only
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1/19/2023 09:15
Changes

REPORT FOR THE FISCAL YEAR END: 12/31/2023

SECTION A: REGISTERED AGENT'S INFORMATION

1. NAME OF REGISTERED AGENT: CT Corporation System

2. SIGNATURE OF THE NEW REGISTERED AGENT:

SIGNATURE CONSTITUTES CONSENT TO THE APPOINTMENT

3. REGISTERED AGENT OFFICE STREET ADDRESS & COUNTY
160 Mine Lake Court, Suite 200
Raleigh, NC 27615-6417 Wake County

4. REGISTERED AGENT OFFICE MAILING ADDRESS
160 Mine Lake Court, Suite 200
Raleigh, NC 27615-6417

SECTION B: PRINCIPAL OFFICE INFORMATION

1. DESCRIPTION OF NATURE OF BUSINESS: KPMG LLP is engaged in the practice of Audit, Tax, and Advisory services.

2. PRINCIPAL OFFICE PHONE NUMBER: (201) 505-3957

3. PRINCIPAL OFFICE EMAIL: Privacy Redaction

4. PRINCIPAL OFFICE STREET ADDRESS
Three Chestnut Ridge Rd, Attn: Ethics & Compliance
Montvale, NJ 07645-1842

5. PRINCIPAL OFFICE MAILING ADDRESS
Three Chestnut Ridge Rd
Montvale, NJ 07645-1842

6. Select one of the following if applicable. (Optional see instructions)

☐ The company is a veteran-owned small business

☐ The company is a service-disabled veteran-owned small business

SECTION C: CERTIFICATION OF ANNUAL REPORT. Section C must be completed in its entirety by a person/business entity.

Arthur J. Paradise — SIGNATURE
1/19/2023 — DATE
Form must be signed by a General Partner

Arthur J. Paradise — Print or Type Name of General Partner
General Partner — TITLE

This Annual Report has been filed electronically.

MAIL TO: Secretary of State, Business Registration Division, Post Office Box 29525, Raleigh, NC 27626-0525

1234567890

CPA Firm Certificate

Firm Search

Firm Search Details:

Firm Name	**KPMG LLP**
Licensed As	CPA Firm Certificate
Firm Type	Limited Liability Partnership
Address	620 S Tryon Street Ste 1000
City/State/Zip	Charlotte NC 28202-4214
Telephone Number	704-335-5300
CPA Certificate Contact	Arthur Joseph Paradise Jr.
Firm Registration Date	
Firm Registration Expiration Date	12/31/2023
Date of Last Peer Review	12/10/2020

Public Documents

View	Other - CONSENT ORDER - BD APPROVED

If you have any questions, please contact the Board.

D. External reviews and regulatory action

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.

Peer Review report and American Institute of Certified Public Accountants (AICPA) Acceptance letter

To comply with licensing requirements, we undergo an external peer review every three years. Our most recent peer review report was accepted by the AICPA's National Peer Review Committee (NPRC) on December 10, 2020. The peer review report had a rating of pass, which is the highest rating. The 2020 peer review report was unmodified and therefore, did not require a KPMG response letter.

pwc

Report on the Firm's System of Quality Control

November 17, 2020

To the Partners of KPMG LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of KPMG LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility
The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility
Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations
Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, audits of broker-dealers, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion
In our opinion, the system of quality control for the accounting and auditing practice of KPMG LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. KPMG LLP has received a peer review rating of *pass*.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, PricewaterhouseCoopers Center, 300 Madison Avenue, New York, NY 10017
T: (646) 471 3000, F: (813) 286 6000, www.pwc.com/us

AICPA

National Peer
Review Committee

December 10, 2020

Paul Knopp
KPMG LLP
345 Park Ave
New York, NY 10154

Dear Paul Knopp:

It is my pleasure to notify you that on December 10, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Fawley
Chair, National PRC
+1.919.402.4502

cc: Michael Wagner, Stephen Hicks

Firm Number: 900010054128 Review Number: 575970

220 Leigh Farm Road, Durham, NC 27707-8110
T: +1.919.402.4502 F: +1.919.419.4713
aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org

Quality is central to everything we do, both individually and as a firm. It underpins our professional relationships with the organizations we serve. At KPMG, quality assurance is not a "check the box" task. Instead, it is a bellwether embedded in all the processes that enable us to deliver consistent, quality services to our clients. Through customized training, operational methodologies, consistent protocols, and clear communication standards, quality assurance is foundational to our approach spanning implementation, transition to operations and throughout the Managed Service engagement.

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.

As is the case with all major professional services firms, from time-to-time KPMG LLP (KPMG or firm) and/or individual partners, principals or employees have been named as defendants in lawsuits or are the subject of investigations by government or regulatory bodies and civil plaintiffs, particularly when one of the firm's clients suffers an economic downturn. Understandably, the details of such litigation and investigations are sensitive and highly confidential.

We are not aware of any lawsuits, judgments, or investigations that will impact our ability to serve the State of North Carolina in the professional manner you require and deserve.

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.

As is the case with all major professional services firms, from time-to-time KPMG LLP (KPMG or firm) and/or individual partners, principals or employees have been named as defendants in lawsuits by government or regulatory bodies and civil plaintiffs, particularly when one of the firm's clients suffers an economic downturn. Understandably, the details of such litigation are sensitive and highly confidential.

For example, a purported qui tam action is pending in the United States District Court for the Eastern District of Virginia, which relates to the firm's work on Department of Defense contract spending. The claim alleges that KPMG inflated its charges to the Department through a variety of means, including interfering with the hiring of new subcontractors and falsifying the numbers of KPMG subcontractors used on task orders. The government declined to intervene in the matter on October 22, 2020. KPMG accepted service of the complaint in this matter and will file/filed a motion to dismiss on March 12, 2021.

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.

KPMG LLP is a U.S. limited liability partnership. We have provided condensed unaudited balance sheets to demonstrate our relative financial position. For the fiscal year ending September 30, 2022, our total revenue was $11 billion. In addition to long-term debt reflected on the balance sheets, we have an unsecured revolving credit facility to meet seasonal financing needs. No amounts were outstanding under this facility as of September 30, 2022, or 2021. KPMG has issued debt in the U.S. private placement market. This debt is rated NAIC-1 by the National Association of Insurance Commissioners(NAIC), the highest credit quality ranking on the NAIC ratings scale. KPMG is not formally rated by Dun & Bradstreet, but they do track certain financial metrics of the firm which in aggregate reflect a "good" credit quality standing. This information is not intended to be the basis for a detailed review of assets, liabilities, and partners' accounts.

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.

KPMG LLP is a privately held partnership and not a publicly traded corporation, therefore we are not required to prepare annual audited financial statements or release financial results to the public. Please refer to the latest available KPMG LLP condensed balance sheets and other financial information in appended to Attachment G submitted separately.

As of September 30, 2022, the end of our most recent fiscal year, KPMG LLP reported total revenue of $11 billion. By all the key financial measures of our firm, these results reflect continued financial stability. This fundamental strength allows us to make the necessary investments in the people and technology that keep us at the forefront in professional services.

KPMG LLP issues debt in the U.S. private placement debt market. Its private placement notes are rated by the Securities Valuation Office of the National Association of Insurance Commissioners (NAIC SVO). KPMG's notes are currently rated 'NAIC-1' which is the highest credit rating category within the NAIC SVO ratings scale. An 'NAIC-1' rating would be comparable to a rating of 'A3' or better by Moody's Investors Service or 'A-' or better by Standard & Poor's. The NAIC SVO reviews its KPMG LLP credit rating assessment on an annual basis.

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.

KPMG LLP is a private limited liability partnership and therefore does not produce a full-disclosure annual report. Please refer to the latest available KPMG LLP condensed balance sheets and other financial information appended to Attachment G submitted separately.

E. Project staffing

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.

Staff qualifications – Our greatest resource

As the section header states – our people are our greatest resource. More than our firm qualifications or approach or any other part of our response – our people make us what we are. They are the key to our success and the reason why we have been in existence for more than 125 years.

We have constructed a local team worthy of the challenge you have outlined in the RFP – a team that is eager to show what they can do, a team confident in their abilities, because they each have experience with various professional services to governmental clients including internal audit and internal control- related work. They meet your requirements and look forward to the opportunity to exceed your expectations. Their experiences are relevant, and they represent the impressive talent we have at KPMG and the gratitude we have for North Carolina.

The team will be comprised of members of our state and local government and healthcare practices, as well as experienced professionals our subcontractor professionals. Our KPMG team has experience in all relevant areas and is ready to be immediately deployed upon project initiation.

We are often asked, "What makes KPMG different?" and the answer is simply this:

It is our distinct culture and extraordinary people.

Service quality will always depend on the people delivering the services and the tools utilized. We believe in keeping our people engaged and passionate about their careers as service providers and arming them with innovative technology and work environments.

Commitment to quality, hard work, innovation, inclusion, and our communities is the driving force behind our success and the reason KPMG continues to receive a high ranking on the "**Fortune 100 Best Companies to Work For**".

The right team, the right resources

The depth of our team's experience managing large, multi-party, multi-scope internal audits serves as the foundational benefit of selecting KPMG as your professional service provider. KPMG presents you with a staffing model designed to not only meet the requirements of NCDOA' needs, but also help drive overall engagement efficiencies through our proposed single vendor approach.

At KPMG, we believe that our commitment to a long-term relationship with NCDOA is demonstrated by the strength of the engagement team we have selected to serve you. With this in mind, we have assembled a team that has experience serving state and local governments. Your core team will be augmented by subject-matter professional(s) (SMPs) in the relevant technical areas.

We are pleased to be able to provide examples of our firm's representative team members across each of the scope of work categories at each of the key service levels as outlined in your solicitation.[1] We recognize however that the Managerial Advisory Services delivery category could arguably encompass a wide range of technical

[1] Please note that due to the complexity required in select requested service areas such as Data Analytics we are not able to offer base level" staff members as defined in the RFP.

disciplines and involve many professionals. For this reason, we elected to present supporting content for two of our related practice areas, Economic & Valuation Services (EVS) and Procurement Advisory Services. We would be happy to present any additional members of our team as well as their skills information in any other areas of interest the Department may request.

KPMG Team Organizational Chart

The organizational chart and short biographies below represent the structure, roles and responsibilities of your proposed engagement team. If there are any circumstances that may cause a change with any of the proposed team members from now until project commencements, KPMG will work with NCDOA on a mutually agreeable staffing plan.

Key Personnel Biographies

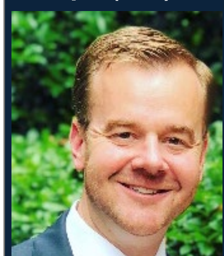
In the following pages we have provided summary experience of select key personnel on the KPMG Team, presented based on their alignment to the scope of service areas in the RFP. Where this is the case, they are included below under the first scope item for which they are associated.

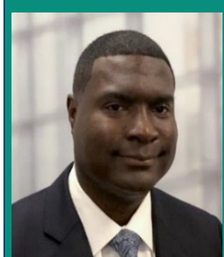
These individuals have been specifically identified based on their deep experience and relevant skill sets relative to the service areas identified in order to provide the highest level of service to NCDOA. A short biographical summary of our professional personnel has been mentioned here below:

Project Leadership and Service Area Leads Management	
Team Member	**Biography at a Glance**
Jerod Holloway  *Engagement Lead Managing Director/Operation Performance Audit/Risk Assessment and Audit Plan Development*	**Engagement Role** Jerod's role is to be your primary contact and he would be responsible for the overall coordination, execution, communication, and the quality of services provided to NCDOA. He will lead our cross-functional team and manage the completion of audit reports. **Experience** Jerod is a Managing Director in the Advisory Internal Audit & Enterprise Risk practice with certifications as a Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE) Certified in Healthcare Compliance (CHC), and a Certified Healthcare Internal Audit Professional (CHIAP). Jerod has over 23 years of professional experience in public accounting, providing internal audit services in the Not-For-Profit, Governmental and Healthcare sectors. He will also support direct service delivery in the operational/performance audit services, the financial audit (e.g., internal control assessment), and risk assessment and internal audit plan development delivery areas.
Young Kim  *North Carolina Lead Account Partner*	**Engagement Role** Young's role is to help maintain key working relationships with senior management and the Audit Committee, solicit direct and candid feedback on our service delivery, and attend meetings, as appropriate. He will be responsible for identifying opportunities and synergies for the potential benefit of NCDOA across all of KPMG's NC state account support. **Experience** Young is a KPMG Principal and the North Carolina Account Leader. He has 20 years of experience serving federal, state, and local Governments based in Raleigh, brings institutional knowledge and experience to work with public sector leaders statewide. He has provided coordination, outreach, and solutions to North Carolina public sector customers to address their pressing challenges. He is also a certified Project Management Professional (PMP).
David Gmelich  *Engagement Director*	**Engagement Role** David's role is to oversee overall project management and he will have primary responsibility for coordinating engagement work products. He will conduct the risk assessment to create a resulting tailored internal audit plan for NCDOA and direct the day-to-day performance of that plan. He will also support the scheduling and execution of fieldwork and facilitate/attend key meetings with NCDOA stakeholders. **Experience** David is a Director with more than 20 years of professional experience in serving federal, state, and local government and higher education clients. His experience includes internal audit risk assessment, planning and execution as well as performance auditing across delivery areas such as health, insurance, transportation, public works, building inspection. He will also support direct service delivery in the

	operational/performance audit, the financial audit (e.g., internal control assessment) and risk assessment and internal audit plan development delivery areas.
Alan Moore  *Indelible Business Solutions LLC*	**Engagement Role** Alan's role is to serve as the principal liaison to our Indelible Business Solutions subcontractor. **Experience** Alan has more than 30 years of experience providing professional services to corporations, higher education and governmental clients. He led practices and teams which provided a wide range of consulting, internal audit, process improvement and system implementations to help clients meet or exceed their goals as well as to comply with governmental or industry specific regulations. In his role as Indelible's team lead, he will work with KPMG to help assemble impactful combined delivery teams to NC state agencies using this NCDOA delivery contract. He is also a certified CIA and Six Sigma Black belt.

Project Delivery Team	
Team Member	**Biography at a Glance**
Rory Costello  *Principal, Performance Audit*	**Engagement Role** Rory's role is to lead the performance audit team providing planning and scoping direction and quality reviews of audit test work and associated findings and recommendations. **Experience:** Rory is a principal in the KPMG Government Regulatory Compliance practice and has been with KPMG since 1995. Rory has extensive health and human services as well as, state and federal compliance experience (A-87 Costing Principles, American Recovery and Reinvestment Act (ARRA), Disproportionate Share Payments to Hospitals, CMS 9957) having served on numerous regulatory compliance engagements including several federal single audits. A certified PMP, Rory brings years of performance audit experience in state and local government, healthcare, and health insurance. He is also a certified PMP.
Kelly Donovan  *Managing Director, Investigative Audit*	**Engagement Role** Kelly's role is to undertake audits investigations, focusing on key areas such as internal investigations, third party due diligence, and integrity monitoring. **Experience** Kelly is a Managing Director in KPMG's Risk Consulting practice who leads conduct/misconduct and fraud investigations, as well as helps assess, design, and implement regulatory compliance programs and provides fraud risk management assistance to multiple clients. She is a Licensed Attorney.

Filippo Puglisi-Alibrandi  *Principal, Compliance Audit, Contract Compliance Services*	**Engagement Role** Filippo's role is to provide delivery oversight of on compliance audit and will use the knowledge of Contract Compliance Services (CCS) to conduct reviews of current delivery practices and enhance software and programs. **Experience** Filippo serves as KPMG's U.S. National Leader for the Contract Compliance Solution Group. Filippo advises clients on developing and delivering third party compliance programs and self-reported relationships. He is a certified professional with Italian equivalent titles of CPA, CIA, and CFE in the U.S.
Kevin Max  *Principal, Compliance Audit, Construction Audit Services*	**Engagement Role** Kevin's role is to provide delivery oversight of on Construction audit focusing on areas of construction risk management, contract administration and compliance, project oversight, monitoring, investigations and auditing. **Experience** Kevin is a Principal in KPMG's Construction Advisory practice. A licensed professional engineer, he has twenty years of diverse construction industry experience. Kevin is a CFE and a certified PMP.
Joseph (Joe) Manusakis  *Principal, Information System Audit Technology Risk*	**Engagement role** Joe's role is to focus on IT related risks and help oversee IT audits delivered to the NCDOA and engaging state agencies. **Experience** Joe is a Principal in KPMG's Technology Risk consulting group with 20 years of technology risk consulting, technology internal audit and risk management experience. He is also a Certified Information Systems Auditor (CISA).
Rahul Kohli  *Principal, Information System Audit, Cyber Security Services*	**Engagement Role** Rahul's role is to lead delivery on cyber security services to the NCDOA and engaging state agencies under this contract. **Experience** Rahul leads our KPMG State and Local Government Cybersecurity practice and has more than 21 years of experience providing cybersecurity and privacy assistance to State and Local clients. He is also a Certified Information Systems Security Professional (CISSP).

Omid Yazdi  *Partner, Data Analytics*	**Engagement Role** Omid's role is to provide delivery leadership for the data analytics team seeking to utilize computer-assisted audit tools and techniques for identification of ineffective controls or developing key continuous monitoring controls. **Experience** Omid is a KPMG partner who leads the national internal audit risk analytics team. His responsibilities include leading a national risk analytics specialist team. Omid has over 30 years of experience assisting KPMG's clients with risk assessments, internal audit services, data analytics, and related services. He also a CPA in California and CFE.
Michael Lammons  *Partner, Accounting Advisory Services*	**Engagement Role** Michael's role is to lead delivery in the Accounting and Financial services area. **Experience** Michael is a partner in our Accounting Advisory Services Group bringing 30 years of collective experience as a financial statement audit partner and later serving advisory clients. Michael has deep experience in serving colleges and universities, state and local entities, academic medical centers, healthcare/insurance organizations, and foundations. Michael has extensive GASB and FASB not-for- profit and governmental accounting experience, including serving as the audit partner for two major public college and university systems with academic medical centers. He is CPA in Alabama, Georgia, Florida and New York.
James H. Moore  *Principal, Economic & Valuation Services*	**Engagement role** Dr Moore's role is to lead our Economic & Valuation Services team in service delivery to engaging state agencies. **Experience** Dr. Moore is an accomplished and results-oriented Labor Economist with a strong record of overseeing and improving federal and state education, social programs, and workforce development programs. Dr. Moore has over 25 years of well-established skills in project management, labor economics, education, social program and labor policy, research and survey methodology, analysis of regulations, quantitative research, and data analysis.
Julie Barrientos  *Managing Director, Finance Transformation*	**Engagement role** Julie will serve as our financial management service team lead. **Experience** Julie is a Managing Director in our firm's finance transformation advisory practice and assists clients with creative solutions to enhance their financial processes. She has spent her entire 26-year career in the public sector and have over 26 years of professional experience with KPMG providing finance related advisory services to governments and higher education institutions. She is also a current CPA in Illinois and Nebraska.

Len Prokopets	Engagement role
 *Managing Director, Procurement*	His role is to lead the procurement advisory team in support our broader delivery team. **Experience** Len brings over 25 years of experience in defining and leading complex transformation programs for organizations in higher education, state and local government, and commercial sectors. He has assisted multiple clients in assessing their current Procurement capabilities and opportunities and helping drive performance improvements in costs, working capital, and service levels.

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:	Jerod J. Holloway
Office Phone:	615-248-5626
Mobile Phone:	615-393-2846
Email:	jerodholloway@kpmg.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:	Jerod J. Holloway
Office Phone:	615-248-5626
Mobile Phone	615-393-2846
Email:	jerodholloway@kpmg.com

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.

Understanding Your Needs

As communicated in your RFP, the State is seeking vendors to provide a variety of internal audit, accounting and advisory services to support multiple state agency internal audit functions. We note that in the RFP you further specified target services in the following areas:

- Operational/Performance Audit.
- Investigative Audit.
- Compliance Audit.
- Information System Audits.
- Data Analytics/Continuous Monitoring.
- Risk Assessment and Audit Plan Development.
- Financial Audit[2].
- Accounting and Financial Services.
- Managerial Advisory Services.

In the following elements of this section, we seek to display our firm background in each topic area, a representative approach to a baseline project in the topic area (with a representative deliverable and timeline), team member skills and experience, examples of firm qualifications, and select work product examples you requested in your RFP. You will note that in many areas we not only have significant experience in the subject areas you specified, but much of it is specific to state and local government and higher education sectors. Having served governments and higher education/non-profits for close to one hundred years, in a variety of capacities, has given us a great deal of insight into many of the areas that you noted in the RFP. Whether it is through our involvement in State Single and Financial audits over the years or our participation in the delivery of advisory services to government, we bring deep industry understanding and experience that will be hard to match by other vendors.

On the following pages we explain in greater detail the experiences and knowledge noted above. Our belief is that you will see that the KPMG team has taken its involvement in the Public Sector very seriously over the years and that we possess the qualifications needed to effectively and efficiently deliver the services you require.

[2] We acknowledge that the NC DOA has clarified the term "Financial Audit" in the RFP's scope of work (in their responses to vendor questions 33, 68 & 76 in Solicitation Addendum #3) to mean assessing program reporting to whether controls are working properly. We therefore present our approach for conducting internal control assessment projects to demonstrate our background and experience in this service area.

a. Operational/Performance Audit

We appreciate the breadth potential risks to the State's strategy, mission, and operations. We devised an approach that is capable of meaningfully assessing this range of potential risks for the benefit of agency management and the state's constituents. We have successfully employed elements of the approach in both an ***operational and performance audit*** setting.

We understand that impactful operational and performance auditing can elevate the value of the Internal Audit (IA) function to an organization by emphasizing a balanced focus on value and value creation - in addition to IA's traditional focus on value protection (safeguarding of assets). These capabilities enable our IA services to operate in an advisory capacity to manage and address both operational and performance improvement. Operational audits typically focus on controls related strategy development and execution, financial planning and analysis, whereas performance audits often focus on executing procedures intended to enhance a function's efficiency and effectiveness. Our approach is above all flexible to meet your organizational needs.

Service Overview – Operational Audits

KPMG's Internal Audit practice is comprised of financial, operational, compliance, technology, investigative and data analysis professionals—augmented by subject-matter professional(s) for specific technical areas. As a testament to our commitment and dedication to Internal Audit, in 1997 KPMG made Internal Audit services a priority service line with a global footprint of dedicated professionals.

KPMG offers delivery teams trained in our Internal Audit Methodology, who are adept at delivering audit services across the breadth of governmental operations.

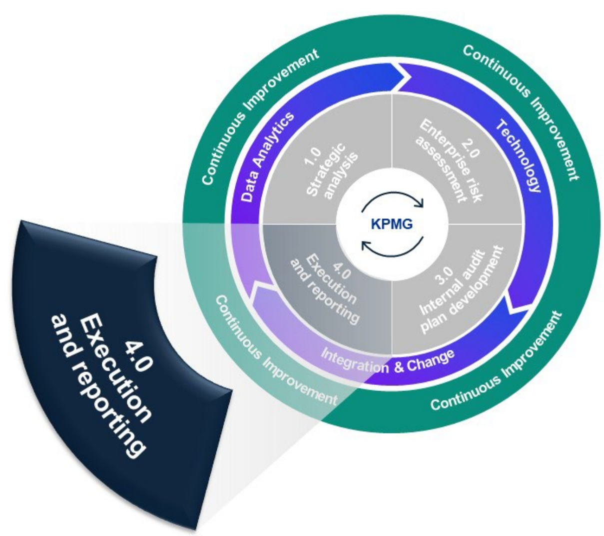
Approach

Our Internal Audit Methodology (IAM) methodology is scalable, flexible and can be incorporated as a whole or in parts within each project. It has been and continues to be successfully used by our resources across the country and around the world.

Our methodology analyzes risk from a business perspective and focuses on key processes and controls. It employs a scalable, top down, risk-based approach designed to drive value by delivering efficient and effective audits that are directly tied to our clients' strategic objectives.

Key features of our methodology include:

- **Risk-based approach:** Focuses on areas of greater risk, importance, and value to the organization.
- **Stakeholder engagement:** Active engagement and concurrence obtained from key stakeholders during the risk assessment process.
- **Subject matter professional involvement:** Incorporates subject-matter professional(s) where needed and relevant.



We are excited to bring our methodology and approach to support the internal audit functions of the State of North Carolina. These tested means provide the framework for a highly efficient, technology driven, and innovative internal audit capability.

The graphics above highlight our internal audit methodology including key resident tasks comprising the framework.

Per the instructions of the RFP, we will focus on Step 4.0 "*Execution and Reporting*" from our baseline IA methodology in the sub-section narrative below. We will address

Step 1.0 Strategic Analysis, *Step 2.0 Enterprise Risk Assessment* and *Step 3.0 IA Plan Development* later in this document.

Workplan

Our work in this audit phase leverages the earlier steps of our methodology and includes process analysis, which gains a deep understanding of related key processes, objectives, critical success factors, key performance indicators, flow of information or transactions, as well as the potential and level of reliance on information systems. After we have completed the process level analysis and risk assessment, we execute the internal audit, including developing the specific audit program. Internal audit execution formalizes the detailed work and involves prioritizing the relevant work to focus on activities of highest value to the organization. Our team develops the audit program and performs the test work in order to validate controls and processes.

With involvement of management vital to the process, we solicit management input in advance and facilitate their agreement with respect to the proposed audit execution plan. Ongoing communication with management is encouraged with regular status reports on the progress of our audit fieldwork. In addition, we conduct robust management debriefing sessions to review and confirm the factual accuracy of our findings and the feasibility of our proposed recommendations. A summary of the key steps taken when executing internal audit projects can be found below:

Audit phase	Activities		Potential Outputs
Planning	**Conduct planning session with management**	Interview key engaging agency personnel involved in the project. Topics discussed can include: • The complexity of the program. • The inherent risk of the program (for example achieving functional objectives or satisfying select compliance requirements). • Considerations of common IT systems. • Oversight by federal agencies and pass-through entities, and other auditors' reported findings.	• Agenda for Entrance conference. • Invite list for entrance conference.
	Hold entrance conference	We will meet with the key process owners to discuss: • General scope and objectives of the review. • Timing of the review. • Identify interviewees.	• Department contact list. • Preliminary document request list.
	Review initial documents	• Conduct interviews with key process owners and operating unit personnel to obtain an understanding of the process goals and objectives.	• Preliminary Risk Assessment.
	Perform fact-finding	• Conclude on the key risks that could prevent the attainment of the process objectives and assess the controls in place to mitigate the identified risks. • Determine the testing required, if applicable to the project.	• Refined Risk Assessment. • Draft Audit Plan.

Audit phase	Activities		Potential Outputs
	Create audit plan	• Create audit plan that addresses relevant internal control and compliance issues.	• Refined Audit Plan.
Fieldwork	**Perform sample selection**	• Determine the extent of computer assisted audit technique for identification of sample population.	• Information Request list. • Interview Schedule.
	Execute audit testing	• Execute test steps as prescribed in the audit plan by audit team (including subject matter professionals). • Determine the extent of computer assisted audit techniques. • Discuss observations and recommendations with engaging agency's project manager during the course of our fieldwork. • Report on control or compliance exceptions found, if any.	• Information Request list. • Interview Schedule. • Test results. • Summary of draft observations and recommendations.
Reporting	**Draft and issue final report**	• The final report will be issued following the exit conference with management action plans and implementation dates assigned to the appropriate internal management. • A formal preliminary exit conference with the respective management of the area under review will occur to discuss detailed findings and issues.	• Draft and Final Audit Report Issued.

Tools and Technology:

KPMG has developed a number of advanced analytics tools to perform different types of analyses as part of engagements including large-scale data analysis and data mining to support IA efforts. Key examples include:

- **KPMG Data Analytics Tool (KDAT):** A wide-ranging platform for performing data analytics projects, as well as managing multiple projects and reporting results with interactive visualization capabilities.
- **KPMG Automated Audit Procedures:** Advanced automated routines to extract data directly out of ERP systems to apply automated control tests, tests of details, and analytical procedures.
- **KPMG Control Catalogues:** Reference suites to benchmark an organization's controls in place, including control objectives, and associated risks and controls by process/sub-process area.

Third party analytics tools:

KPMG also leverages third- party tools in the areas of data analytics as discussed further below but also to support IA execution, such as:

- **Data analytics tools:** Tools to provide subject matter-based analyses (SQL Server, IDEA, and ACL).
- **Controls Portfolio Analysis Model (CPAM):** Our proprietary CPAM tool is designed to estimate the cost of controls and identify cost drivers for both control performance and compliance.

- **CA/CM tools:** Tools include Oversight Systems, Approva, BWise, ACL AX2, and Security Weaver, to help organizations obtain regular insight on the status of controls and transactions across their enterprise.
- **Visualization tools:** KPMG has developed and implemented interactive dashboards, using QlikView and Tableau, to help with reporting and presentation of results of analyses, along with drill-down capability.
- **Business intelligence (BI) tools:** KPMG has experience across a number of BI platforms such as Oracle EPM suite (HFM, Hyperion Planning, OBIEE, Essbase), SAP Business Objects, BPC, IBM Cognos, and Microsoft as well as various boutique vendors such as Tagetik, KPI Library, and Endeca.

Use of specific tools will be determined as applicable to each individual task order under the resulting NCDOA master contract. Use of certain tools may be subject to their permissibility under the terms and conditions of the contract.

Effective Tools and Knowledge Capital Employed by KPMG

Workflow, Data Repository and project Management Tools

Software/Research Tool	Collaboration Site	Clarizen

Data Analysis Tools (i.e. Data Analytics, enhanced auditing techniques)

Alteryx	CAATs (IDEA @7)	CPAM and CPAM+	Facts 2 Value	KDAT

Knowledge Database Tools (i.e. Methodology, Guidance, Content Examples, etc.)

The APG Builder	Accounting Research Online	Control Catalogs	Knowledge Management Portal

Deliverables

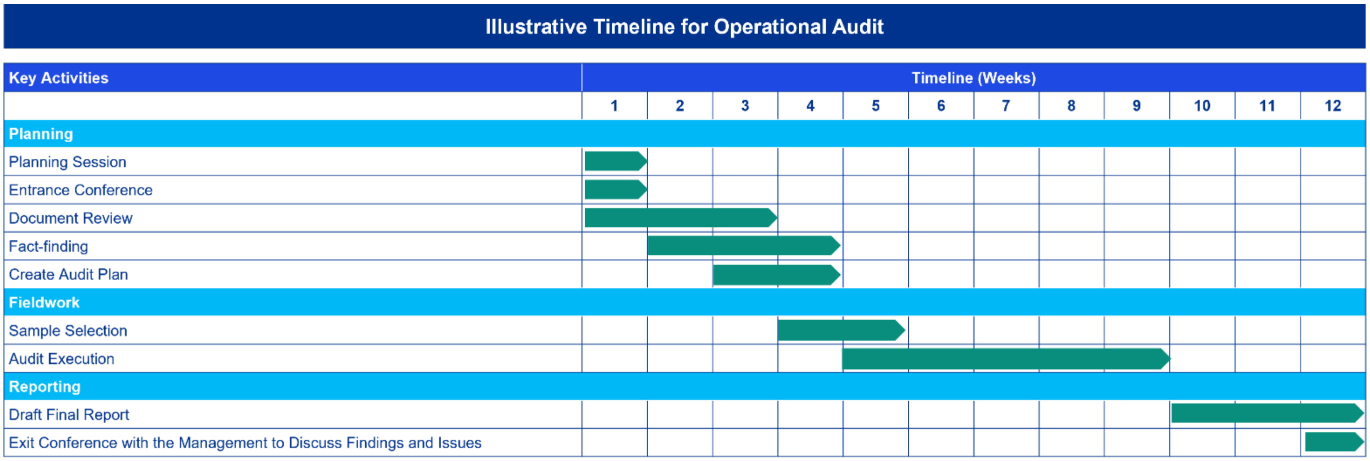
Upon completion of an internal audit, we will prepare a report to detail the work performed, findings, and recommendations, as well as management's response and proposed action plans. Audit reports typically include the following sections:

- **Introduction:** A brief overview of the audited area, objectives, scope, and coverage period.
- **Executive summary:** High-level summary of the audit findings, key risks, and recommendations.
- **Findings and recommendations:** Detailed explanation of the identified issues, recommendations for improvement, and management's agreed-upon action plan.
- **Summary:** An overall assessment of the audited area, highlighting significant risks and control weaknesses, along with engaging agency's general conformance to the audit objectives.

The hallmark of our approach is that our observations and recommendations present “no surprises” as we would have discussed any issues with management and process stakeholders on an ongoing basis. Within the body of the internal audit report, observations will be organized according to risk or functional area. For each observation, we will identify recommendations for improvement and measurable implementation goals. Each observation and agreed-upon management action will be vetted with the relevant process owner(s) prior to issuance of a final report. Our experience shows transparency and communication increases the likelihood for recommendation implementation.

Timeline

The timeline for projects of this type will vary and depend in large part on the depth and breadth of the project scope.



Representative Qualifications

Qualification 1	
Name of client organization	**Ivy League University**
Project Title	Internal Audit Co-sourcing
Project description	KPMG served as an internal audit service provider and delivered a set of audits over the purchasing, payroll, and account payable functions at a large private university. The project workplan included interviews with key stakeholders and operational/IT application walkthroughs to develop process/controls documentation. Following this initial diagnostic assessment, the team confirmed the documented controls, then developed and executed a detailed data-analytics enabled testing plan (operational/IT) to help identify potential shortcomings in the University's control framework as well as corresponding opportunities for improvement. The delivery team also conducted a benchmarking comparison with other peer institutions/groups to identify potentially leading practices and comparative alternatives/process improvements for the in-scope processes. Project delivery team included the deployment of internal audit, IT audit, audit, Oracle ERP, IT security, and financial management, as well as data & analytics professionals.

Qualification 2	
Name of client organization	**School of Medicine**
Project Title	Internal Audit Outsourcing
Project description	KPMG provides ongoing internal audit outsourcing services, including coordinating with management to develop the internal audit plan, executing internal audits, and performing joint audits with the internal team. For this College of Medicine and other Academic Medical Centers, we have conducted a number of audits related to the revenue cycle, opioid management/drug diversion, physician compensation, 340B programs, medical device warranty credits, research billing, etc. KPMG's healthcare industry experience provides valuable knowledge in understanding the structure of the different payor, provider, and IDN environments as well as the relationship between payors, providers, and IDNs in carrying out the DOH performance audits. Project delivery teams include internal audit and IT Audit, as well as subject matter professionals based on the project scope.

Qualification 3	
Name of client organization	**Large City School Construction Authority**
Project Title	Internal Audit-Outsourcing
Project description	KPMG served as the internal auditor for a large City School Construction Authority to support its internal audit and enterprise risk function. This included a dedicated team of KPMG professionals performing an overall assessment of current construction management processes and helping stand up the organization's enterprise risk management framework. The results of these efforts identified and prioritized various process functions involved in the life cycle of the capital program and areas that should be assessed further via internal audits, enterprise risk management activities, or other appropriate actions.
Qualification 4	
Name of client organization	**Academic Medical Center Health System**
Project Title	Internal Audit Outsourcing
Project description	KPMG provides ongoing internal audit out-sourcing services, including coordinating with management to develop the internal audit plan, executing internal audits, and performing join audits with the internal team. For this and other county hospital systems, we have conducted a number of audits related to the revenue cycle, opioid management/drug diversion, physician compensation, 340B programs, medical device warranty credits, research billing, etc. Our team's industry experience provides valuable knowledge in understanding the structure of the different payor, provider and IDN environments as well as the relationship between payors, providers and IDNs in carrying out the DOH performance audits.

Your Operational Audit Lead

This segment of the KPMG team will be led by Jerod Holloway a Managing Director in the Advisory Internal Audit & Enterprise Risk practice. Jerod brings certifications as a CIA, CFE, CHC, and CHIAP. Jerod has over 23 years of professional experience in public accounting, providing services in internal audits risk consulting, investigative/integrity assurance and compliance in the Governmental, Not-For-Profit and Healthcare sectors.

Details on the balance of the Operational Audit team may be found in our team resumes in the appendices.

Service Overview - Performance Audits

KPMG has delivered performance audits at more than 100 federal and state agencies and is a leading provider of performance audit services for both federal and state agencies. Below, we discuss our approach to their delivery, the expected output, and provide examples of performance audit engagements to help illustrate this capability.

Approach

We understand the Department wishes to conduct the audits in this phase in accordance with Government Auditing Standards. The Government Auditing Standards were first published in 1972 by the Comptroller General of the U.S. General Accounting Office (GAO) and are commonly referred to as the "Yellow Book" or "generally accepted government auditing standards" (GAGAS). These Standards establish general, fieldwork and reporting standards for performance audits.

GAGAS defines a performance audit as an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance and management of a government organization, program, activity, or function in order to provide information to improve program operations and facilitate decision-making by parties with responsibility to oversee or initiate corrective action and improve public accountability.

Performance audits may encompass a wide variety of objectives, including objectives related to assessing program effectiveness and results; economy and efficiency; internal control; and compliance with legal or other requirements.

KPMG has applied these standards on many engagements for a variety of public sector agencies. Specifically, we were the firm to deliver the first statewide performance audit and continue to regularly deliver performance audits for state agencies large and small across the country.

In addition to GAGAS, we will conduct our performance audit in accordance with Consulting Services Standards established by the American Institute of Certified Public Accountants (AICPA). This is not a financial statement audit or an attestation engagement as defined under the GAGAS or AICPA literature applicable to such engagements.

Work Plan

Task 1 – Conduct a kick-off meeting: During our initial kick-off meeting, we anticipate covering the following:

- Introduce members of the KPMG team, the State/Target Agency Contract Manager, and other key stakeholders as necessary.
- Confirm an initial list of contacts and timeline facilitate fieldwork.
- Discuss individual roles and responsibilities for each of the project team members.

Task 2 – Conduct Risk Interviews: We will begin a high-level analysis of the target function/agency objectives and business processes. During this step, our team will leverage a relevant control refer framework (e, g. Committee on Sponsoring Organizations (COSO) framework to help identify associated potential business issues.)

To gain a base level understanding of the risks applicable to target function/agency, we will first perform a series of interviews with key process/agency management. During these management interviews, we will expand our understanding of the operational, financial, information technology environments of the target function/agency within the context of the COSO framework and obtain relative risk and control information for each. This will form the basis of a risk profile and related control activities taking into consideration matters such as:

- Business objectives – operational, financial, information technology, and certain regulatory risks, aligned with financial and operational processes.
- Critical success factors.
- Key performance indicators (operational, financial, IT).

Task 3 – Strategic Analysis

Task 3.1 Strategic Assessment: We will conduct a strategic assessment to examine the Mission, Goals and Objectives of the target entity. This assessment will examine the extent to which goals and objectives are translated to specific program priorities and tasks, and the methods for measuring and accomplishing such tasks.

Additionally, the strategic assessment will consider how accountability for achieving the mission of the organization is carried out. Which units within the target process/agency are responsible for performing the required activities and how their performance is measured.

Task 3.2 Mandate Analysis: KPMG will perform a mandate analysis to associate the target process/agency's operational priorities and activities with the mandates and/or management directives that require these activities. This assessment will also examine the extent to which external goals and objectives are translated to specific internal operational priorities and tasks.

KPMG will conduct this analysis by reviewing applicable regulatory requirements and relevant policies and analyzing the information gained from the focus interviews and document review as described above.

We will develop a Mandate Matrix to help analyze actual program activities to assess the extent to which programs are in place to address mandates.

Example Mandate Matrix

Statutory Reference	Statutory Provision	Municipality Action	Recommendation

ARS §11-445(A)(15)	The sheriff shall receive the following fees in civil actions. Serving and returning each writ of garnishment and related papers, forty dollars.	Charges a $40 fee.	None.

Task 4 – Conduct Functional Analysis: We will conduct a functional analysis to identify and inventory the key activities performed across the target function/agency and compare them to identify overlap and duplication. If necessary, operational relationships will be mapped understand internal and external as well as formal and informal interactions in relation to these activities.

We also use the results of the functional analysis task to identify key controls in the core business processes of the target function/agency. This control identification will support later deliberate tests of internal control as warranted.

Task 5 – Organizational Assessment: Using the information obtained during previous tasks, KPMG will analyze the relationships of personnel and job positions within the division, identifying their purpose, frequency, and nature of interaction. KPMG will identify staffing within the target function/agency related to the key business functions identified earlier. Staffing levels will be examined to determine if there is an appropriate mix of staff (i.e., is staff sufficient to manage and direct operations, as well as to support specific technical or program areas, and provide administrative support?).

We will use the above criteria to help assess the current organizational alignment of the engaging agency resources and responsibilities, to determine opportunities for improvement, as well as to recognize elements of organizational strength.

Task 6 – Analyze Results and Develop an Audit Plan: We will document and analyze the risk and control information gathered during these analytical steps and focus on the key risks identified. In assessing these risks, consideration will be given to related control activities to make determinations about likely levels of unmitigated risk (residual risk). With management's input, risks will be ranked using criteria such as potential impact, probability of occurrence and preliminary control effectiveness. Our risk summary will be, at this stage, reflective of the collective thoughts attained through the data-gathering combined with the KPMG team's industry experience We will translate the risks into an audit plan specifying in more detail the processes and controls to be tested.

Task 7 – Assess Internal Controls: Understanding the basic internal control framework and its integration in target function/agency operations will be critical to the success of a project such as this. KPMG further understands that the system of internal controls is the key element in providing indications of past, present, and future internal success or failure in its core function. Our procedures will include tests to evaluate both the design of the internal controls and the extent to which the internal controls are functioning as designed.

Task 7.1 Review current internal control procedures in place: To accomplish this task, the KPMG team will interview key personnel about all relevant transaction cycles as part of the functional analysis. We will collect information to ascertain how responsibility is assigned for each procedure; how internal controls are structured; how proceeds flow in and out; which responsibilities are assigned to personnel and how many personnel are necessary to run applicable process/unit operations and what checks and balances the target function/agency uses in the conduct of these processes.

Task 7.2 Document our understanding of current internal control procedures: The goal of our documentation efforts will be to accurately depict the existing structure and ease our understanding of the target process(es)/agency's current operational structure. We will accomplish this in conjunction with the functional analysis.

Task 7.3 Test current internal control procedures, capture results and recommend improvements: We will focus our testing on those operations (identified in the interview process as and/or the functional analysis task) presenting greatest risk based on magnitude or likelihood of impact, apparent weaknesses in the internal control structure or other relevant criteria. The KPMG team will then select samples from these identified operations and test supporting documentation for compliance with approved controls. In addition to express testing of control activities reviewing we will also seek to assess areas such as proper segregation of duties, identifying weaknesses in approval processes, and performing selected testing and provide results. We will also document noted missing or deficient internal controls.

Task 8 – Develop Draft Written Report: The KPMG team will develop a draft written report based on the results of our analysis. KPMG will meet with relevant process/target agency management members (and/or other stakeholders as necessary) to update the report and resolve issues identified during the report development. The findings and recommendations will be finalized during this portion of the project.

- Accumulate, summarize, and record findings related to gaps in internal controls, nonessential costs, and economies and efficiencies or lack thereof in the target function/agency's operations.
- Summarize any items noted as a result of our detailed review. For each area that was found to be an exception based upon the testing criteria used, we will provide the potential cause as well as a recommendation for improvement.
- Determine if the division has complied with laws and regulations on matters of economy and efficiency.
- Consult with other members of the KPMG team and the target function/agency on matters that require follow-up.
- Formulate other observations and recommendations, as applicable.

Task 9 – Finalize Written Report: Based upon the process, results and outcome of the exit conference, the project team will finalize the report in accordance with the government auditing standards for reporting. The final report will address the stated audit objectives and will follow the applicable Governmental Auditing Standards. In finalizing the report, the Engagement Team will:

- Evaluate and consider feedback on the preliminary report.
- Conduct any additional procedures or inquiries necessary to verify our findings.
- Present our findings.

KPMG will incorporate relevant comments from the target function/agency Contract Manager into the draft audit report and provide a final version of the report within seven working days after receiving his/her comments. This final version will be a separate bound report, which will include a cover letter, narrative of the work performed, basis for assumptions and recommendations based on work performed.

Deliverable

Throughout the engagement, we anticipate providing the following deliverables to the engaging state agency:

- **Detailed Audit Program** – We will present an Audit Program to the engaging state agency for review and feedback after the initial Risk Assessment.
- **Draft Audit Report** – We anticipate providing an audit report discussing our findings for the target process(es)/agency related to the specific audit objectives. We will share this report in a draft form with relevant engaging agency officials for confirmation of facts and comment before being finalized.
- **Final Audit Reports** – After draft reports are shared, facts are confirmed and feedback is received from relevant stakeholders and incorporated as appropriate, we will issue a final report that meets the requirements discussed in the final contract SOW.

In accordance with Generally Accepted Government Auditing Standards (GAGAS), we prepare a written report communicating the results of performance audit completed including relevant observations and recommendations. The report may include deficiencies in internal control, potential instances of fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that have occurred or are likely to have occurred and are significant within the context of the audit objectives that we may detect as a result of this engagement.

In accordance with GAGAS, we are also required in certain circumstances to report known or likely fraud, noncompliance with laws, regulations, contracts or grant agreements, or abuse that we may detect as a result of this engagement directly to parties outside the auditee GAGAS Paragraph(s) 7.19, 7.22.

In accordance with GAGAS, we may issue the report without incorporating the responsible party's comments if the responsible party does not provide comments within a reasonable period of time.

Engaging agency management is responsible for providing a representation letter confirming its responsibilities including the oversight, management, execution, and reporting for the in-scope period.

Engaging agency management is responsible for the distribution of the reports issued by KPMG. In accordance with GAGAS, the reports issued citing GAGAS are to be made available for public inspection. For reports with restricted distribution, we will document any limitation on report distribution in the report GAGAS Paragraph(s) 7.38

Timeline

The timeline for projects of this type will vary and depend in large part on the depth and breadth of the project scope.

Illustrative Timeline for Performance Audit

Key Activities	Timeline (Weeks)											
	1	2	3	4	5	6	7	8	9	10	11	12
Task 1 – Conduct a kick-off meeting.												
Task 2 – Conduct Risk Interviews												
Task 3 – Strategic Analysis (Strategic Assesment, Mandate Analysis)												
Task 4 – Conduct Functional Analysis												
Task 5 – Organizational Assessment												
Task 6 – Analyze Results & Develop an Audit Plan												
Task 7 – Assess Internal Controls												
Task 8 – Develop Draft Written Report												
Task 9 – Finalize Written Report												

Representative Qualifications

Qualification 1	
Name of client organization	**State Department of Health**
Project Title	Institutional Cost Report (ICR) Performance Audit
Project description	KPMG conducts an average of 200 ICR audits annually in accordance with subdivision (b) of section 86-1.2 of Title 10 of the State of New York Rules and Regulations to gauge if ICR data is prepared in accordance with the report instructions and is substantiated by supporting documentation. KPMG conducts this engagement as a Government Auditing Standards (GAS) performance audit providing observations and recommendations over ICR data collection and recording processes in accordance with performance audit objectives.

Qualification 2	
Name of client organization	**U.S. Department of Energy**
Project Title	Performance Audits
Project description	KPMG conducts an average of 100 reviews annually for the DOE primarily as performance audits under GAS and under former U.S. Government (A-122) cost principles related to annual incurred cost audits; project cost verification audits (designed to assess allowability of specific projects); and audits of contractor disclosure statements, business systems, and cost/change proposals.

Qualification 3	
Name of client organization	**Fund Administrator Company**
Project Title	High-Cost Program (HCP) Performance Audits
Project description	KPMG conducts an average of 15 GAS performance audits annually to assess the compliance of beneficiaries of this organization’s HCP with Federal Communications Commission (FCC) rules and orders around part 32 accounting, part 64 cost allocations, and part 36 and 69 cost separations. With engagement teams spread throughout the country, consistency in the audits is managed through a central project management office (PMO) and Quality Assurance (QA) team.

Qualification 4	
Name of client organization	**State Government Department of Health**
Project Title	Healthcare Reform Act Performance Audits
Project description	KPMG conducts an average of 45 health insurance payor and health care provider audits annually in accordance with the HCRA Statute. KPMG through conducting performance audits in accordance with GAS, assesses and conducts substantive test procedures on auditee process, procedures, and associated information technologies (e.g., claims systems) including performing detailed test work of claims and other health data provided to help assess the sufficiency of the monthly payor and provider payments made to the State.

Your Performance Audit Lead

Our performance audit elements of the delivery team will be led by Rory Costello is a principal in the KPMG Government Regulatory Compliance practice. Rory has extensive health and human services as well as, state and federal compliance experience having served on numerous regulatory compliance engagements including several federal single audits. A certified PMP, Rory brings years of performance audit experience in state and local government, healthcare, and health insurance.

Details on the balance of the performance audit team may be found in our team resumes in the appendices.

b. Investigative Audit

Practice overview

Investigative services involve a systematic track-down of information the auditor hopes to discover or needs to know.

Our internal audit team and forensic subject matter professionals include CFEs who can conduct investigations, including alleged instances of fraud, waste and abuse, and improper activities. Our team will be responsive and be consultative in nature and perform reviews in response to requests from an engaging agency's Board of Trustees or executive leadership.

Approach

By leveraging its proprietary Global Investigations Methodology in performing investigations for our clients. KPMG professionals focus on specific client needs and the development and execution of a case-specific investigative plan.

In addition to the methodology, KPMG's investigative methodology can be supported by proprietary tools that are often used to add context and structure to our approach, such as:

- **Industry Fraud Risk eDatabase (IFReD) -** IFReD is an internal database that assists Forensic practitioners in understanding industry-specific risks associated with fraudulent financial reporting, asset misappropriation, and other fraudulent, illegal, and unethical acts.
- **KPMG Data Analytics Tool (KDAT) -** KDAT is an internally-developed, proprietary technology application, built on an SQL platform, which is used by KPMG professionals worldwide to deliver Data and Analytics solutions for Audit, Tax, and Advisory services. KDAT provides an integrated service that combines technology with KPMG's industry experience to deliver a single, powerful Data and Analytics platform that flexibly handles disparate data sets and is customizable for individual client needs, with hosting, analysis, and interactive reporting capabilities, as well as enhanced quality control features and risk reduction capabilities.
- **Integrity Survey tool -** KPMG Forensics' Integrity Survey tool allows open to measure the control environment in key areas such as awareness of company standards, pressure to engage in misconduct to meet business objectives, effectiveness of training, propensity to report concerns to management or through the hotline, consistency of discipline and accountability, and commitment to integrity exhibited by leaders, managers, and peers. Survey results are benchmarked against KPMG Forensics' proprietary database of national and industry averages and can be used to pinpoint anomalies across business units, geographies, job functions, and levels of responsibility.

Work Plan

Below, we present a sample work plan for a typical investigative matter. Such matters would include internal or external fraud where there is a need to understand the organization's accounting processes as well as the specific facts and circumstances of the issue under investigation.

Task and activities

Project management

- Draft the project plan.
- Initiate kick off meeting.
- Track the progress of meetings.

Process walkthroughs

- Initiate the walkthrough of process area.
- Develop process documentation.

Initial investigative steps

- Conduct initial informational interviews.
- Identify the source of information and evidence.

Analysis of Data

- Perform analysis of financials, e-mail messages and technical information.
- Prepare interim summary of facts and interviews.
- Conduct witness and subject interviews.

Reporting

- Prepare report.
- Finalize the report with client.

Recommendations

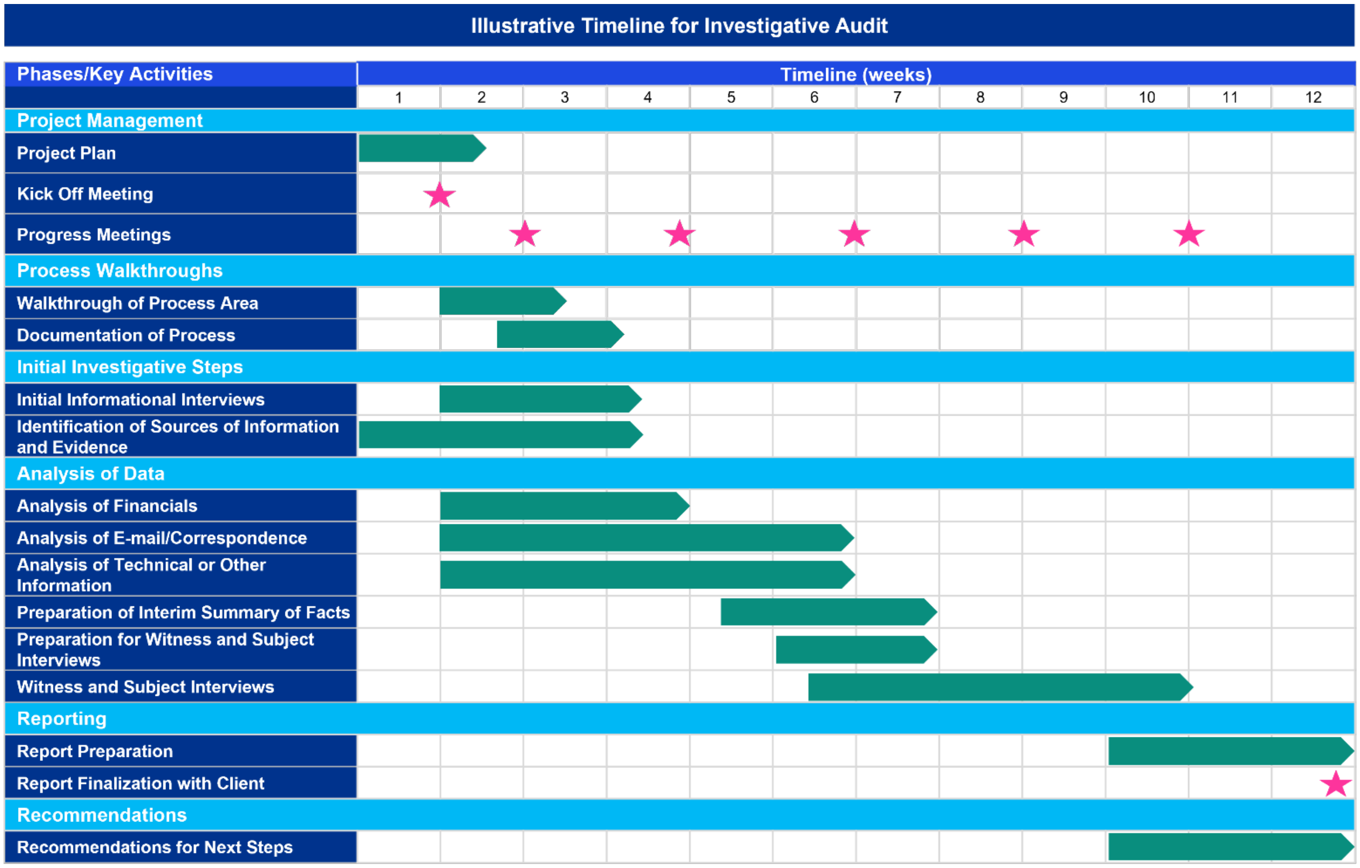
- Provide recommendations for next steps.

Deliverable

The outcome of this sample project is typically a narrative report that presents the current investigation and analysis associated recommendations for management consideration.

Timeline

The timeline for projects of this type will vary and depend in large part on the depth and breadth of the project scope.



Representative Qualifications

Qualification 1	
Name of client organization	**Large City Government**
Project Title	Forensic Audit
Project description	Under privilege and at the direction of the City's Department of Law, KPMG conducted an extensive forensic audit into the City's Child Services Administration's vendors receiving Federal and State funding to provide childcare services. It resulted in findings that were presented to the City and used towards settlement and recoupment of funds for the City. Further, KPMG provided the Child Services Administration with a comprehensive set of recommendations to enhance the on-going monitoring of vendors.

Qualification 2	
Name of client organization	**Major City Board of Education**
Project Title	Contractor Investigation
Project description	KPMG performed forensic audits of a potentially problematic vendor doing business with the respective School Board District, one of the largest school districts in the State of New Jersey. We reviewed invoices, payments, labor slips, and conducted interviews with contractors to provide recommendations to enhance financial internal controls. Our effort culminated in a final report with observations reflecting the fieldwork performed and associated recommendations.

Qualification 3	
Name of client organization	**Regional Transit Authority**
Project Title	Fare Media Loss Investigation
Project description	KPMG assisted a regional transit authority with a forensic investigation related to potential misconduct by its outsourced fare media vendor. During the course of this project, KPMG team employed several analytical methods including interviews of vendor personnel and testing of historical fare media generation/recoupment transactions. Team members used this analysis to quantify the amount of the financial loss to the Authority in order to provide management a path to developing an action plan to address the shortcomings identified.

Qualification 4	
Name of client organization	**Metropolitan Transportation Authority**
Project Title	Contract Review
Project description	The Authority's Office of the Inspector General engaged KPMG as the Integrity Monitor to assess the Authority's controls and administration of two construction contracts in the aftermath of a natural disaster. KPMG's team of qualified investigators, licensed engineers, and construction professionals provided monitoring services to mitigate the risks of non-compliance with federal requirements on the two Authority funded projects.

Your Investigative Lead

This segment of the KPMG team will be led by Kelly Donavan, a managing director in our Investigations & Disputes Network and State & Local Group. Kelly will have overall responsibility for overseeing the delivery of all investigative work and the completion of other deliverables, as applicable. Prior to joining KPMG, Kelly was the executive deputy attorney general for criminal justice in the New York State Attorney General's office and was responsible for all investigations, prosecutions, and settlements involving the Criminal Division's five main bureaus. She also served as the first deputy inspector general for New York.

Details on the balance of the Investigative team may be found in the team resumes in the appendices.

c. Compliance Audit

We acknowledge there a wide range of compliance related internal audits that might be performed within this service category under this contract. In this section we wish to share our technical approaches of our ***Contract Compliance Services*** as well as provide an overview of our ***Construction Audit*** capabilities.

Practice Overview- Contract Compliance Services

KPMG's contract compliance professionals perform audits of our clients' third-party vendors to identify overbilled amounts, areas where the vendor did not meet performance requirements, and other instances of contract non-compliance. We understand the risks associated with these vendor relationships and have developed a methodology for completing these sensitive reviews through an efficient and non-adversarial approach with a focus on enhancing relationships between our clients and vendors.

Approach

Performing third party audits are a critical component of managing commercial risk

Understanding today's rapidly evolving business environment and its impact on third party risk:

1. **Pressure on margins**
Margins are tightening leading to additional self reporting risks by your business partners.

2. **Contract interpretation**
Increased pressure to re-review contracts and interpret any contractual language to benefit the third party.

3. **Bad actors**
With this increased pressure, some third parties may go a step further and push beyond contract interpretation.

4. **Lack of transparency**
Business partners are providing less transparency in their reporting.

5. **Brand Image**
A consistent brand image is important, as consumers have increasing access to alternative brands.

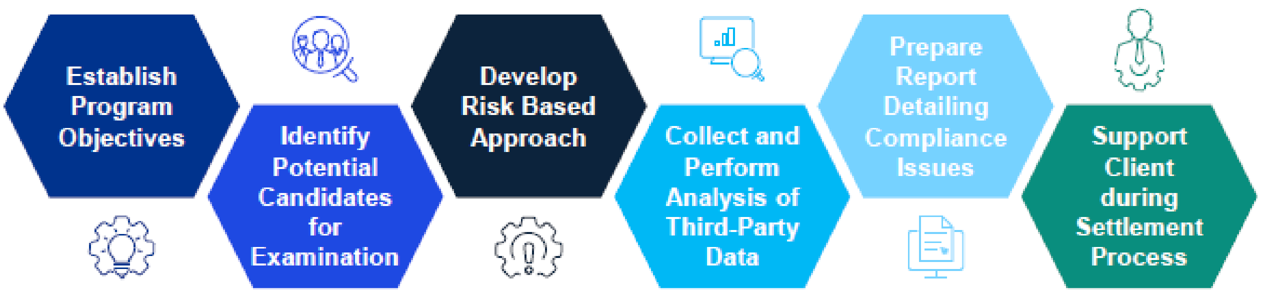
6. **Global operations**
With global business comes disconnect between entities on technologies and systems used, leading to missing sales or products in reporting.

KPMG Contract Compliance Services

Royalty/Licensing Reviews	Vendor/Supplier Reviews	Brand Quality Reviews
We assist clients in the recovery of revenues lost due to inaccurate and incomplete self-reporting by licensees.	We assess vendor compliance with various provisions of purchase agreements across the supply chain.	We assist clients in enforcing brand compliance to enhance our client's brand quality, reputation and trust.

Our proven methods and tools

We help clients identify financial misreporting and improve compliance with existing contracts, with significant potential return on investment, often in the form of a direct cash payment.



The value we provide and the culture we bring with us

10:1
Return on investment (recoveries to our fees)

Dedicated CCS Team
Dedicated KPMG CCS professionals including 45+ in the U.S. and 300+ globally

Affordable
Flexible cost structure tailored to your organization

Technology Approach
Market leading data analytics tools for maximizing results

Stronger Relationships
Non-adversarial approach working with your business partners

Cross-cultural Versatility
The language and cultural skills to operate effectively anywhere

Work Plan

Below is an illustrative example of a baseline project plan utilizing a three-phased approach. KPMG's CCS team has deep experience in tailoring the project approach and plan to aligned to your internal policies and procedures as prescribed.

Phase One – Planning / Pre-fieldwork

- Conduct discovery interviews with client stakeholders to better understand any individual concerns, review of relevant relationship data & documents, and high-level analysis of data/reporting.
- Client sends notification of audit to selected vendors.
- Hold a kickoff call to discuss audit scope and objectives, and supplemental data workshop calls to better understand system capabilities.
- KPMG finalize and send a detailed data request to vendors.
- Obtain and review initial data received from vendors and tests for compliance with the relevant agreements and general reasonableness (anomaly & duplicate testing).
- Discuss questions associated with KPMG's preliminary analysis.
- Select a set of sample transactions for vendors to provide supporting documentation including POS, invoices, proof of payment, and vendor agreements.
- KPMG schedules process interviews with relevant vendor personnel (including account management & reporting, finance/accounting, procurement, IT, etc.) to test processes and controls.

Phase Two – Fieldwork

- Conduct process walkthroughs to understand the vendors' processes and controls for managing requirements under the contract.
- Review sample documentation to identify non-compliance and validate existence of proper supporting documentation.
- Complete data analysis and share a preliminary findings document with the vendor that quantifies identified non-compliance.
- Request formal feedback will be requested from the vendor for each finding. The feedback will be included in the report issued to our client.

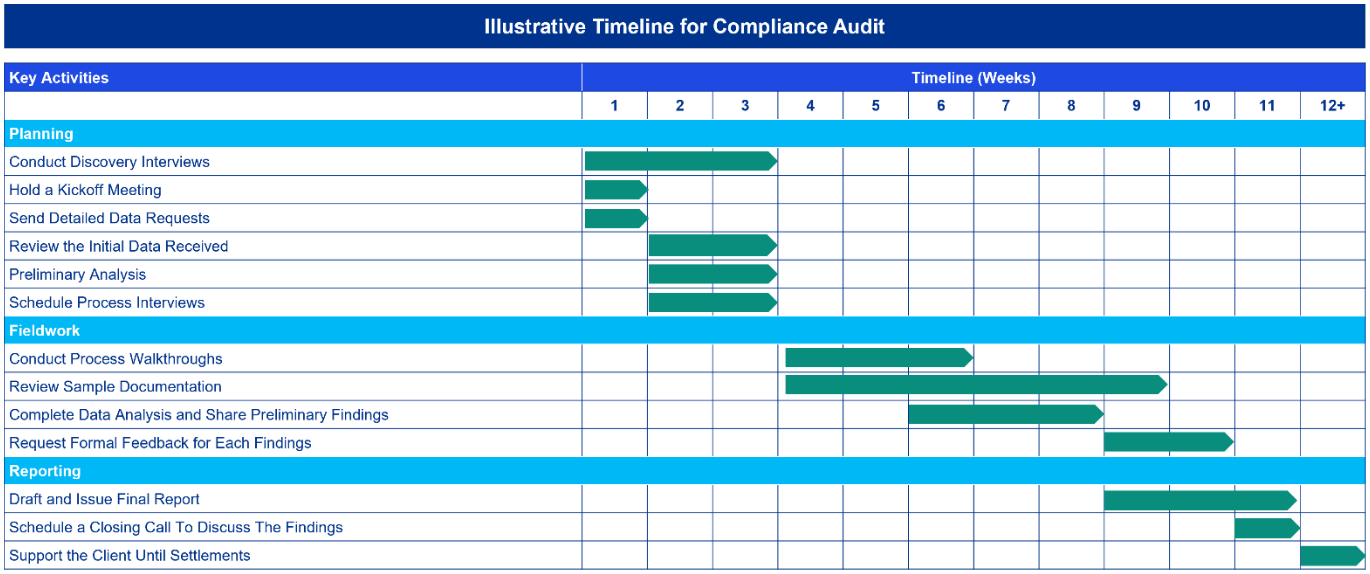
Phase Three – Reporting and Settlement

- Draft and Issue final report to our client and consider their feedback.
- Schedule a closing call wherein our client and the vendor have an opportunity to discuss the findings together and agree on next steps.
- Support our client as needed until settlement and collection of any amounts owed.

Deliverable

Our team professionals will craft a narrative report consisting of an executive summary, detailed findings (process and financial) with associated vendor responses, and recommended contract enhancements and process improvements for client consideration.

Timeline



Representative Qualifications

Below are a few relevant examples of our experience in completing third party vendor compliance reviews. Additional details are available upon request.

Qualification 1	
Name of client organization	**Multiple clients**
Project Tile	Fleet Management Contract Reviews
Project description	KPMG has performed numerous fleet management provider assessments for various clients focused on areas of financial and operational compliance such as: vehicle pricing and depreciation, vehicle disposition, holding/storage costs, vendor fees, maintenance program costs, maintenance program rebates, fuel card use and compliance, fraud prevention and other risks. Throughout these reviews, KPMG has identified areas of financial exposure to our clients related to inappropriate use of fuel cards, inaccurate calculations of monthly leasing fees, overbilled storage fees, failure to leverage the company's maintenance and repair programs and other areas of non-compliance resulting in financial loss to our clients.

Qualification 2	
Name of client organization	**Public Stadium Authority**
Project Tile	Contract Compliance Review
Project description	KPMG performed a contract compliance review of a food service concessionaire on behalf of a stadium owner. KPMG identified a significant underreporting due to a misapplication of commission percentages to revenue centers. As a result, the concessionaire agreed to pay the underreported commission amount as well as invest an additional $1M to implement a new Point of Sale (POS) system for the ballpark.

Qualification 3	
Name of client organization	**Large Research Institution**
Project Tile	Royalty Audit
Project description	A private research university sought KPMG's assistance to conduct a royalty audit of one of their key licensees to assess charges made to the University. The KPMG team once engaged performed the following: • Reviewed contractual terms in the context of cultural norms and performed a royalty audit on the University's behalf. • Considered licensee' accounting and royalty reporting internal controls, evaluating the completeness of reported sales and royalties, and performing substantive testing to determine the accuracy of the licensee's reporting of royalty-bearing product sales. • Upon the completion of fieldwork, the team provided recommendations to be shared with the University regarding specific findings on process inadequacies and communicated leading practices to the University regarding revisions to future license agreements identified non-compliance issues and underreported royalties leading to a significant return on investment for the University.

Qualification 4	
Name of client organization	**University System**
Project Tile	Campus Food Service Vendor Reviews
Project description	KPMG performed contract compliance reviews of campus food service vendors at multiple campuses to test that the vendor appropriately calculated commissions paid and that the expenses passed through were actual, verifiable, and related to the food service operations at the specific campuses. KPMG reviewed the vendor's general ledger, conducted on-site system and process interviews, and identified costs passed through by the vendor related to overhead and salaries that were contractually not allowable. As a result, our client received a credit for these disallowed charges that was in excess of KPMG's fees and further, solidified an understanding between the parties that these costs could not be passed through to our client going forward.

Your Contract Compliance Audit Lead

This segment of the KPMG team will be led by Filippo Puglisi-Alibrandi, Principal in KPMG's Risk Services practice. He is responsible for leading a national Contract compliance solution and bring over 20 years of delivery experience. He has over 20 years of experience in planning, performing, and directing numerous third parties' assessments including participations audits, license/distribution examinations, "most favored nation" (MFN) analysis, and manufacturer/vendors assessments on behalf of major movie studios, fashion designers, licensing agencies, software developers, profit participants, artists, and trademark owners.

Details on the balance of Filippo's team may be found in the team resumes in the appendices.

Practice overview - Construction Audit Services

KPMG's Construction Advisory team provides services tailored to meet the needs of your large capital projects. We perform construction audits focused on project costs and contract compliance, assess project management controls, and assist clients to improve management oversight on complex and troubled projects, and provide targeted services aimed at saving our clients time and money.

Our professionals recognize that each project is unique. We tailor our services based on the structure and complexity of the project, experience of the project development team, and the client's business objectives.

While our specialists bring a wide variety of requisite skills, our diverse team is comprised of:

- Former Owners.
- Construction Project Managers.
- Professional Engineers.
- Architects.
- Construction Attorneys.
- Procurement Specialists.
- Construction Auditors.
- Real Estate Specialists.
- Former Contractors.
- Certified Fraud Examiners.
- Certified Public Accountants.
- Cost and scheduling specialist.

KPMG understanding of rapidly changing industry practices and trends, combined with our deep knowledge of construction auditing, makes us uniquely able to assist with current issues and future goals, effectively and efficiently.

Approach

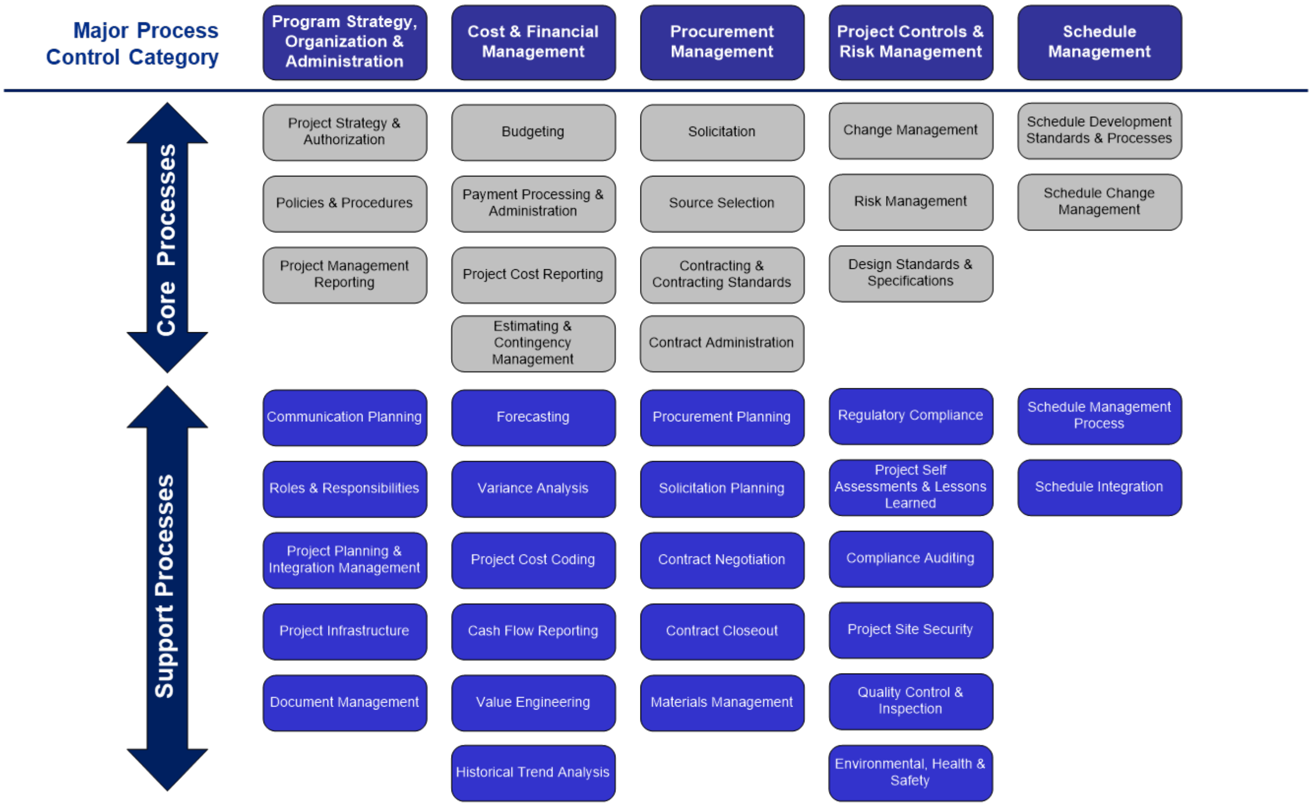
KPMG's Construction Advisory team of specialists frequently assists with interviews, reviews cost estimates and schedules, and evaluates financial performance and risks at both the project and portfolio level. The approach below is used to develop an estimate at completion and develop an objective view of the contract margin give the project status, issues, and events:

- Interview key stakeholders and personnel to understand processes used to manage project(s) and develop cost forecasts.
- Review project financial documents such as change orders, contracts, and budgets.
- Evaluate construction progress to date.
- Review schedule(s) to identify critical path activities and assess the likelihood of delays to the completion date and key milestones.
- Identify key risks to the project and determine whether there are cost implications.
- Evaluate the adequacy of contingency funds assigned to the project.

KPMG market leading approaches have been built by providing the full spectrum of required services to similar public sector agencies, higher education institutions, and leading FORTUNE 500 clients. We perform our construction audits using a three-phase approach structure and leverage:

- KPMG proprietary Project Controls Framework and leading practices library which identify leading industry practices and controls in over 50 project management processes and sub-processes.
- KPMG experience developing and performing audits for large capital construction programs for clients across industry sectors, including the state & local government and higher education sectors.

KPMG Project Controls Framework: KPMG proprietary Project Controls Framework often used as fundamental reference resource in our delivery, includes six major process control categories and 40 process control subcategories (16 core process controls and 24 support process controls). The framework identifies the risks, project controls, performance metrics, and leading practices for each project management process control.



Workplan

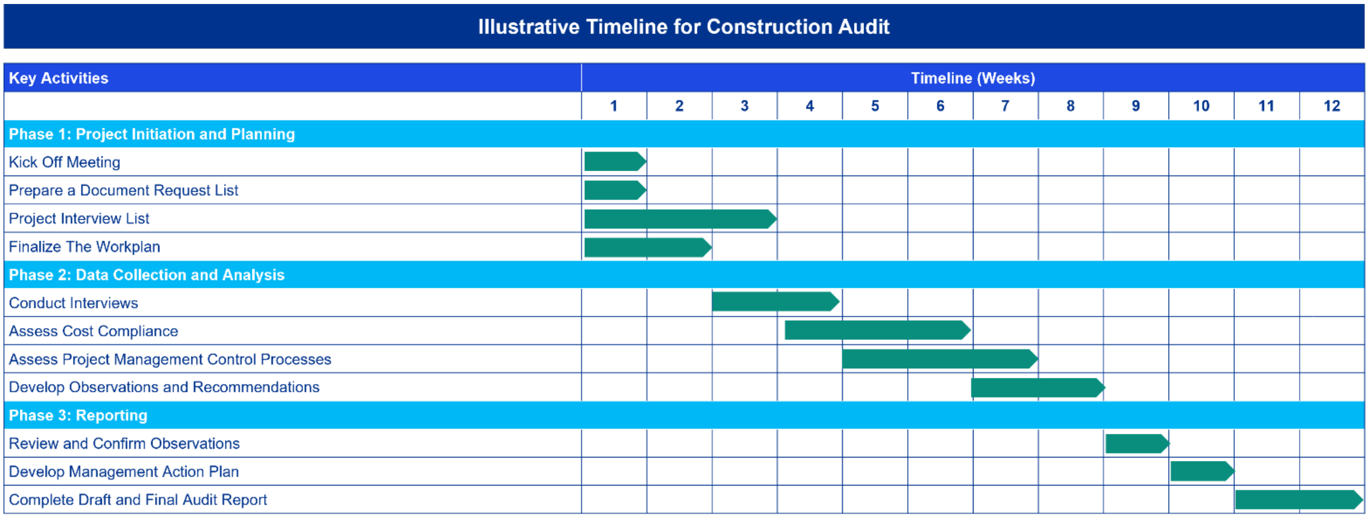
Our three-phase approach for performing construction cost audits incorporates an assessment of key project control processes.

Phase 1 Project Initiation & Planning	**Objective:** The client will select the construction project(s) to be audited. KPMG will conduct an engagement kick-off meeting, reaffirm the engagement scope, finalize the engagement schedule, and develop an audit plan for the project. Specifically, this phase will include the following steps: • Kick off meeting with key project stakeholders • Prepare a document request list and project interview list • Finalize the engagement work plan
Phase 2 Data Collection & Analysis	**Objective:** KPMG will collect data, perform testing and analysis, and develop initial observations and recommendation for improvement. Specifically, this phase will include the following steps: • Conduct interviews with process owners and review project documents • Assess cost compliance and potential cost recovery • Assess project management control processes • Develop observations, recommendations, and process improvement opportunities
Phase 3 Reporting	**Objective:** KPMG will develop and finalize the audit deliverables and help communicate the findings to project stakeholders. Specifically, we will perform the following steps: • Review and confirm observations • Develop management action plan • Complete draft deliverables and issue final audit report

Deliverable

Our team professionals will craft a final audit report consisting of an executive summary, detailed observations, recommendations and process improvements opportunities and a management action plan.

Timeline



Representative Qualifications

Qualification 1	
Name of client organization	**Ivy League University**
Project Tile	Construction Program Controls Evaluation and On-going Construction Auditing
Project description	KPMG is currently engaged by the Office of Internal Audit Services at the University to provide construction advisory services. We were engaged to perform a construction program evaluation of its ongoing construction program and provide ongoing project monitoring, oversight and auditing services for all projects included in the capital construction plan. The program evaluation included an assessment of institution's Facilities Management Department responsible for managing the design and construction of all projects included in Brown's ongoing capital program. KPMG assessed the Department's processes and controls related to strategy, organization, and administration, financial management, schedule management, procurement management, and project controls and risk management. As part of this program evaluation, KPMG assessed the strengths and weaknesses of key policies, procedures, processes, and controls, performed a gap analysis, and provided a prioritized list of recommendations for improvement on current and future projects. As part of its current project oversight, monitoring, and auditing services, KPMG performs an ongoing project and program compliance assessment with established project processes. Project monitoring services include the review of project infrastructure and set up, budget monitoring, records review and documentation compliance, payment review and cost oversight, and schedule management. Continuous project monitoring was designed to help improve management's confidence in project decisions, reporting, and controls.

Qualification 2	
Name of client organization	**State University System Building Authority**
Project Tile	Construction Audit Program Development
Project description	This State Building Authority engaged KPMG to perform a process and cost assessment of select capital construction projects. The objective was to develop an ongoing construction project audit program, identify areas for process improvements, draft guidelines to help monitor projects and perform multiple project cost and process evaluations. Most recently, KPMG was engaged to provide construction cost audit services on a new University Engineering and Research building. KPMG performed a construction cost evaluation and performed a contract compliance assessment, including testing of procurement and contracting, costs and billings, change order controls, project reporting, and overall project management. The objectives of the cost assessment were to assess the processes used to procure and administer the construction costs, the construction manager's, and contractors' compliance with the contract terms, assess the reasonableness and accuracy of the request for payments to mitigate unnecessary and/or unsubstantiated project costs, and assess the processes used by the project management team to manage the project throughout the project life cycle. KPMG efforts resulted in opportunities to recover costs from the Authority's contractors, recommendations that has helped it develop a robust project auditing program and many project management enhancement opportunities. Specifically, KPMG process recommendations resulted in enhancements to the Authority's Owner Project Manager Guidelines.

Qualification 3	
Name of client organization	**Major US Airline**
Project Tile	Ongoing Construction Monitoring
Project description	KPMG is currently engaged by the airline Internal Audit Team to provide construction monitoring services. KPMG was initially engaged to help oversee the LaGuardia Airfield Reconfiguration Project and later continued services on the John F. Kennedy Airport renovation. Internal Audit hired KPMG to provide ongoing monitoring and periodically review key controls, processes and procedures developed and implemented by the airline's project management team(s). Given KPMG's experience in assessing the project governance and control environment for projects of this size, KPMG was able to identify opportunities for cost recovery and process improvement. KPMG performed an initial Project Readiness Assessment and continuously reviews key project areas such as: • Invoice compliance • Change order compliance. • Schedule effectiveness • Procurement • Quality Control KPMG also developed and maintains a program-wide risk register that is periodically reviewed with the airline's Project Management Team. The risk register utilizes a complex scoring system that is intended to rank and prioritize key risks to the project.

Qualification 4	
Name of client organization	**Integrated Health System**
Project Tile	Ongoing Construction Advisory Services
Project description	KPMG was tasked with providing continued construction advisory services over the life of the project. These services were designed to assist in the facilitation of management decisions and bring information to the internal audit chief audit officer (CAO) and project teams. Specific tasks included: • **Monitoring activities** including the review of monthly progress reports, OAC meetings, cost controls, construction coordination, schedule reviews, site walkthroughs, and organizational governance. • **Monthly invoice review** including the review of construction manager's invoices to assess labor costs, equipment costs, and calculate mark-ups (fee, overhead, and bonds) to assess compliance with the contract terms. • **Schedule reviews** to assess the quality of the project schedule, audit the contractors' schedule requirement and standards, and provide improvement recommendations to the teams on where the schedule is deficient compared to leading practices. • **Procurement reviews** to assess whether the construction manager's procurement of subcontractors is in compliance with policies and procedures and the processes outlined in the construction manager contract document. • **Change order reviews** including testing of the change orders submitted by the construction manager, inclusive of subcontractor change orders, to assess compliance with the applicable contract agreements.

Your Constructive Audit Lead

This segment of the KPMG team will be led by Kevin Max, a Principal in KPMG LLP's Construction Advisory practice. A licensed professional engineer, he has twenty years of diverse construction industry experience. Kevin's professional experience is highlighted by extensive civil engineering and construction management experience and consulting credentials in the areas of construction risk management, contract administration and compliance, project oversight, monitoring, investigations and auditing. Kevin is also a CFE certified Project Management Professional.

Details on the balance of the Construction audit team may be found in our team resumes in the appendices.

d. Information Systems Audit

We understand the risk of Information Technology Risk to your business. Our approach consists of both ***Technology Risk audits*** as well as ***Cyber Security Services.***

Practice overview - Technology Risk Audits

KPMG looks forward to providing you with Information Systems Audit services, delivered by our Technology Risk professionals within the scope of this service category. Our dedicated IT audit teams are skilled and experienced in delivering IT internal audit engagements and assisting companies in performing IT risk assessments and implementing and testing IT controls. Your proposed IT audit team and supported by various SMP's who know your technologies can help efficiently identify the critical risks and issues in the engaging agency's IT operations, develop practical audit approaches, and deliver business-focused recommendations. Working with your internal audit and IT organization, your IT audit team will collaborate on developing solutions that are both efficient and provide value to the State's component agencies. Our approach is simple: we team with you to provide resources aligned to your IT risk profile and drive value within your organization.

Solutions

- IT Audit Centers of Excellence (COE).
- Innovation Centers.
- As-A-Service (e.g., Identity Management, User Certification, etc.).
- Knowledge Management and Collaboration Platform.

People

- Competency Frameworks.
- Required ITIA Trainings.
- ITIA and Cyber Academy Programs.
- Incentives for Certification.
- Experienced Hire Recruiting.
- Industry Communities.

Technology

- KPMG Intelligent Platform for Automation.
- KPMG OnDemand Workflow.
- Technology Risk Quantification.
- Strategic Alliances (SAP, Oracle, Archer, ServiceNow, Workiva).

Approach

Below is a list of potential projects that we offer within Technology Risk:

IT risk domains and potential areas of focus

Operational Control Testing and GITCs

- Control Optimization and Automation.
- Application Controls Testing.
- General IT Controls Testing.
- Addressing Cyber Security Risk in financial reporting.
- New Applications and Technical Solutions.

Core IT Operations

- IT Vendor Management.
- IT Strategy and Governance.
- Application Management.
- Infrastructure and Platform Management.
- IT Project and Program Management.
- IT Asset Management.
- System/Data Backup, Disaster Recovery and Business Continuity.
- IT Service Management.

Cybersecurity/ Information Security

- Third Party Security Controls
- Threat and Vulnerability Management.
- Identity and Access Management.
- Security Strategy and Governance.
- Security Incident Response and Testing Exercise.
- Cyber Hygiene Personal.
- Security/Insider Threat.
- Remote, Mobile, and Wireless Security.
- Network Security.
- Security Awareness.
- Product Security.
- Logging and Monitoring.
- Operational Technology.
- Physical Security.

Emerging Digital Technology and Automation

- Intelligent Automation.
- Advanced Implementation of Cloud Services.
- DevOps/Agile.
- Mobile Applications and Mobile Computing.
- Internet of Things (IOT).
- Blockchain Adoption and Implementation.

Regulatory Compliance

- Privacy Regulations (GDPR, CCPA, HIPAA, other).
- Accounting Standards Changes.
- Critical Infrastructure Protection.

Business Change

- Business Adoption of Cloud.
- ERP Modernization Data and Analytics.
- BPO/Managed Services.
- Cost Optimalization.
- Shadow IT.

Work Plan

KPMG has substantial IT audit experience of governmental entities as well as higher educational institutions and so we understand the IT-related risks associated with these types of organizations. Outlined below is a fundamental work plan we often employ to conduct internal control testing of the target functional process (es).

Your Key Objectives

We have developed an approach that aligns with our understanding of your key objectives for potential engagements in this area:

- Conduct a comprehensive review of the IT controls which govern the development, operation, maintenance, and security of application systems in a particular environment.
- Develop an audit program to help assess the design and effectiveness of the controls identified.
- Perform an internal audit to verify that systems and applications are appropriate, efficient, and adequately controlled to produce 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.

Our Summary Approach

Our approach will include the following:

- Conduct interviews with key Internal Audit stakeholders to understand how the program operates and how it aligns with the Department of Administration's overall strategy.
- Review existing Internal Audit documentation, policies/procedures, risk assessments, audit reports, risk registers, and other relevant information.
- Prepare documentation request lists (DRLs), as needed.
- Review existing scoping documentation to help gauge if relevant risks are being identified based on government standards.
- Conduct tests of design and/or effectiveness to gauge if the controls identified for testing are functioning as expected.
- Prepare an executive summary for IT internal audit summarizing all procedures performed and any identified gaps, risks, and recommendations.
- Provide timely feedback and status reporting to the engaging agency to help gauge alignment on all project objectives and deliverables.

Deliverable

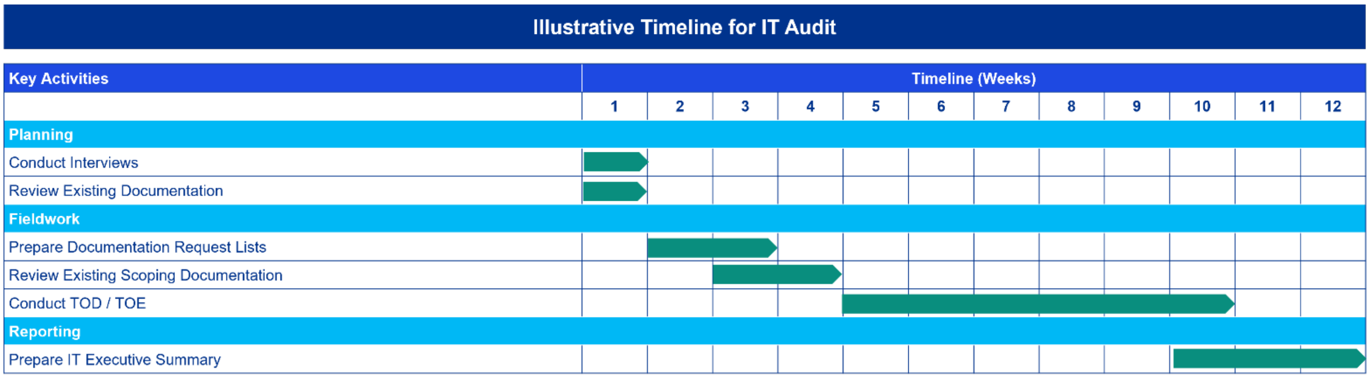
In addition to a narrative report, our delivery team can, as part of these types of reviews, produce a roadmap for the state engaging agency that leads to a more value-added IT internal audit function, including:

- A more robust IT internal audit risk assessment methodology that helps cover the relevant risks to the organization, giving the engaging agency the ability to deploy scarce resources to the areas that matter most.
- Positioning of the organization's IT audit department to play an integral role in the governance and risk management process.

- Reduced audit risk and improvements in audit processes to identify leading practices and seek alignment with the organization's strategy.
- A more value-added department who plays an integrated role within the organization and has timely involvement in critical initiatives across the enterprise.

We would be pleased to work with refine/customize the composition of these projects for the better use by the state's engaging agency.

Timeline



Representative Qualifications

Qualification 1	
Name of client organization	**Private Mid-western University**
Project Tile	IT General Controls Testing
Project description	KPMG delivers a variety of audits each year based on the annual risk assessments performed. Annual audits can include IT General Control testing over the key applications that support financial reporting, evaluation of policies and procedures of the Information Security Office, evaluation of safeguards in place for devices that are end of life, evaluation of Incident, Response, and Recovery Plan and its effectiveness during a recent incident, and evaluation of the policies and configurations in place related to Network Security. Additionally, KPMG has been involved in evaluating the controls and segregation of duties in place as the University has been migrating their legacy financial reporting systems to Workday and Salesforce. Project delivery teams include IT audit, Workday and Salesforce ERP specialists, and various professionals from the cyber practice based on the project scope.

Qualification 2	
Name of client organization	**Large City Government**
Project Tile	Procurement and System Assessment
Project description	KPMG performed a risk and controls assessment of the current state vendor management and procurement processes of a large city in the Midwest. Through process walkthroughs, document inspection, and configuration review KPMG assessed whether the city had identified risks and designed controls to appropriately mitigate those risks. The deliverable, a report issued to the Comptroller, identified areas of opportunity to better address the risks in these processes as well as specific process improvement opportunities to reduce costs.

Qualification 3	
Name of client organization	**State Department of Health**
Project Tile	State Health Information Network Certification Body
Project description	Since 2013 KPMG has served in the role of Certification Body for a Statewide Health Information Network for a large state. In this role, KPMG assesses the Regional Health Information Organizations (RHIOs) for adherence to the statewide policy guidance and state regulations. Through interviews, document inspection and attribute test procedures KPMG assess whether the RHIOs adhere to the policy as well as the maturity of related processes. KPMG's assessment reports to both the individual RHIO's, as well as to the other parties in the network in the form of an aggregate report. These reports are leveraged by the state's department for health in their decision whether to certify the RHIOs as Qualified Entities (QEs) in the state network.

Qualification 4	
Name of client organization	**State Government**
Project Tile	Unemployment Insurance Risk and Control Assessment
Project description	Related to the impact of COVID, the Commonwealth of Massachusetts had identified a variety of issues in their accounting of unemployment insurance payments and the source of those payments. This led to required refunds to the federal government. To help prevent these issues in the future, the Commonwealth engaged KPMG to perform an assessment of the operational and IT risks and controls in the payment processes. Through the assessment KPMG identified a number of areas where risks were not sufficiently addressed and where controls could be improved. Further, KPMG identified medium and long-term opportunities for further improvements and enhancements to increase efficiency and reduce further risk.

Your Technology Risk Lead

This segment of the KPMG team will be led by Joe Manusakis, a partner in our Technology Risk Group. Joe has 20 years of technology risk consulting, technology internal audit and risk management experience and serves as our national technology SOX solution leader.

Details on the balance of the Technology Risk team may be found in this document's resumes in the appendices.

Practice Overview - Cyber Security Services

We have several years of experience in providing government agencies with cybersecurity and privacy services. We have helped government clients develop and implement cybersecurity strategies, mature technical capabilities, develop and refresh privacy and cybersecurity policies and procedures, mitigate vulnerabilities, conduct maturity assessments aligned with the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-30 and 800-53, conduct business continuity planning support, and conduct resource/staffing analysis, to name a few. We also know the Federal Risk and Authorization Management Program (FedRAMP) and State Risk and Authorization Management Program (StateRAMP) programs well, which will be important for the state as it continues to mature its program.

Consistently building resilient, secure system lifecycle across an enterprise requires a phased approach, beginning with the identification of the key development processes and fact-based scoping for further efforts.

Core Services

Strategy and governance	Cyber transformation	Cyber defense	Cyber response
Services focus on aligning the cyber agenda with dynamic business requirements and compliance.	**Enable organizations to transform cyber posture by driving cyber programme.**	**Provide greater visibility and understanding of changing technical risks.**	**Effective and efficient response to cyber incidents Forensic analysis and detailed investigations.**
• Cyber maturity assessment (CMA). • Compliance assessment. • Cyber security strategy. • Information governance and privacy. • Third-party security risk management. • Business resilience.	• Enterprise identity and access management (IAM). • Consumer identity and access management (CIAM). • Privileged access management. • Cyber GRC. • Technology integration. • Security architecture. • Cyber program delivery.	• Technical security assessments. • Security operations and monitoring. • Patch and vulnerability management. • Application security. • Insider threat.	• Compromise assessment and simulations. • Incident response readiness and planning. • Digital investigations and remediation. • Threat intelligence.

Cloud security – *consumer adoption | service providers*

Secure automation

Secure DevOps

Operational technology resiliency and transformation

Cyber managed services

We understand the significance of cybersecurity to any organization. We are experienced in helping internal audit functions enhance their cyber capabilities to challenge the security function and drive value through audit activity. KPMG has a tried and tested approach to embedding a strategic cyber audit strategy into the internal audit process. Our approach considers the assessment of emerging risks and realignment of audit activities as cyber risk drivers change throughout the year.

Third Party Risk	Threat and Vulnerability	Identity & Access Management	Cyber Strategy	Incident Response
Cyber Hygiene	Insider Threat	Remote, Mobile and Wireless Security	Process Control Network Security/ICS	Product Security
Logging and Monitoring	Operational Technology	Physical Security	Security Awareness	Ransomware

Approach

Cyber risk domains and potential areas of focus

Operational Control Testing and GITCs

- Control Optimization and Automation.
- Application Controls Testing.
- General IT Controls Testing.
- Addressing Cyber Security. Risk in financial reporting.
- New Applications and Technical Solutions.

Core IT Operations

- IT Vendor Management.
- IT Strategy and Governance.
- Application Management
- Infrastructure and Platform Management.
- IT Project and Program Management.
- IT Asset Management.
- System/Data Backup, Disaster Recovery and Business Continuity.
- IT Service Management.

Cybersecurity/ Information Security

- Third Party Security Controls.
- Threat and Vulnerability Management.
- Identity and Access Management.
- Security Strategy and Governance.
- Security Incident Response and Testing Exercise.
- Cyber Hygiene Personal.
- Security/Insider Threat.
- Remote, Mobile, and Wireless Security.
- Network Security.
- Security Awareness.
- Product Security.
- Logging and Monitoring.
- Operational Technology.
- Physical Security.

Emerging Digital Technology and Automation

- Intelligent Automation.
- Advanced Implementation of Cloud Services.
- DevOps/Agile.
- Mobile Applications and Mobile Computing.
- Internet of Things (IOT).
- Blockchain Adoption and Implementation.

Regulatory Compliance

- Privacy Regulations (GDPR, CCPA, HIPAA, other).
- Accounting Standards Changes.
- Critical Infrastructure Protection.

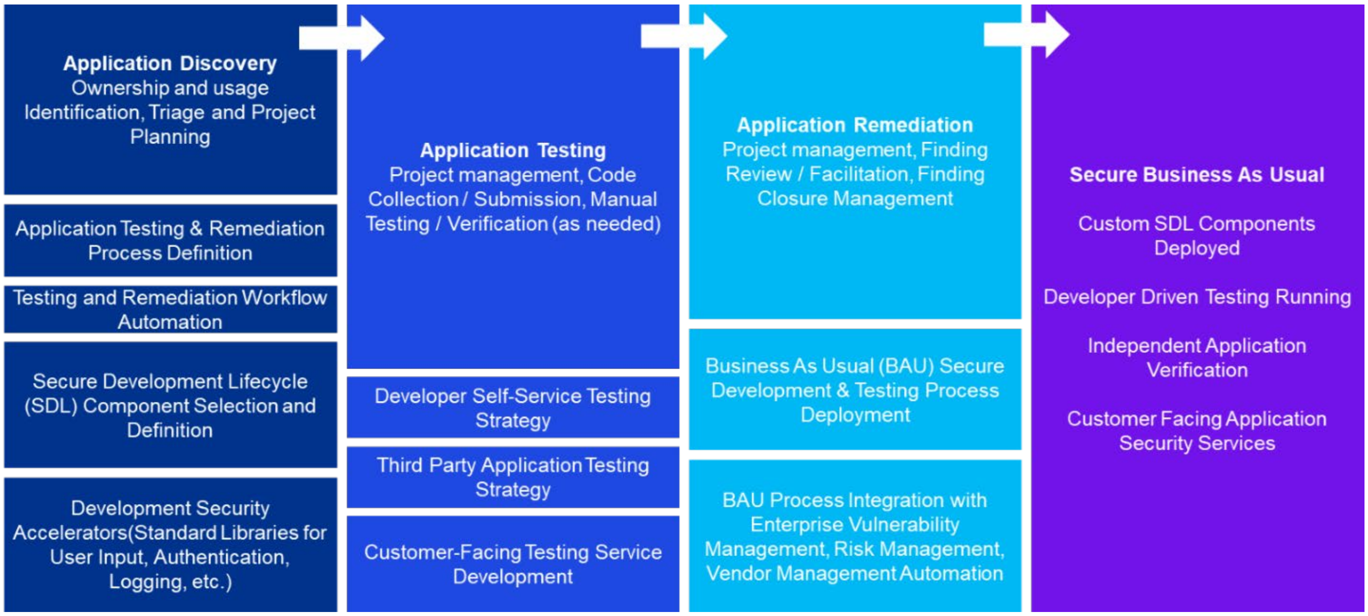
Business Change

- Business Adoption of Cloud
- ERP Modernization Data and Analytics.
- BPO/Managed Services.
- Cost Optimization.
- Shadow IT.

A secure lifecycle program provides services to the development organizations. The goals include:

- Centralize security testing results to provide unified vulnerability reporting.
- Provide developers a single tool to view and manage all vulnerability data.
- Automating workflows and reporting, and easing manual procedures.

A service catalog is also published to provide a listing of security services provided throughout the lifecycle.



KPMG has deep experience in performing cybersecurity support for government agencies in accordance with the Federal Information Security Modernization Act (FISMA), National Institute of Standards and Technology (NIST) guidance and is an approved State Risk and Authorization Management Program (StateRAMP) and Federal Risk and Authorization Management Program (FedRAMP) assessor, all of which are highly relevant for this effort with the State. KPMG is also the industry leader in performing FISMA assessments for the Federal Office of Inspector General (OIG) community, as we perform more FISMA assessments for OIGs than any other firm, and we have provided FISMA consulting services to 13 Cabinet level agencies, gathering lessons learned and leading practices to help future clients. This experience will benefit the State because of our depth regarding cybersecurity controls and processes that need to be in place. We have engaged with both federal and state governments in all aspects of the system development lifecycle—from advising on policies and procedures, interpretation of federally mandated policies, needs assessments, requirements analysis, design, development, conversion, training, and business process reengineering, as well as ongoing maintenance and operations.

Work Plan

In the section below, we outline a potential work plan for a system development internal audit.

KPMG will often perform a maturity assessment using selected system control frameworks (e.g., NIST SP 800-53, HIPAA, the HITECH Act, FERPA, IRS-1075, PCI-DSS, SOC 2, and ISO 27001) mapped to organizational standards and regulatory requirements to gauge alignment. This approach assists organizations with rating current state and documenting framework/standard specific gaps using agreed upon rating criteria.

Key activities include:

- **Task One – Review Previous Assessment Results:** Obtain and inspect the results of previously performed security assessments including both technical and control-based assessments.
- **Task Two – Document Current State:** Document IT infrastructure and systems used within each organizational business unit or function.
- **Task Three – Conduct Interviews:** Conduct interviews with key stakeholders to identify and document the current capabilities associated with the selected framework through the following components:

- **People:** Teams responsible for day-to-day conduct of security process and management of associated technology.
- **Process:** Detailed procedures performed (e.g., vulnerability scanning) for each section, includes both documented process and informal practices.
- **Technology:** List of technology enabling processes (e.g., product used to identify vulnerabilities) while also denoting manual activities where applicable, analyze supplemental documentation or other evidence, to further understand and document capability components.

During interviews, KPMG will seek to

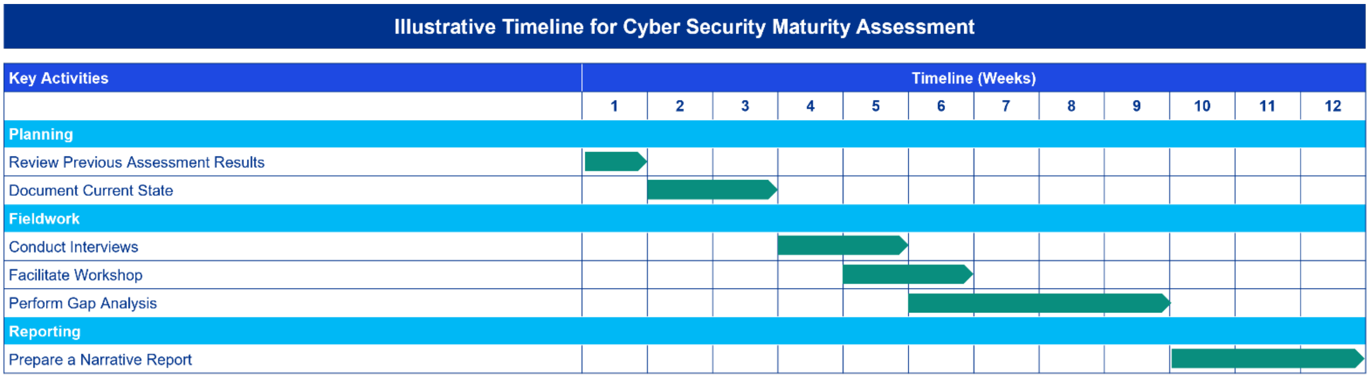
- Identify other security capabilities, which may mitigate identified framework/standard gaps.
- Identify ongoing and/or planned projects (or other initiatives) that will further enhance the program's maturity and potentially affect framework ratings upon project completion.
- Identify framework and standard specific gaps associated with the organization's current state.

- **Task Four – Facilitate Workshop:** KPMG will host a workshop to re-engage interviewed parties and overall cyber security stakeholders to review documented framework gaps while confirming timing of planned projects. From the workshop effort, we will:
  - Document the following that support the organization's security program.
  - Capabilities will be documented at the control level to capture granular details.
  - Gaps and alignment of planned projects for potential gap closure.
  - Through working sessions, assist the organization with identifying and assigning tiers/ratings.
- **Task Five – Perform Gap Analysis:** KPMG will assist the engaging state agency in assessing if current state system control implementation meets the design of the control and document the control to standard mapping to provide a unified view across statewide, federal, and industry standards.
- **Task Six – Reporting:** KPMG will assemble the fieldwork results into a narrative report consisting of an executive summary, detailed observations on the current state of the target agency process, prioritized ratings for key areas of focus, associated recommendations and process improvements opportunities and a management action plan.

Deliverable

Our team professionals will craft a comprehensive report consisting of an executive summary, root cause analysis, strengths and improvements, and details needed by technical staff in formulating a clear picture of vulnerabilities (including screenshots or other evidence to validate the finding). Findings will be grouped by severity levels, including critical, high, medium, low, and informational. All findings will include recommendations for improvement for client consideration. Our project deliverable will be a narrative report that discusses the current state of the target agency process(es), related gaps against the referenced standard (e.g., NIST SP 800-53, Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health Act (HITECH Act), Family Educational Rights and Privacy Act (FERPA), IRS-1075, PCI-DSS, SOC 2, and ISO 27001), prioritized ratings resulting from client workshop activities, and associated recommendations for action.

Timeline



Representative Qualifications

Qualification 1	
Name of client organization	**Federal Legislative Body**
Project Title	Cyber Security Maturity Assessment
Project description	KPMG performed a Cyber Security maturity assessment focused on people, processes and technology to identify control gaps and provide a current state assessment of the client's cybersecurity posture. KPMG helped the client define an uplifting cybersecurity strategy and this was accomplished using a tailored framework based on industry standards: • Aligned to client's expectations from the Cyber Maturity Assessment in terms of scope of the areas assessed along with specific deliverables by working with the cybersecurity leader of the organization. • Gained an understanding of key business drivers and critical assets by completing meetings with key stakeholders. • Developed initial observations and crown jewel analysis. Finalized mapping of identified risk factors to crown jewels to highlight high risk areas that need immediate attention. • Provided an assessment on the people and technologies utilized to achieve current cybersecurity goals and provided recommendations to improve hiring practices or better utilize existing technologies to reduce costs and eliminate unnecessary redundancies. • Developed key recommendations based on high level risks and provided client with a roadmap to achieve higher levels of maturity over the next 1-3 years. • Provided an executive summary to the cybersecurity leader catered for senior leadership detailing high level risk from an organizational point of view along with remediation plans showing required support from the leadership. Our client received the full report detailing how their overall maturity compared to other comparable industries. The client was able to utilize the results of the assessment to align with their 5-year strategic plan and to obtain additional buy-in for overall cyber maturity vision.

Qualification 2	
Name of client organization	**Private University**
Project Title	Gramm-Leach-Bliley Act (GLBA) Assessment
Project description	The University sought an assessment of their posture to comply with the provisions of the Gramm-Leach-Bliley Act (GLBA), which requires institutions to protect customer information held in their possession. Requirements become effective in June 2023. KPMG conducted an internal audit to assess the following: • Confirm the University's overall approach to GLBA. • Confirm employee roles related to GLBA compliance. • Determine the status of risk assessment to identify internal and external GLBA-related risks. • Determine the degree to which the University oversees its services providers' compliance with GLBA. • Confirm how the University evaluates the information security program, relative to GLBA, in order to continuously improve compliance. KPMG uncovered a number of improvements opportunities against the regulator requirements and the university worked to addressing these issues by the compliance deadline.

Qualification 3	
Name of client organization	**Research University and Academic Health Center**
Project Title	National Institute of Standards and Technology (NIST) Assessment
Project description	KPMG was engaged to conduct an assessment based on NIST Cyber Security Framework (CSF) across a sample of business units, schools and medical center. There were 45 subcategories identified across 5 NIST CSF domains. KPMG team assessed controls for design and operating effectiveness for both preventive and detective controls. The resulting report consisting of findings and maturity assessment was discussed and agreed upon with the representatives from each in-scope schools and business units. KPMG's audit and assessment report consisting of gaps and maturity assessment served as a driver to establish common definitions across the business units on cyber security posture. It allowed consensus-driven investment in cyber security initiatives, including the following: • Centralized and modern identity and access management system across the organization. • Establishment of centralized security operations center (SOC) to monitor for security incidents. KPMG team also provided benchmarking data for peer institutes to help establish comparison with industry standards.

Qualification 4	
Name of client organization	**State Department of Emergency Management**
Project Title	911 and Geospatial Services Bureau Integration Assessment and Statewide NG911 Implementation
Project description	KPMG assisted a state department of emergency management and its 911 and Geospatial Services Bureau (NGS) in implementing NG911 technologies to Public Safety Answering Points (PSAPs) statewide and assessing the current state of the bureau's integration into the department, providing areas for operational improvement. KPMG is leveraging industry subject matter professionals to complete a full assessment of the current state of integration between the two workgroups, interview stakeholders, identify gaps, and offer solutions that improve the overall management of statewide 911 operations in the state. Currently, KPMG is assisting with a communications plan for internal and external stakeholders in addition to providing NG911 vendor management and future state planning (NG911 use cases) for PSAPs.

Your Cyber Security Lead

This segment of the KPMG team will be led by Rahul Kohli, a principal in our State and Local Cybersecurity practice. Rahul will have overall responsibility for overseeing the delivery of all technology enablement work and the completion of other deliverables, as applicable. Rahul has more than 21 years of experience providing cybersecurity and privacy assistance to the State and Local clients. His professional focus is helping various organizations reduce the risk of cybercrime while complying with the applicable regulations, improving operational efficiency, and securely enhancing the end-user experience.

Details on the balance of the Cyber Security team may be found in the appendices.

e. Data Analytics/Continuous Monitoring

Practice Overview

At KPMG, we are pleased to be able to bring a powerful combination of decades of analytics experience with cutting-edge statistics and computational knowledge. We will bring a technology and automation-driven approach to review state' agency data when called upon. Additionally, our proposed engagement team includes resources with extensive experience working with state government agencies to help provide insights I to the core IA team. These resources can work to help achieve a user agency analytics goal throughout the course of an assigned project.

Accordingly given the breadth of potential services in this area within your solicitation's scope, we seek to present two potential project approaches with associated workplans and deliverables. The first of these is our baseline approach for using data analytics to enhance and benefit a core audit team.

Data-Analytics Internal Audit Project Approach

Our IA analytics methodology strives to make D&A is a technique that can be applied to support the full audit cycle, across risk assessment, audit planning, scoping audits, executing audits and reporting. It can be used to automate substantive as well as controls testing.

Whether D&A is the right technique to apply in the course of an audit often depends mostly on the maturity of relevant client systems, the extent of standardization of processes and whether alternative, better, audit approaches might be available. In a mature and standardized environment, analytics can often prove to be an effective way of analyzing full populations of data in order to identify relevant outliers. In less standardized environments analytics can still be used, but it will be more challenging to justify its costs, mainly due to the high number of exceptions this is likely to generate.

The foundation for success for using analytics to help execute internal audits is knowing exactly what the overall risks and audit approach are and how exactly D&A is to support that approach. We can support you in identifying the areas where analytics could add most value. We can also help identify control monitoring solutions in other areas of your operations (e.g., the 1st or 2nd lines of defense) so that you can seek to make the most of technology that is already available in your organization.

Data-Analytics Internal Audit Project Workplan

Task One – Planning and preparation: As part of project kick-off, KPMG will conduct a planning and brainstorming session to identify the various stakeholders as determined by the aims of the project, confirm our understanding of the Scope of Work, and understand the engaging agency's processes to access to the technology and analytical data germane to the objective of the supported audit. Our activities in this phase normally include the following:

- Confirm our understanding of the areas of the Scope of Work.
- Discuss what success means for this engagement and the overall objectives the engaging agency is looking to accomplish.
- Define involvement needed from other stakeholders (if any), and other project management logistics (such as communication protocols and meeting frequencies).
- Request initial documents (Standard Operating Procedures 'SOP's, program materials, and data dictionaries, etc.) and sample data from relevant IT personnel.
- Request and obtain access to the system data and if necessary to support fieldwork.
- Agree on next steps for executing on the areas of scope and any actions needed for KPMG to begin engagement activities.

Task Two – Participate/review risk assessment and support IA plan development: Our DA practitioners will liaise with the core IA team to help review and prioritize target areas of audit focus given results of enterprise risk assessment. Our DA practitioners will educate themselves on the client's desired analytics coverage. They will work to develop a detailed DA IA plan to complement the baseline plan, meet compliance requirements, provide transparency to upper management/other stakeholders and be impact oriented.

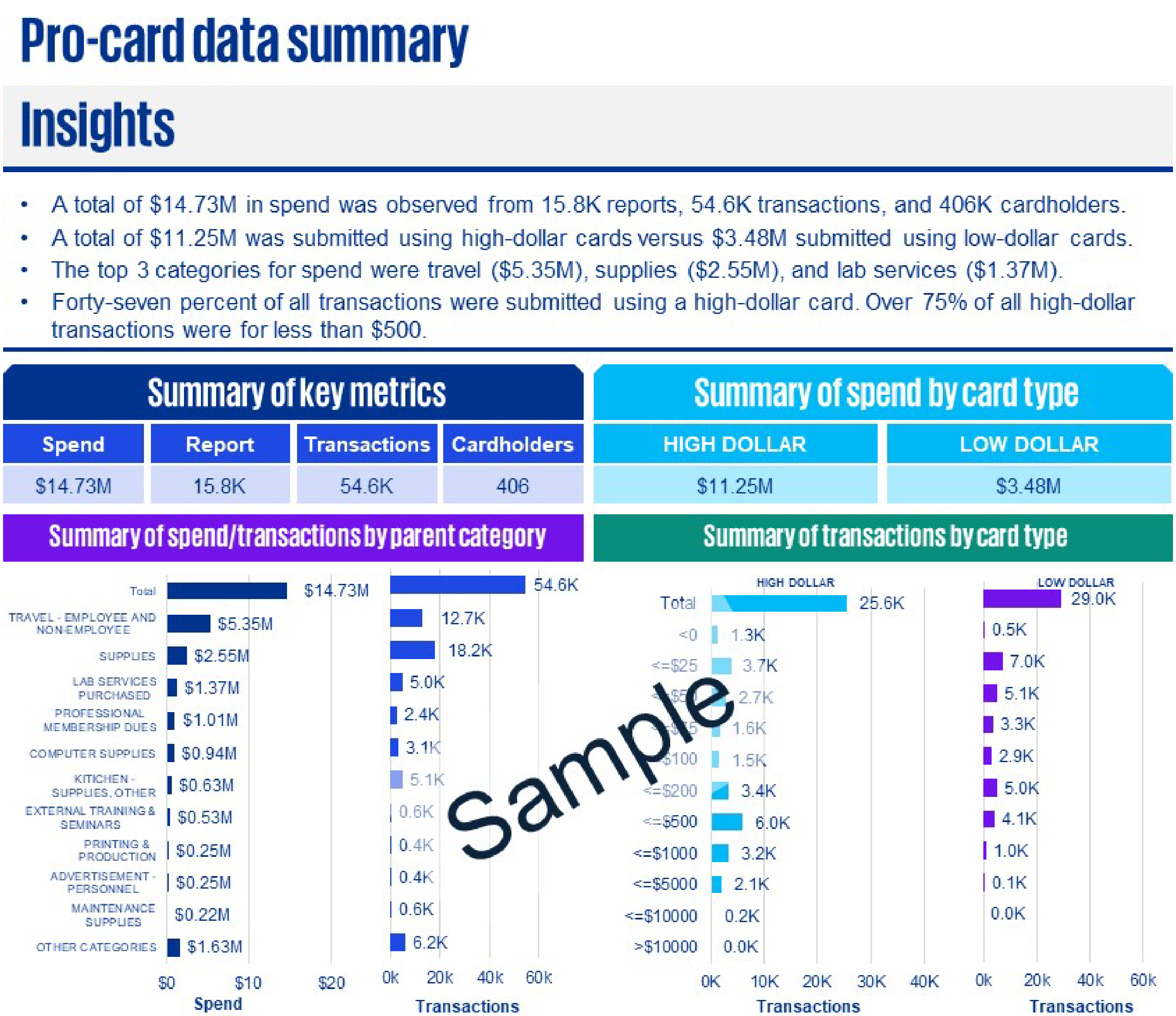
Task Three – Conduct data-driven audit procedures: Consistent with the approved audit program, we can perform/support deeper dive process audit procedures using automated techniques (e.g., process mining and automation.), and in so doing position ourselves to potentially identify issues and opportunities resulting from the analysis. Take steps to measure and analyze results to formulate impact-oriented recommendations and inform subsequent reporting.

Task Four – Develop repeatable analytics to support future audits: Team members can craft data analytics scripts to support the recurring and/or ongoing audits based up areas of compliance need and or management interest, focus areas could include transaction analytics for journal entries procurement to pay, order to cash, HR/Payroll, time and expense, fraud analytics, segregation of duties, access permissions, etc. We can incorporate such routines as part of future/recurring audit planning to enhance investment return and utility for the organization.

Task Five – Perform dynamic reporting: Assigned DA professionals can work with the core audit team to contribute to the final audit reporting process. They can integrate D&A results into baseline audit reports and consider the potential for benchmarking for periodic future reference.

Deliverables

Work produced from DA efforts can take many forms and vary depending upon the nature of the subject matter and the needs of the organization. Below is a results extract intended to illustrate the types of data and level of detail possible with the analytics routines we have available:



Timeline

Illustrative Timeline for Data Analytics Internal Audit

Key Activities	Timeline (Weeks)											
	1	2	3	4	5	6	7	8	9	10	11	12
Planning and Preparation												
Participate/ Review Risk Assessment and IA Plan Development												
Conduct Data-driven Audits Procedures												
Develop repeatable analytics to support future audits												
Perform Dynamic Reporting												

Continuous Monitoring Project Approach

Within this next section, we have outlined our baseline approach to complete the types of reviews outlined in DOA's RFP. The duration of a work plan such as this can vary widely given the nature of the analytics performed. Due to the exploratory nature of some data analysis tasks, certain steps in Task Three "Data Analysis" may be performed

iteratively based on confirmation of results and additional feedback. As an organization's analytics capabilities grow and mature, we understand the need for an approach to evolve to help enhance impact and help lower cost overhead and time spent. This method seeks to allow target NC government agencies to focus on analytics projects that can be transformative.

Continuous Monitoring Project Workplan

Task One – Planning and preparation: As part of project kick-off, KPMG will conduct a planning and discovery session to identify stakeholders across various departments as determined by the aims of the project, confirm our understanding of the Scope of Work, obtain walkthroughs of the engaging agency's data systems of record, and initiate processes to gain secured access to the technology and analytical environments. Our activities in this phase will include the following:

- Schedule a kick-off meeting with engaging agency stakeholders.
- Confirm our understanding of the areas of the Scope of Work.
- Discuss what success means for this engagement and the overall objectives the engaging agency is looking to accomplish.
- Define the core project team, involvement needed from other stakeholders (if any), and other project management logistics (such as communication protocols and meeting frequencies).
- Request initial documents (Standard Operating Procedures 'SOP's, program material, and data dictionary) and review sample data with relevant IT personnel.
- Request and obtain access to the application system (front-end) and back-end (including access to applicant's supporting documentation).
- Agree on next steps for executing on the areas of scope and any actions needed for KPMG to begin engagement activities.

Task Two – Gathering requirements and data profiling: After having set clear expectations during Task 1, Task 2 begins with an intensive analysis of data provided by stakeholders and to review sufficiency and completeness for use in the data analysis. Task 2 lays the groundwork for the activities to follow in Task 3 and helps determine the set of activities/procedures that will be required to review for accuracy, consistency, and efficiency.

- Work with relevant engaging agency personnel/staff to confirm our understanding of the data elements, existing and potential future data fields associated with the project objectives, etc.

- Assess the data sources, quality, and characteristics of the data, which will provide insights to any potential data challenges or gaps that will impact the project. The primary focus of this exercise is normally to understand how key data can be accessed and utilized.
- Identify heuristics and patterns or user journeys that can be used to identify modeling techniques in Task 3. With the use of our industry-leading analytics techniques, these approaches may be coded in open-source software (e.g., Python). Drawing on our recent experience in rule-based methods and traditional machine learning, we will apply an innovative, multilayered analytics framework to identify potential go-forward approaches.

Additionally, KPMG may explore mechanisms to compare internal data with third party sources provided by the engaging agency, in a way that informs further analytical insights or data quality improvement. Pending their availability, KPMG will develop a mechanism to define additional data blending methods that can be utilized to augment modelling in Task 3. KPMG normally reviews the trends/patterns identified as potential sources of insight with the NC engaging agency and obtain agency management's approval before KPMG incorporates such trends or patterns in the analytics approaches described in Task 3 below.

The result of this phase will normally be a detailed understanding of the key data elements that will be used to build machine learning models to advance the outcome of the data analytics project.

Task Three – Data analysis:

- Having established expectations and a schedule during Task 1 and developed an understanding of the engagement materials during Task 2, the team will be prepared to commence data analysis in Phase 3. The most intensive of the four phases, Task 3 typically includes the deliberate activities focusing on the appropriate type of analytics based on the engagement scope and objectives.
- KPMG often deploys an iterative approach to developing, testing, and deploying analytical models. After performing exploratory data analysis (EDA) in Task 2, a preliminary model is built. We normally apply robust modeling techniques, which can range from testing various machine learning algorithms using feature engineering and selection processes in an effort to detect actionable patterns and trends at play. Once a satisfactory preliminary level of performance (e.g., accuracy, precision, recall, or other model performance metrics suitable to the analytical use case) has been reached, the preliminary model's performance is then further improved using hyper-parameter tuning. At the conclusion of this step, we normally deploy a base model into a staging environment, whereby a sample of new predictions or model output may be reviewed by engaging agency professionals allowing validate those outputs. This step seeks to help craft that the model's predictive power generalizes well on unseen data, and that it can be further revised ed through iterative inclusion of labeled data. Based on this feedback and changes in features that occur over time, we repeat this process in an effort to yield high performance predictions. Typically, KPMG repeats the process for two to three cycles but can increase the number of iterations depending on any new methods that are identified in the course of the project.
- Our team can also consider different machine learning and analytical models based on the nature of the available data, target user experience, degree of automation allowed by the use case parameters, the level of capability required to maintain the solution following the project and the resources available to the engaging agency. KPMG project teams can bring a blend of resources to address one or more of the engaging agency's analytic project needs at any of the following four types:
  - **Descriptive Analytics:** KPMG's visualization Center of Excellence assists our clients with all stages of business intelligence and dashboard life cycle management. From use case definition and data engineering to surface useful data elements, to data blending and enrichment, to dashboard design, UX journeys, to dashboard rationalization and maintenance. Our professionals are well-versed in design and implementation of descriptive data on most market-leading visualization platforms, such as Tableau, Power BI, and Qlik.
  - **Diagnostic Analytics:** KPMG data science teams utilize unsupervised machine learning and anomaly detection techniques to help surface insights about why events occurred. We have developed automated tools and accelerators for anomaly detection within large, segmented data sets where manual analysis would require impractical levels of effort. In these cases, KPMG's accelerators help enable drilldowns and surfacing outliers and underlying trends that might not otherwise be detectable through manual methods. Statistical tests automated within this type of approach help inform which outliers are significant and actionable. Our teams can readily make use of a variety of clustering, exploratory data analysis, and dimensionality reduction techniques in order to simplify and add structure to either complex structured data, or unstructured data such as natural-language text.

- **Predictive Analytics:** KPMG routinely works with clients to develop predictive systems that help enable more rapid and more precise decision making. Our teams help identify use cases where time is of the essence, and where requirements dictate that analysis predictions be surfaced in an automated way. Often the value case for these types of use cases are predicated on time saved, or capacity increased by scaling decision-making across a wider or finer-grained set of data segments, instead of manual analysis on the aggregate. Examples of solutions where machine learning is utilized to automate these types of use cases are provided below.

- **Prescriptive Analytics:** We have served a number of states, local, and even federal clients with optimization, simulation, and digital twin-based solutions to help determine the optimal path of operations. These solutions have been based on scalable cloud simulation platforms, mixed-integer engines, and graph databases for organizing and traversing the relationships between complex sets of entities. See below for example projects where we have assisted clients with route and prescriptive schedule enhancements , and digital twin-based scenario simulation.

Through our Modern Data Platform (MDP) and KPMG Ignite Platform, KPMG has developed and delivered the following sample artificial intelligence and advance data and analytics capabilities that could be leveraged for the state of North Carolina such as the following.

- **Supply Chain Analytics:** To find and capture new cost savings opportunities across an agency's entire operations (for buying, storing, managing, and using products & services), KPMG has developed an advanced Supply Chain Analytics capability. This capability contains a set of powerful DA accelerators (i.e., pre-built building blocks) that can work with large volumes of agency data to quickly detect and validate new cost savings opportunities that would normally be difficult to find using traditional approaches.

- **Process Mining:** Ability to efficiently 'piece together' activity log data and perform detailed analyses to map out all end-to-end processes for buying, receiving, and using products during normal operations (including the entire procure to pay lifecycle). This capability allows your team members to quickly examine the efficiency and effectiveness of every unique process – and opportunities to improve processing speed, friction, variability, duplication, and quality. This can be an extremely valuable tool to help you reduce processing costs, eliminate avoidable spend, and take advantage of available discounts.

- **"Bottom-up" Cost Modeling:** Provides the ability to allocate all operating costs to every detailed operational activity (using attribute data) – allowing you to reliably measure Total Cost of Ownership of every product, supplier, and order you rely on. The insights provided by these models will help you understand the where excessive costs exists across the entire lifecycle of buying, receiving, storing, and using products – and how costs can be reduced through improved service terms with your major suppliers.

- **Root Cause Analytics:** Ability to leverage advanced data science (and other forms of artificial intelligence) to uncover the potential hidden root causes behind excessive operating costs. This capability can help you overcome the 'human constraints' of reading reports and conducting manual analyses – to know exactly which underlying operational issues can be addressed to achieve savings. This can be an extremely valuable tool to complement your existing reporting capabilities – allowing your team members to make decisions and capture savings, instead of spending time 'hunting' for new opportunities.

- **Intelligent Forecasting:** Provides the ability to create more accurate forecasts of product demand and supply conditions, by utilizing large volumes of relevant signals. Many of these signals are typically ingested from external sources, which can efficiently be obtained using KPMG's Signals Repository. This capability can also validate the relevance of every predictive signal and use that information to develop reliable demand and supply forecasts that can easily be refreshed as conditions change over time.

- **Near-Real-Time Simulations:** Ability to perform dynamic "what if" scenario modeling (as frequently as needed) that calculates the cost and performance impact of future conditions and making specific changes to operations. This model can help users quickly understand how to act on the most important opportunities in front of you.

- **Automation:** Success in today's markets requires unprecedented levels of speed, accuracy, and cost efficiency beyond what a human workforce can provide. As government agencies move forward in modernizing their systems, a large risk is assumed moving from functional, of ten times manually maintained, legacy systems. With rapid advances within the RPA field, agencies can utilize this technology to help reduce risk, improve operational efficiency, and be prepared for today's market demands. RPA provides a method of automating rules by replicating the actions that a human user would perform more quickly and accurately, provides revalued staff with more time to redirect their attention to higher value work f or either clients or operations.

- **Fraud Identification Capabilities:** The ability to use advance machine learning models and AI capabilities to detect and analyze large volumes of both structured and unstructured data to assess and identify fraud risk indicators.

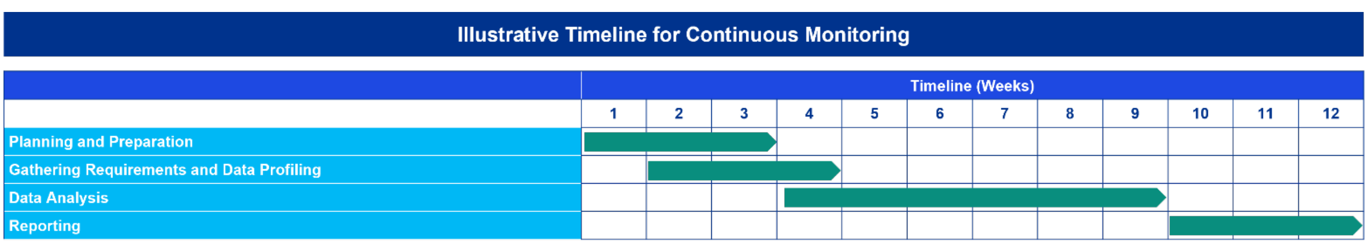
Task Four – Reporting: We understand that effective periodic reporting is critical to the success of such an engagement and will aim to provide the NC engaging agency with the tools it needs to accomplish the project objectives. Throughout a project such as this, our team will schedule regular status meetings during the initial review period KPMG will also summarize findings from their review and confirmation of circuit metrics, domain, and overall scores in a written summary report.

Deliverables

Our continuous monitoring deliverable will seek to combine KPMG's unique combination of review procedures statistical and our team's computational experience to benefit the engaging agency. For each designated reporting period, KPMG will summarize findings from our review and confirmation of circuit metrics, domain, and overall scores in a written summary report. We will work to see that these reports will combine KPMG's unique combination of review procedures and statistical and computational experience.

- In the course of executing each of the tasks above, if additional clarification is needed, KPMG may also convene working sessions with the engaging agency's program and data SMPs, to discuss points of the clarification. Our team believes this action may be crucial during some review procedures, as it allows for an ability to provide context or explanations for issues identified. KPMG is committed to working with the NC engaging agency so that results are transparent, well understood and accurately representative.
- We take pride in our continuous focus on driving increased quality over time. As part of an engagement with NC, our team will internally document and identify opportunities to automate and streamline our review approach. This should help decrease the time required by the KPMG team to produce future reports and provide consistent performance throughout the lifetime of the project. Documentation of the review process and procedures, and refinement of the code is an important aspect of KPMG's continuity approach, and should h allow for faster and more efficient start-up cycles to conduct future review cycles as necessary.

Timeline



Representative Qualifications

Qualification 1	
Name of client organization	**State Department of Revenue**
Project Title	Automation of Internal Audit Business Processes
Project description	Over the course of four component projects, KPMG worked with the Department to stand up and operationalize an RPA infrastructure to be leveraged throughout the agency. The team began with a Proof-of-Concept effort to develop and implement a bot in the agency's test environments to showcase the capabilities of RPA and IA to DOR leadership and staff. After completing the proof of concept, we began an Opportunity Assessment. The goal of the Opportunity Assessment was to work with DOR staff to identify viable processes for initial automation, and effectively build a pipeline of processes for future automation after the operationalization of the RPA infrastructure. The third project focused on the operationalization of RPA for the Department. KPMG assisted DOR to define security and governance processes, provided an architecture for the RPA environments, and configured automation software within the DOR systems. The fourth project included the development, deployment, and production support of a pilot bot as well as knowledge transfer to DOR IT staff.

Qualification 2	
Name of client organization	**Federal Agency**
Project Title	Improper Payment Intake Audit Automation
Project description	Each year, this federal agency reviews tens of thousands of unstructured medical records (MRs) to measure and recoup millions of an estimated $16 billion in annual, improper program payments – a rigorous, inefficient, manual, and time-consuming review process. Agency leaders were seeking new innovations to improve efficiencies in manual processes as review volumes are expected to increase every year, and with a limited number of funds and resources allocated to review. KPMG worked with agency leadership to develop a process automation solution for its RADV medical record audit review. KPMG developed an automated solution comprised of a combination of Robotic Process Automation (RPA), Optical Character Recognition (OCR), Machine Learning (ML), Natural Language Processing (NLP), Artificial Intelligence (AI), and Microservices. We transformed and automated business processes to assist the agency with faster identification and recovery of improper payments, by modernizing and automating the current manual intake confirmation process to reduce the manual review time for unstructured medical records. Current results have shown our client agency increased processing speed by a factor of 12X compared to manual review. This is estimated to result in more than 10,000 hours saved annually, decreased subjective decision making, and increased transparency compared to human-validated test data.

Qualification 3	
Name of client organization	**Office of a State Auditor General**
Project Title	Current State Assessment
Project description	KPMG performed a current state assessment of this State Auditor's Office in audit technology program performed. The work performed included a current state assessment which involved a review of human capital and experiences, internal processes, and procedures, as well as an examination of the current technology stack. The scope of work included interviews of three other state Auditor Generals for benchmarking purposes. At the conclusion of the project, KPMG provided a roadmap and timeline which comprised (1) upgrading and training the talent pool for analytics and automation, (2) creating enhanced governance and structures for the Office's existing processes, and (3) building a technology stack that meets their needs. The departmental assessment provided the Office with insights which included (1) understanding of current weaknesses and opportunities, (2) peer review benchmark with other state level organizations, (3) root cause analysis on prior failures in efforts to modernize the IA department, (4) recommendations on the organizational plan to upgrade talent, and (5) an overall plan to move the department forward in their platforms used for analytics and automation.

Qualification 4	
Name of client organization	**State Department of Auditor General**
Project Title	Current State Assessment of Audit Operations
Project description	KPMG performed an assessment of respective state's Department of Auditor General (DAG) audit operations. The scope was HR processes, audit methodologies, and end-to-end technology processes. KPMG issued a substantive report with its findings and recommendations along with a high-level roadmap in advance of the project deadline. KPMG was engaged again to provide DAG assistance with implementation of some the recommendations in the more challenging audit operational areas.

Your Data Analytics and Continuous Monitoring Lead

Omid Yazdi, Partner in KPMG's Risk Services practice will lead our delivery in this area. He is responsible for leading a national risk analytics specialist team and bring over 30 years of delivery experience assisting KPMG's clients with assessments, data analytics, internal audit services, forensic services, financial statement audits, and risk management related services.

Details on the balance of Omid's team may be found in the team resumes in the appendices.

f. Risk Assessment and Audit Plan Development

Practice overview

KPMG's Internal Audit practice is comprised of financial, operational, compliance, technology, investigative and controls professionals. As noted previously in 1997 KPMG made Internal Audit services a priority service line with a global footprint of dedicated professionals.

Internal Audit Practice

BIG 4
KPMG is a leading provider of internal audit, risk and compliance services to market leaders worldwide.

82 Countries
KPMG's internal, IT audit, and risk and compliance professionals are present in **82** countries worldwide.

Clients
We deliver these services to more than **2,200** clients worldwide.

People Number
12,000+ and 2,600+ internal and IT audit professionals operate worldwide and in the U.S.

Key services

- Internal Audit Strategic Sourcing, including Data Analytics-enabled Internal Audit.
- Internal Controls over Financial Reporting/ Sarbanes-Oxley Assistance Services.
- Risk-Based Strategic Services.
- Enterprise Risk Management and Governance, Risk and Compliance.
- Contract Compliance Services.
- Regulatory Compliance, Sustainability.
- Technology Risk Management.

Internal Audit, Risk and Compliance services to more than **900** U.S. clients, of which **247** are FORTUNE 1000 companies or private/government equivalents in size.

Internal audit outsourcing or co-sourcing services to **363** clients, **154** of which are on the FORTUNE 1000 or are private or government equivalents in size.

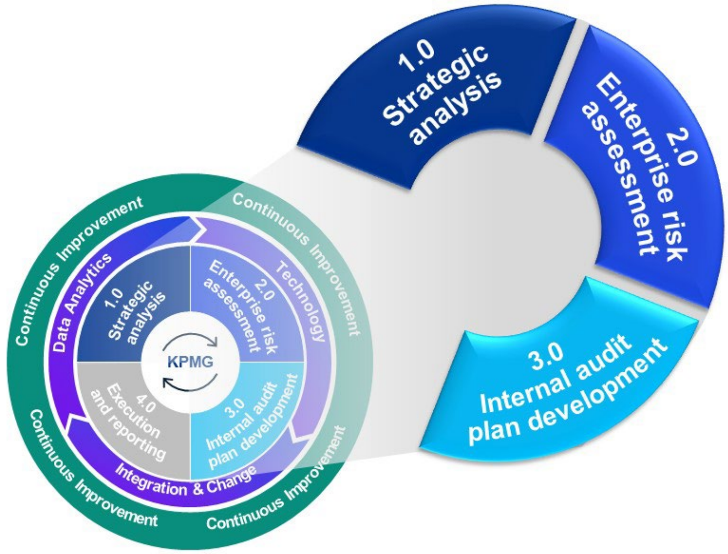
Our IA practice comprises of Internal Audit (IA), ERM, governance, financial, operational, compliance, Data and Analytics (D&A), and technology professionals who have helped thousands of clients enhance their compliance and operational processes and manage their costs of compliance, while delivering high-impact support.

Approach

KPMG's Internal Audit Methodology analyzes risk from a business perspective and focuses on key processes and controls. It employs a scalable, top down, risk-based approach designed to drive value by delivering efficient and effective audits that are directly tied to our clients' strategic objectives.

Key features of our methodology include:

- **Risk-based approach:** Focuses on areas of greater risk, importance, and value to the organization.
- **Stakeholder engagement:** Active engagement and concurrence obtained from key stakeholders during the risk assessment process.
- **Subject matter professional involvement:** Incorporates subject matter professionals where needed and relevant.



Per the instructions of the RFP, We will address *Step 1.0 Strategic Analysis*, *Step 2.0 Enterprise Risk Assessment* and *Step 3.0 IA Plan Development* further below.

Below is a summary of our approach to risk assessment, IA plan development, and building risk monitoring. This summary is based upon our KPMG Target Operating Model Process Taxonomy and role-based process flows, as our leading practice guidance on these processes. ***For this scope we will focus on the Strategic Analysis, Enterprise Risk Assessment and IA plan development.***

Work plan

Step 1 – Strategic analysis: This step provides an initial understanding of an organization from a top-down perspective. The Strategic Analysis phase of IAM provides a framework to help identify those issues that have relevance to the client and the industry in which it operates. Strategic Analysis is undertaken to help enhance our high-level understanding of a client's business and the external forces that affect it. It also allows for the identification of strategic objectives and provides an understanding of how the organization reacts to challenges that inhibit the successful completion of these objectives.

From the output of this analysis and the information gathered, business risks can be linked to overall objectives of the client during the enterprise risk assessment phase.

Step 2 – Enterprise risk assessment: Using the Enterprise Risk Assessment, an approach that we have derived from KPMG's broad ERM methodology, KPMG can help management find the right balance between risk and control by linking risk back to our client's objectives and building the foundation for risk management and risk communication.

In the context of IAM, the purpose of the enterprise risk assessment is to help the client:

- Gain an understanding of the risks that threaten the organization's achievement of strategic objectives.
- Develop foundations that will assist in identifying the client's key business processes that mitigate strategic risks and to focus process-level assessment.
- Develop the basis for an internal audit plan.

Step 3 – Internal audit plan development: The Internal Audit Plan sets out the scope of work to be undertaken by the client's internal audit function, whether supplemented by KPMG professionals in a co-sourcing arrangement or performed entirely by KPMG in an outsourcing of the engaging agency 's internal audit activities.

The scope and comprehensiveness of the Internal Audit Plan is driven by your requirements. While KPMG's Internal Audit professionals, in cooperation with engaging agency management, typically develop the internal audit plan in conjunction with an enterprise risk assessment, ultimately the plan is directed, agreed and adopted by the client's audit committee. The engaging state agency may only need a simple, high-level internal audit plan that indicates the broad parameters and scope of the internal audit projects or, alternatively, may ask for a detailed plan that gives an indication of specific internal controls or functions to be reviewed and how these reviews will be conducted. We will work with you to decide a suitable course.

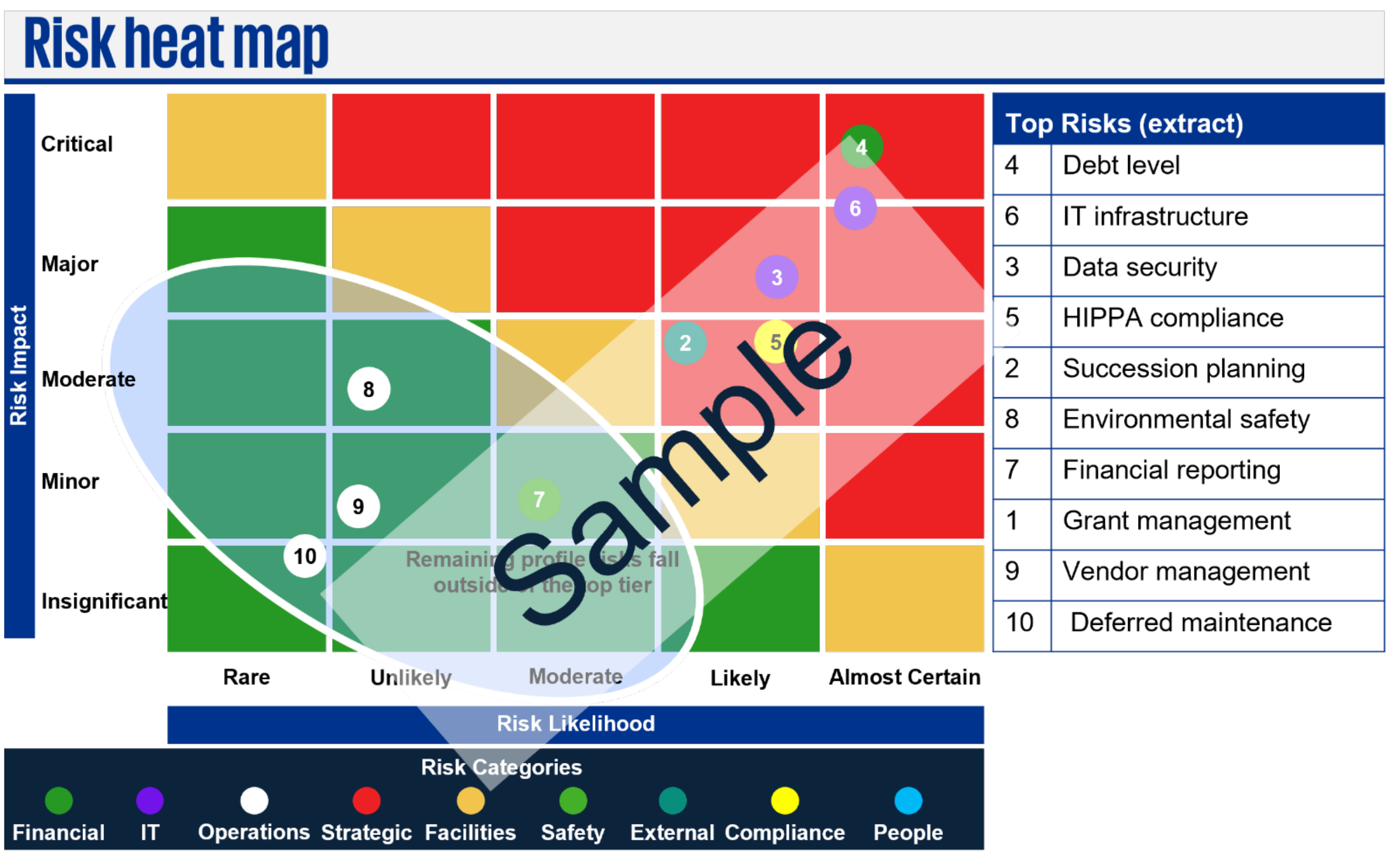
The activities that will help the engaging agency to develop the Internal Audit plan consist of:

- Determining and prioritizing the areas and business processes to be reviewed and the cycle for review of key risk areas identified in the course of the risk assessment.
- Identifying the number and types of audit projects to be performed, along with associated resource requirements.
- Obtaining the input and approval of the engaging agency's executive management and, if applicable, the Audit Committee.
- Establishing a process to continually evaluate, update, and maintain the plan.

Deliverables

The primary deliverables for this are as typically follows:

- **Risk Assessment report** – We will create a report to capture and assess key risks identified during our data-gathering. Our product will seek to focus on the key risk factors as they are the most critical to the achievement of engaging agency's strategic and operational objectives. We will present this information using in part a HEAT map to graphically display the likelihood of occurrence and magnitude of impact of the risk profile content against the rating scale that we will derive with engaging agency management.
- **Internal Audit Plan** – Using the risk assessment results above, we will create a detailed internal audit plan that prioritizes audits based on the agreed risks of the organization and provides estimates of the number of hours needed to complete each audit and the requisite skill sets. We will also craft a tentative delivery schedule based upon the significance of the profile's risks and engaging agency's operational considerations.



Timeline

Illustrative Timeline for Risk Assessment and Audit Plan Development

Key Activities	Timeline (Weeks)						
	1	2	3	4	5	6	7
Project Kick Off							
Step 1- Strategy Analysis							
Step 2- Risk Assessment							
Initial Cascade of Enterprise and BU risks to Auditable Entities							
Design of Scoring Methodology and Approach for Qualitative Inputs							
Collection and Aggregation of Qualitative Inputs							
Initial Risk Profile Visualizations for Prioritization of Auditable Entity Risks							
Additional Inputs and Follow up as needed							
Step 3- IA Plan Development							
Initial Prioritization of Auditable Entity Risks for IA Plan							
Evaluation of Effort, Resources and other Variables Impacting the IA Plan							
Final Build of Proposed IA Plan							
Visualization of Planned IA Effort against Risk Profile							

Representative Qualifications

Qualification 1	
Name of client organization	**Ivy League University**
Project Title	IA Risk Assessment/Plan Development
Project description	KPMG conducted an internal audit risk assessment in support of a University's Internal Audit department. The delivery team sought input from a broad range of sources including key administrative and academic leadership, the results of previous assessment and audits, and strategic priorities of the University and common industry trends and developments. From this effort, the team constructed and analyzed an entity risk register to help prioritize principal areas of risk and devised a three-year internal audit program as an additional output of the risk assessment efforts.

Qualification 2	
Name of client organization	**Large City Administrative Agency**
Project Title	Risk Assessment
Project description	KPMG was selected by a large City Administrative Agency to conduct a risk assessment of public-facing programs and quality control functions of two component divisions including the development of a summary of current key programs and quality control functions. The objective of this project was to support the development of a strategic plan for ACS to identify action plans against high-risk areas within programs and quality control functions of the two target divisions. The strategic plan provided a methodology for identifying, rating, and prioritizing risks, a governance model defining roles and responsibilities, as well as templates for communication and reporting protocols. KPMG followed this approach to conduct the risk assessment and develop the planning template: • Met with agency leadership and staff to learn about daily tasks and potential risks. • Created a risk register template to serve as the framework for documenting, rating, and prioritizing risks. • Identified qualitative and quantitative evaluation criteria and defined scales of likelihood and magnitude of impact to inform risk ratings. • Populated the risk register template with key risks identified from meetings and background documentation. • Proposed a methodology for prioritizing risks from the risk register to develop tiered action plans against high-risk areas; this included suggested communication and reporting plans, plans to roll out the new processes to all stakeholders, and a core team to facilitate the new processes. • Designed a governance structure to provide the model needed for agency to oversee processes and designate responsibilities

Qualification 3	
Name of client organization	**State Department of Early Education & Care**
Project Title	Risk Assessment
Project description	KPMG assisted a state Department of Early Education & Care as part of a multi - phased engagement) to develop a standardized risk assessment approach for the department's childcare stabilization grant program. Our specific tasks included assisting in performing a risk assessment that resulted in the identification and compilation of risks based on information relative to applicable regulations; conducting interviews with program management staff to further identify and validate existing risks; developing potential mitigation actions to prevent, respond, and/or manage consequences of identified risks; crafting a risk profile that categorizes risks appropriately based on levels of impact, and preparing a final risk assessment deliverable covering the results of the risk assessment.

Qualification 4	
Name of client organization	**District Office of the Inspector General**
Project Title	Risk Assessment/Plan Development
Project description	KPMG conducted a detailed risk assessment of the procurement functions across all entities comprising this government organization. The team began the assessment by seeking to obtain, aggregate, and analyze three fiscal years of procurement data across the multiple purchasing and financial applications in use across the District. KPMG's data analysts were able to provide a set of meaningful observations to support the collective team's overall risk identification effort. His team also designed and developed a procurement maturity assessment survey based upon our firm's proprietary Procurement Function Maturity Model. Results of the data analytics and survey instrument were grouped and weighted to help identify specific District agencies for site visits to confirm agency survey responses as well as identify potential leading or deficient procurement-related processes. The result of the risk assessment fieldwork yielded a prioritized listing of audit focus areas based upon a set of likelihood and magnitude criteria for the next three years.

Your IA Risk Assessment and Planning Lead

This segment will be led by of Jerod Holloway, Engagement Lead and Managing Director with 22 years of experience in public accounting/professional services, providing internal audit, risk consulting, investigative, integrity/assurance, and healthcare compliance services. He will help produce meaningful risk assessments and resulting audit plans to help address strategic, regulatory compliance, operational, and financial institutional risks.

Details on the balance of Jerod's team may be found in team resumes in the appendices.

g. Financial Audit (Internal Control Reviews)

Practice Overview

Our IA practice professionals (augmented by subject matter specialists as necessary) most frequently deliver internal control assessments of our firm clients. To perform such assessments, we often leverage a standard control reference framework such as the *Standards for Internal Control in the Federal Government* (or the federal Greenbook) or even more common the COSO Internal Control – Integrated Framework (2013)[3]. We discuss our approach to such projects in the section below.

Approach

Since its inception in 1992, the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s Internal Control — Integrated Framework has seen widespread acceptance in the design and evaluation of organizational internal control. Public companies and other entities globally use it to evaluate and document the effectiveness of their internal control systems.

The COSO Board updated the framework in 2013 to make it increasingly relevant for investors and shareholders amid a dynamic and rapidly evolving business environment. COSO's 2013 Framework is, thus, aimed at enhancing organizations' control structures within the context of a rapidly evolving business environment. We understand that the most significant change made in the most recent framework was the codification of the 17 principles that support the five components. For effective internal controls, the current framework requires that each of the five components and the 17 relevant principles be present and functioning; and the five components must operate together in an integrated manner. Present means that the components and relevant principles exist in the design and implementation of the system of internal control, and functioning means that the components and relevant principles continue to exist in the system of internal control. These components, shown in the table below, along with their related principles, serve as comprehensive guidance for companies looking to strengthen their internal control systems.

COSO Components and Principles

For effective internal control:

- **Each of the five components and 17 principles must be present and functioning.**
- **The five components must operate together in an integrated manner.**

Control Environment	1. Demonstrates commitment to integrity and ethical values. 2. Exercises oversight responsibility. 3. Establishes structure, authority and responsibility. 4. Demonstrates commitment to competence. 5. Enforces accountability.
Risk Assessment	6. Specifies suitable objectives. 7. Identifies and analyzes risk. 8. Assesses fraud risk. 9. Identifies and analyzes significant change.
Control Activities	10. Selects and develops control activities. 11. Selects and develops general controls over technology. 12. Deploys through policies and procedures.
Information and Communication	13. Uses relevant information. 14. Communicates internally. 15. Communicates externally.
Monitoring Activities	16. Conducts ongoing and/or separate evaluations. 17. Evaluates and communicates deficiencies.

[3] Committee of Sponsoring Organizations of the Treadway Commission of 1992

We believe that detailed control assessments can help identify gaps between existing control structures and anticipated changes. Mapping the 17 principles, considering the points of focus, to either existing or anticipated controls is integral to understanding where the relevant principles are present, and how these support the control objectives and identifying weaknesses or gaps in internal control. As part of this assessment, management should assess if changes to the system of internal control can, or should be, made to reflect changes in operations.

Work plan

Phase One – Internal Control Framework Review and Assessment: The objective of this phase is to assist the engaging agency in assessing its internal control framework currently in place over the target processes in scope, performing a gap analysis against a recognized framework (i.e., COSO) and to communicate potentials gaps and associated observations and recommendations. Working with designated agency personnel, we will plan to perform the following steps within Phase One:

- **Task One – Obtain/Review Documentation:** Gather existing written documentation of processes/current control framework in the target process areas and review the documentation to gain familiarity with the target area(s) of focus.
- **Task Two – Conduct interviews:** Interview management and other personnel and process walk-throughs to better understand the subject process-level workflows, management's internal control activities, and the procedures, policies, and concerns surrounding the current internal control framework.
- **Task Three – Document Target Process:** Document, for the purposes of subsequent analysis, current key processes in the target process areas including process objectives, risks, inputs, activities, primary information system configuration and functionality, and outputs.
- **Task Four – Draft initial set of observations:** Document initial assessment activities for discussion and analysis among the KPMG team and key client stakeholders.

The deliverable for Phase One will be a MS Powerpoint presentation by KPMG to the engaging agency's executive leadership team, in a format to be determined by mutual agreement between the agency and KPMG, which is intended to highlight initial information and planned areas of review and follow-up for Phase Two.

Phase Two: Substantive Review

Following our Phase One deliverable presentation, we plan to perform substantive review and follow-up within the two task areas.

- **Task Five – Internal Control Framework Review and Assessment:** Identify and assess key internal controls, related to each of the five COSO internal control components. Such an assessment will include a review of the control objective, risks addressed, who performs the control, the related segregation of duties and the initiating, processing, and recording of significant account balances and classes of transactions.
- **Task Six – Control Classification:** As necessary, classify controls by internal control category (i.e., authorization; system configuration and account mapping controls; exception/edit reports; interface/conversion controls; key performance indicators; management review; reconciliation; segregation of duties; and system access) to support subsequent analysis.

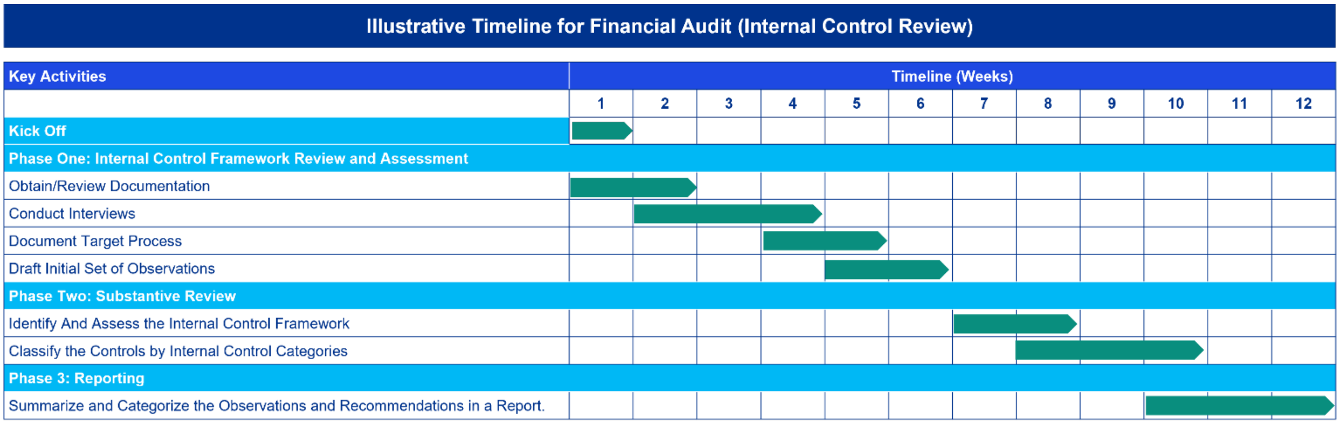
Phase Three: Reporting

- **Task Seven – Summarize and Categorize Results:** Draft observations and recommendations regarding the control framework as it relates to inventory receipt, storage, accounting and disposition. Categorize/summarize observations and recommendations into relevant control themes. (Examples of potential control theme categories include Account Reconciliation/Analysis; Control Design/Compliance; Policies, Procedures, and Processes; Roles and Responsibilities; Information Technology; and Organization Structure, etc.).

Deliverable:

- **Phase One Deliverable** - The deliverable for Phase One will be a MS Powerpoint presentation by KPMG to the engaging agency's executive leadership team, in a format to be determined by mutual agreement between the Agency and KPMG. The product is intended to highlight initial information and planned areas of review and follow-up for Phase Two.
- **Phase Two Deliverable** - We will provide a written report containing a detailed summary of observations and recommendations based on our review of engaging agency target process(es) internal control framework against the specified control reference framework. Upon consideration of stakeholder feedback and its incorporation as appropriate, we will finalize the deliverable.

Timeline



Representative Qualifications

Qualification 1	
Name of client organization	**Office of a State Treasurer**
Project Title	Unclaimed Property Unit Internal Control Review
Project description	KPMG assisted an Office of the State Treasurer (TRE) with assessing the TRE's Tangible Property Unit's (TPU) internal control framework. The objective of this project included assessing the internal control framework currently in place over the TPU's receipt, storage, accounting, and disposition practices, performing a high-level gap analysis against the COSO framework and to communicate potentials gaps and associated observations and recommendations. His team performed a series of procedures including operational walk-throughs, analysis of physical storage configuration, and reviews of supporting database contents and associated administrative controls.

Qualification 2	
Name of client organization	**State Convention Center Authority**
Project Title	IT Asset Control Assessment
Project description	KPMG assisted a state Convention Center Authority in documenting existing internal controls and practices for managing its IT assets, performing a high-level internal control assessment against the COSO framework, and communicating potential gaps and associated recommendations. The scope of this engagement focused on the Authority's processes for procurement, acceptance, inventory, disposition, recovery, retirement of IT hardware and supporting materials.

Qualification 3	
Name of client organization	**District Transit Authority**
Project Title	Internal Control Review
Project description	KPMG conducted internal controls review of on behalf of municipal transportation authority related to management of its fare media such as media generation, storage, related to management of its fare media such as media generation, storage, monitoring, and fraud prevention and detection controls. During the course of this project, his team employed several analytical methods, tested fare media generation and recoupment transactions, and application controls review of the fare management system. Team members identified several opportunities for improvement and developed an action plan which was used to address the shortcomings identified.

Qualification 4	
Name of client organization	**State Administrative Office of the Courts**
Project Title	Internal Controls Review
Project description	KPMG performed internal controls review for a set of county Superior Court systems on behalf of the state's Administrative Office of the Courts. Specifically, the KPMG team reviewed case management and revenue collection procedures for multiple departments including criminal, civil, family law, and traffic courts at five county court locations. The team also reviewed processes governing the Court's financial reporting requirements, revenue distribution and interest allocation requirements uncovering instances of misallocation of Court revenues. The team developed process improvement recommendations aimed to improve internal controls within the areas under study.

Your Financial Audit Lead

Jerod Holloway will serve as the lead for this service area. His biographical summary is found earlier in this section of the proposal and the team's resumes may be found in the appendices.

h. Accounting & Financial Services

Practice overview

On-call accounting advisory services

KPMG looks forward to providing you with an array of on-call accounting services, delivered by our accounting advisory professionals within the scope of this service category. Our team possesses relevant industry experience in various aspects of accounting and financial reporting matters and has in-depth knowledge of the accounting standards and requirements prescribed by Generally Accepted Accounting Principles (GAAP) under GASB standards.

Your team, can provide support to your agency's core accounting team in a number of areas, including assistance with the following (subject to relevant provisions of our contract and applicable professional standards

- Providing technical advice on the interpretation and application of new accounting standards.
- Providing comments and suggestions on accounting implications of proposed contracts and alignment with desired accounting outcomes.
- Reading existing contracts and providing recommendations on the accounting implications.
- Preparing or reviewing financial statements, including assisting with consolidation, as appropriate.
- Assisting you in preparing for your audit and related communications with your auditors.
- Entering into joint ventures or public private partnerships.
- Acquiring or disposing of assets or businesses and related purchase accounting.
- Converting acquired business reporting under the FASB basis of accounting to GASB reporting requirements.
- Reconciling or rationalizing inter-entity balances and accounting treatment, including activity with component units.
- Assisting management in evaluation of component units related to discrete vs. blended presentation.
- Assisting with digitalizing of your existing accounting manual (including accounting policy updates).
- Assisting in the development and conduct of accounting technical training in relation to general knowledge and understanding of accounting technical standards.

KPMG is distinctively positioned to serve state agencies with the experience and ability to deliver your requested array of accounting services.

Specifically, your on-call team members have historically provided accounting change support to peer organizations with:

- the adoption of GASB Statements No. 61
- The Financial Reporting Entity: No. 65
- Items Previously Reported as Assets and Liabilities; No. 68
- Accounting and Financial Reporting for Pensions; No. 75
- Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, No. 87
- Leases, and No. 94 Public-Private Public-Public Partnerships and Availability Payment Arrangements.

We have also provided support related to the application of GASB 61 to joint ventures and other inter-entity activity and currently providing ongoing support related to the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

Other services offered by KPMG's Accounting Advisory Services practice may include the following:

Technical accounting on-call:	Provide real-time responses on questions regarding the specific application of accounting literature.
Transaction analysis:	Provide support in due diligence procedures, including transaction analysis related documentation for accounting implications. Analyze the accounting implications of securitizations, debt and equity offerings, derivatives strategies, joint ventures and investments, and mergers and acquisitions.
Accounting implementation:	Assist management with the development of processes for the implementation of new or revised accounting pronouncements.
Technical training and research:	Present educational training on the latest U.S. GAAP and international accounting developments and standards and industry-specific accounting and reporting practices and trends. Offer research and documentation assistance on the implications of U.S. GAAP and international accounting standards related to client transactions.
Accounting policy development:	Assist management in performing a gap analysis of the client's accounting policies against leading practices of other companies or other reference resources. perform accounting research to identity alternative accounting policies.

Approach

A Sample Project - New Standards Adoption — High-Level Project Approach

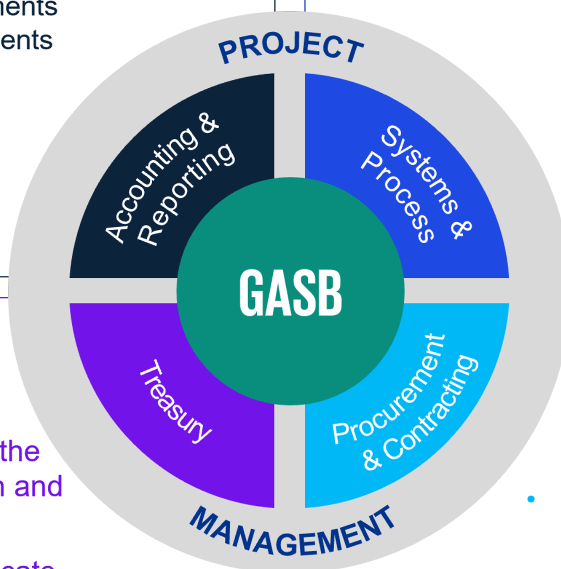
The adoption of a new standard is not just an accounting exercise, as many different groups throughout an organization may need to be involved. As the GASB continues to release new standards (and previously adopted new standards become effective for the State), we stand ready to support you in your accounting change journey.

Accounting & Reporting

- What are the essential differences in accounting and disclosures between the old and new standards?
- What are the main adjustments to prepare financial statements in accordance with the new standards?

Systems & Processes

- What is the impact on systems, processes, and procedures?
- How should we modify these systems?



Treasury

- What are the impacts on the Statement of Net Position and key financial ratios?
- How should we communicate with external stakeholders?

Procurement & Contracting

- What processes can be put in place for future contracts?
- How can we provide the most effective training for new processes?
- How does this impact our approach to negotiating future public-private partnerships?

Work Plan

Phase 1

Planning & Scoping

- Kick-off meeting
- Discussion of project expectations and scope
- Workshop execution
- Identification of preliminary inventory of contracts

Identify Impacted Contract Population & Data Sources

- Walkthroughs and inquiries with key stakeholders
- Identify data sources / where contract information is captured and maintained
- Evaluate and document current state processes

Contract Review

- Review sample of contracts
- Document reviews in contract review templates

Phase 2

Accounting & Disclosure Analysis

- Review current reporting and policies
- Identify accounting differences between current and future accounting
- Identify judgments impacting the accounting

Accounting Conclusions & Policy Elections

- Transition analysis
- Determine contract term
- Determine discount rate
- Determine amortization lives
- Draft white papers as needed

Reporting & Presentation of Findings

- Final gap assessment and compilation of findings including
- Disclosure gaps
- Process gaps: develop observations and provide recommendations on process improvements

Phase 3

Draft Illustrative Pro Formas & Disclosures

- Draft illustrative pro forma financial statements showing impact of accounting change
- Draft illustrative financial statement disclosures

Develop Calculation Templates & JEs

- Develop depreciation / amortization schedules if needed
- Generate financial accounting journal entries
- Generate financial reports and disclosures

Design Future State Processes

- Identify key process owners
- Draft process documentation and flowcharts

Communication & Training

- Draft communications to impacted stakeholders related to coming changes
- Determine organizational training needs
- Draft contract review templates

Accounting Change Documentation

- Document implementation process and results

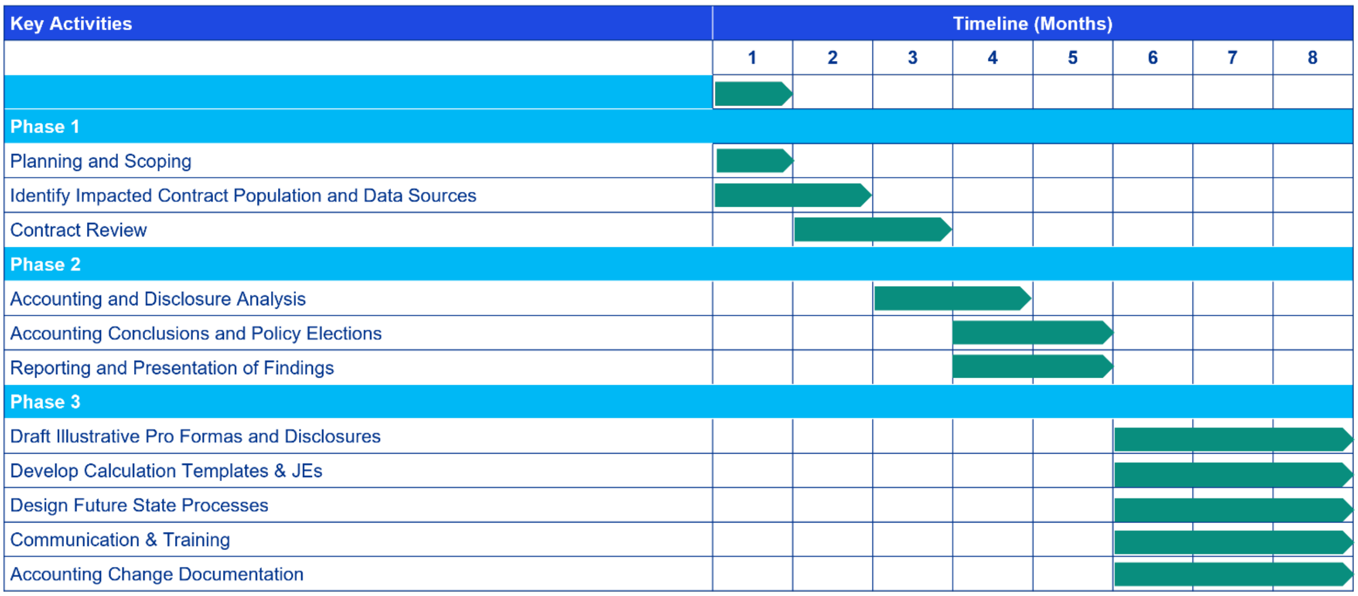
Deliverable

The outcome of this sample project is typically a narrative report that presents an assessment of the current state of accounting standards with associated recommendations for management consideration. In the event our team personnel are used for accounting staff augmentation support, no formal deliverables will be provided.

Timeline

The timeline for projects of this type will vary and depend in large part on the depth and breadth of the project scope.

Illustrative Timeline for Accounting and Financial Services



Representative Qualifications

Qualification 1	
Name of client organization	**State Medical University**
Project Title	GASB Accounting Change and Financial Reporting Support
Project description	KPMG assisted the University with the implementation of major new GASB standards including the adoption of GASB Statements No. 65, Items Previously Reported as Assets and Liabilities; No. 68, Accounting and Financial Reporting for Pensions; No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and No. 87, Leases in previous fiscal years spanning from FY 2015 – FY 2022. We are currently engaged supporting the University's efforts to comply with GASB Statement No. 96, Subscription-Based Information Technology Arrangements, specifically in the context of MUSC's implementation of a new true enterprise-wide cloud-based ERP system, in alignment with the effective date for that new standard of June 30, 2023. KPMG has also in parallel supported the clients in the preparation of management's discussion and analysis, the basic financial statements themselves, related footnotes, required supplementary information, and statistical sections of the Annual Comprehensive Financial Report for the above-referenced project dates.

Qualification 2	
Name of client organization	**University Medical Affiliate Organization**
Project Title	GASB Joint Venture and Initial Financial Statement Preparation Support
Project description	KPMG assisted MUSC with its application of GASB Statement No. 61, The Financial Reporting Entity to a new joint venture entity (formed by UMA and MUSC's hospital system and referred to as MSV), with significant activity commencing in FY 2022. The scope of KPMG's involvement extended to not only supporting the initial assessment of the appropriate presentation of MSV in the MUSC, UMA, and MUSC hospital system's financial statements, but also assisting in the evaluation of whether this new joint venture entity should apply the FASB or GASB conceptual frameworks in the first-year stand-alone financial statements required by a covenant requirement in one of MSV's new debt offerings that were consummated with the assistance of the same KPMG resources in the new entity's first year with significant operational activity. KPMG also continues to support the organization in their current fiscal year adoption of GASB Statement No. 96, assisting in the enterprise-wide coordination and roll-out of this accounting change effort between the university, the hospital, and the affiliated physicians' group.

Qualification 3	
Name of client organization	**University and University Healthcare System**
Project Title	FASB Accounting Change and Financial Reporting Support
Project description	In addition to supporting the adoption of numerous new GASB accounting pronouncements, KPMG also has deep experience in supporting the accounting change and financial reporting processes of entities that report under the FASB conceptual framework, such as foundations and other component units of a state government entity that oftentimes are not subject to GASB requirements. Most recently, KPMG assisted both Emory University and the Emory Healthcare system with each entity's initial implementation of Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers and ASC Topic 842, Leases, including related new footnote disclosure requirements of each standard. KPMG specifically assisted with the accounting under ASC Topic 842 for lease incentives, which are also frequently a source of complexity under GASB Statement No. 87 as well.

Qualification 4	
Name of client organization	**State Department of Transportation**
Project Title	GASB Accounting Change and Financial Reporting Support
Project description	KPMG has assisted client with various technical accounting inquiries over the course of the last three years under an "on-call" accounting advisory arrangement that facilitates the delivery of flexible levels of support depending upon the nature and extent of the specific request. Some inquiries involve a single phone call or question, whereas others involve research, attendance at meetings, and preparation of memoranda documenting the technical accounting positions taken by Management. Most recently, in March 2023 KPMG was engaged to support the client in its efforts to implement and comply with GASB Statement No. 96, Subscription-Based Information Technology Arrangements, in alignment with the effective date for that new standard of June 30, 2023. Consistent with the high-level accounting change project approach described elsewhere in our proposal, KPMG assisted management in identifying expected areas of impact and any gaps in their related pre-implementation processes across the enterprise (including the procurement, information technology, and budgeting functions, in addition to the client's core accounting/finance function) that required adjustment to successfully adopt this new accounting standard in FY 2023.

Your Accounting and Finance Lead

This segment of the KPMG team will be led by Michael Lammons a partner in our Accounting Advisory Services Group. Michael will have overall responsibility for overseeing the delivery of all on-call financial accounting work. He has over 30 years of experience providing audit, other attest, and advisory services, including on-call accounting services delivered to entities that apply the Governmental Accounting Standards Board (GASB) framework in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Details on the balance of the Accounting and Finance team may be found in our team resumes in the appendices.

i. Managerial Advisory Services (Finance Transformation, Procurement & EVS)

We recognize that there is the potential for a wide range of services the state may be seeking under this delivery category of assistance. For this reason, we wish to share overview of three potential service areas that the state might consider including **Procurement, Operations, Financial Transformation assistance, and Economic & Valuation Services**. As we have done with the preceding areas, we will seek to provide an overview of our approach and work in these areas, representative qualifications, and introduce our delivery team leads. We would be apply to provide additional background detail on other services areas that may be of interest to the state as necessary.

Practice Overview – Procurement Operations

We are deeply familiar with a range of procurement assessments and have a profoundly established approach to perform these assessments. The KPMG team can leverage our past experiences, industry knowledge, and proprietary methodology – Powered Enterprise – as part of this assessment. Our Powered Enterprise approach is our overarching transformation solution, which provides a guide and structure for transformation initiatives. Powered Enterprise provides a comprehensive framework for business transformation with specific activities to guide the documentation of current-state activities and assist with the vision of a future-state Target Operating Model (TOM) based on the State's goals, objectives, and aspirations.

Approach

Revenue and expenditure baseline projections not only produce a big picture for the financial health for any government agencies or programs, but they are also a key analytical concept in budget preparation that refers to estimates of future income and outlay on the assumption that current policies remain unchanged. They serve as reference points against which other data, such as proposed or approved budgets, new governmental programs/initiatives, or expenditure/revenue ceilings, can be compared. In many states they are a basic tool for starting the preparation of the budget. They represent neither future spending allocations nor total expected outturn as they do not incorporate estimates of the cost of new policies and the expected impact of saving measures. Other features of baselines are that they are generally produced over a multiyear period, they can be calculated at any level or form of the budget classification (that is, economic classification, specific policies, functions or programs), and can be summed up to higher levels (such as the whole budget). Hence, they can be useful at both a micro and a macro level.

The Target Operating Model is a major element of our approach and captures holistic business process design (both current state and the desired future state). The TOM comes with a common structure, hundreds of pre-built assets, and the framework for the development of a TOM is organized into six key areas: all processes mapped out to leading business practices, structures, skills, and reporting required to capitalize on staff effort, tools to enhance service delivery, usable and configurable on any technology, KPIs for critical decision making, and the controls and policies required to help govern. A TOM analysis provides a cohesive and comprehensive view of an entity's processes and provides a guide for identifying a given process' strengths, weaknesses/limitations, opportunities, and threats (SWOT).

Below is a top-level view of our Source to Pay Target Operating Model.

	Level 2- Process	Level 3 – Sub-Processes						
Source to Contract	**1 Procurement Strategy**	1.1 Define Strategic Objectives	1.2 Develop Operating Model	1.3 Define Governance & Stakeholder Management Strategy	1.4 Define People & Resourcing Strategy	1.5 Define Risk Management & Regulatory Compliance Strategy	1.6 Define Technology Strategy	1.7 Define Data Insights & Performance Management Strategy
Source to Contract	**2 Strategic Category Management**	2.1 Define Category Portfolio Management & Segmentation	2.2 Build Business Alignment	2.3 Perform Category Analysis	2.4 Define Buying Channel	2.5 Develop & Execute Category Strategy	2.6 Govern & Manage Category	
Source to Contract	**3 Supplier Relationship Management**	3.1 Define Supplier Portfolio Management & Segmentation	3.2 Certify & Develop Supplier	3.3 On-board Supplier & Setup Supplier Master Data	3.4 Manage Supplier Performance & Risk			
Source to Contract	**4 Strategic Sourcing**	4.1 Identify Supplier Opportunity & Business Requirements	4.2 Develop Sourcing Strategy	4.3 Execute Sourcing Strategy	4.4 Negotiate & Select Supplier	4.5 Author & Finalize Contract	4.6 Enable Supplier & Item Master / Catalog	
Source to Contract	**5 Contract Lifecycle Management**	5.1 Establish Contract Portfolio Management	5.2 Manage T&Cs & Contract Templates	5.3 Manage Contract Compliance & Admin.(Incl. Master Data)	5.4 Close Out Contract			
Source to Pay	**6 Requisitioning**	6.1 Create Requisition	6.2 Review & Approve Requisition (Incl. Budget Control)	6.3 Modify or Cancel Requisition				
Source to Pay	**7 Purchasing**	7.1 Create Purchase Order	7.2 Review, Approve, & Distribute Purchase Order	7.3 Manage Purchase Order Lifecycle	7.4 Modify or Cancel Purchase Order	7.5 Expedite Order		
Source to Pay	**8 Receiving**	8.1 Receive Advanced Shipment Notice	8.2 Accept/Refuse & Record Receipt of Goods/ Services	8.3 Research/Resolve Exceptions (Disputes, Warranty, Return)				
Source to Pay	**9 Invoice Processing & Payment**	9.1 Receive Invoices & Credit Notes (incl. Self Billing & Prepayments)	9.2 Validate, Approve, & Post Invoices / Credit Notes	9.3 Generate Payments File & Release Payments	9.4 Perform Bank Reconciliations			
Source to Pay	**10 Purchasing/ Payment Inquiries**	10.1 Manage Supplier Self-Service Portal	10.2 Support Requisition Inquiries	10.3 Support Purchase Order Inquiries	10.4 Manage Payment Inquiries & Exceptions			
Source to Pay	**11 P-Card/ T&E Card Administration**	11.1 Administer P-Cards / T&E Cards	11.2 Create & Submit Card Expense Report	11.3 Audit Card Expenses & Resolve Exceptions	11.4 Post Approved Card Expenses to AP Sub ledger	11.5 Modify or Close P-Cards/T&E Cards		
Source to Pay	**12 Period End Close**	12.1 Close AP Sub ledger & Reconcile with GL	12.2 Perform Reconciliations & Identify Adjustments	12.3 Prepare GRNI & Other Month End Accruals				
Process Governance	**13 Reporting & Analytics**	13.1 Prepare Category Performance Reporting & Analytics	13.2 Prepare Overall Spend Reporting & Analytics	13.3 Prepare PO Reporting & Analytics	13.4 Prepare Invoice Reporting & Analytics	13.5 Prepare P-Card / T&E Expense Reporting & Analytics	13.6 Prepare KPI Reporting & Analytics	
Process Governance	**14 Manage Process**	14.1 Maintain Policies, Procedures, & Templates	14.2 Maintain Internal Controls	14.3 Maintain Delegation of Authority – Spend Approval	14.4 Manage Process Efficiency & Effectiveness'	14.5 Enhance Business Partner/ Employee Experience	14.6 Archive & Maintain Records	
Process Governance	**15 System Governance**	15.1 Maintain Supplier & Employee Master Data	15.2 Maintain Application Configuration & Security	15.3 Manage Application Releases & Upgrades'	15.4 Maintain Reports	15.5 Manage Interfaces	15.6 Maintain Process Automation & Digital Labor	

Utilizing our methodology, insights on leading business practices, and inputs from the State, KPMG will be able to assess the various aspects of the State's processes, technologies, and assist with the assessment as requested by the State and accelerate the documentation and analysis of the future vision.

Work Plan

We empower organizations to deliver tangible value through strategic sourcing, outsourcing, and the enablement of procurement technologies which drive better management of third parties and organizational spend. Further, we help balance risk and performance as our clients engage third parties through better spend management, supplier performance enhancement, and improved internal controls. Key activities will include:

Phase One – Project Management: Our project management tasks will consist of the following:

- **Define project objectives** – The procurement team will conduct a kick-off meeting with the selected stakeholders to develop a procurement strategy that aligns with the overall business strategy, define strategic objectives, scope, vision, project timeline, and mission for the project. We will also discuss anticipated risks and mitigation plans.
- **Initial documentation and meeting requests** – The delivery team will work with your agency's dedicated project manager to identify and obtain documentation with respect to the procurement policies, procedures, and processes relevant to this assessment (e.g., source to contract, source to pay, and process governance). The purpose of this activity will be to help obtain and review documentation prior to meeting with the various stakeholders. In addition, the procurement team will work with your agency project manager to identify the participants for current state working sessions.
- **Regular status reporting** – Throughout the project, the procurement team will conduct regular status meetings with project leadership team to review the progress for the reporting week, activities scheduled for next week, risks/issues requiring resolution, and any preliminary observations/findings noted by the KPMG team. KPMG will also provide a written status report to accompany these status meetings.

Phase Two – Perform Current State Assessment: During this task we will focus on understanding the current state and conduct high level working sessions to identify areas for improvement and enhancement. Key activities will include:

- **Interviews/working sessions** – Our team will work with your project manager to identify, and schedule interviews/working sessions with the key stakeholders to review and understand the current state processes.
- **Conduct Current State Analysis** – The procurement team will leverage information obtained from these working sessions to document our high-level understanding of current state processes. This documentation will also help identify various improvements.
- **Follow-up sessions** – The KPMG team will work with the engaging agency to schedule follow-up sessions to collect any additional follow-up information based on our analysis and documentation of the current state documentation. These follow-up sessions will be directed sessions to discuss any gaps noted by the KPMG team to help confirm our understanding of the entire process.

Phase Three – Perform gap analysis between current state and leading practices: During this task we will perform a gap analysis between our understanding of current state processes and leading practices across strategic category management, supplier relationship management, strategic sourcing, contract lifestyle management, requisitioning, purchasing, and receiving and utilizing the knowledge and documentation obtained in our interviews, workshops, and process analysis, KPMG will evaluate how the current delivery models and business processes align with leading industry practices to identify performance gaps. These performance gaps will be used to identify recommendations for future state processes and delivery models. This information will provide a path to a detailed understanding of the current environment so that any performance can be documented along with key attributes:

- Cause of functional process gaps, if determinable.
- Impact (if any) on the current procurement system environment.
- How efficiency and effectiveness may be impacted by these gaps.

Phase Four – Develop future state recommendations and roadmap: Considering all information gathered and discussed throughout completion of the first three phases of our approach, the KPMG Team will develop our future state recommendations. These recommendations will be developed and validated with key stakeholders. In addition, KPMG will leverage the work products from previous steps to develop a high-level implementation roadmap for the recommendations.

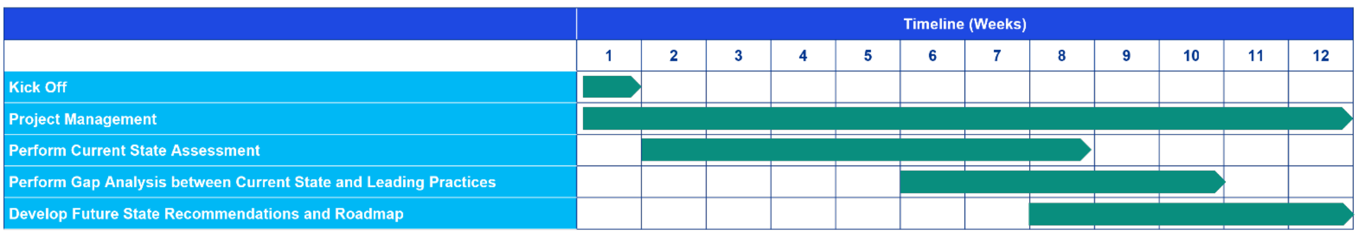
Deliverable

The team will develop a set of future state recommendations resulting from project fieldwork. These recommendations are normally formulated into a narrative report supported by a high-level implementation roadmap for the recommendations.

Timeline

In our experience, the procurement maturity assessment takes 1 to 3 months on average from the time the client notifies, to the time KPMG delivers its final report, but can extend beyond 3 months due to certain delays. Timelines are estimates and are subject to reasonable cooperation and timely data request turnaround by the vendor.

Illustrative Timeline for Procurement Operations



Representative Qualifications

Qualification 1	
Name of client organization	**Major Northeast University**
Project Title	Procurement Maturity Assessment and Spend Analysis
Project description	Our client recently hired a new Chief Procurement Officer, and wanted to take a fresh look at Source to Pay across the institution, including 539 departments and 14 schools, spanning procurement operations and technology for approximately $1.6B in addressable spend. The project focus was to develop a procurement maturity assessment covering people, process, and technology, based on stakeholder interviews and focus group sessions to develop detailed understanding of the current state. The effort included a gap analysis of policies and procedures, a knowledge and skills assessment of the procurement staff. Based on the assessment, the project defined a procurement function strategy, a prioritized set of improvement opportunities, a future state organization design, and a high-level roadmap for implementation. In addition, the project included the development of a spend classification and reporting tool, an initial spend assessment and a definition of initial category sourcing opportunities.

Qualification 2	
Name of client organization	**Major State University in the Midwest**
Project Title	Procurement assessment and transformation plan
Project description	Our client was seeking an assessment of their Source to Pay (S2P) process to review current state processes, systems, data, and organization, identify gaps to leading practice, and to document the opportunities and roadmap to resolve the identified challenges and adopt leading practices. The project included an assessment of processes, policies and procedures and benchmark against leading practice. The assessment was comprised of internal procurement and stakeholder surveys, stakeholder interviews, and assessment of the knowledge and skills of the procurement staff. The assessment also included a spend analysis and review of procurement involvement across the university's departments and spend categories. The output of the assessment included a list of opportunities to improve operational effectiveness and efficiency, specific capabilities to improve analytics, organizational model, and training and development in areas that were identified as gaps. In addition, the assessment produced a set of recommendations for selection of a T&E solution, including required capabilities, future state process flows, and use cases and demo scripts for solution evaluation.

Qualification 3	
Name of client organization	**County Government**
Project Title	Procurement assessment and transformation design and plan
Project description	The County engaged management consultancy KPMG LLP to complete a transformative design of the County's procurement and contracting strategy, processes, controls, organization, people, and performance management, provide County-wide improvement recommendations, and develop an actionable implementation plan for the new interim operating model. KPMG led a multi-functional transformation program including: • Change Management & Communications - Critical enabler to manage stakeholder challenges. • Talent Management and Training - Tailored procurement training for County staff • Spend Visibility. Spend taxonomy and data repository of addressable external spend. • Procurement Functional Alignment - New operating model and implementation plan. • Administrative Guidelines - Comprehensive set of administrative guidelines. • Process and RACI - RACI matrices and process flows for new operating model. • Category Opportunity Identification. Potential benefits, improved quality and service.

Qualification 4	
Name of client organization	**State Government**
Project Title	Interfaced or integrated ERP systems
Project description	35+ Integrations/Interfaces between ERP and Ivalua across the following workstreams: Vendor Management, Requisitions, Purchase Orders, Receipts, Invoices, Master Data, and Inventory • Established a program management office to facilitate activities between stakeholders including the State, KPMG, Ivalua, and Third-Party Providers utilizing proprietary tools. • Conducted a series of design & build review sessions across the Source to Pay spectrum to convert 600+ requirements into transformational procurement functions, including: • Constructed a systematic vendor relationship management operation from onboarding through performance management. • Transformed off-line Source to Contract procedures into a digitally enhanced environment and embedded statutory controls. • Introduced a modern method to route procurement transactions for approval based on State specific parameters (e.g., Commodity, Agency, Item) that can be easily maintained at agency level. • Developed a testing strategy to identify and quickly resolve gaps in integrations and functionality. • Executed Hypercare to aid the transition from Go-Live to stabilized production.

Your Procurement Lead

This segment of the KPMG team will be led by Len Prokopets who brings over 25 years of experience in defining and leading complex transformation programs for organizations in higher education, state and local government, and commercial. He serves as KPMG's lead for Future of Procurement and for Generative AI in Procurement and successfully assisted have helped clients assess their current Procurement capabilities and drive performance improvements in costs, working capital, and service levels through Procurement improvement. His specialties include Procurement and Supply Chain Strategy, Procurement Transformation, Procurement Analytics, Supplier Relationship Management (SRM), Category Management, Cost Reduction, and Strategic Sourcing.

Details on the balance of the Procurement team may be found in the team resumes in the appendices.

Practice Overview – Finance Transformation

We are deeply familiar with organizational assessments and have a profoundly established approach to perform these assessments. The KPMG team will leverage our past experiences, industry knowledge, and proprietary methodology – Powered Enterprise – as part of this assessment. Our Powered Enterprise approach is our overarching transformation solution, which provides a guide and structure for transformation initiatives. Powered Enterprise provides a comprehensive framework for business transformation with specific activities to guide the documentation of current-state activities and assist with the vision of a future-state Target Operating Model (TOM) based on the State's goals, objectives, and aspirations.

Approach

The Target Operating Model is a major element of our approach and captures holistic business process design (both current state and the desired future state). The TOM comes with a common structure, hundreds of pre-built assets, and the framework for the development of a TOM is organized into six key areas: all processes mapped out to leading business practices, structures, skills, and reporting required to effectively leverage from staff, tools to enhance service delivery, usable and configurable on any technology, KPIs for critical decision making, and the controls and policies required to help govern. A TOM analysis provides a cohesive and comprehensive view of an entity's processes and provides a guide for identifying a given process' strengths, weaknesses/limitations, opportunities, and threats (SWOT).

Below is a top-level view of our Budgeting (Plan to Perform) Target Operating Model.

Utilizing our methodology, insights on leading business practices, and inputs from the State, KMPG will be able to assess the various aspects of the State's processes, technologies, and assist with the assessment as requested by the State and accelerate the documentation and analysis of the future vision.

Articulate the Strategy		Plan the Business			Report the Business	Assess the Results	Address the Gaps	Process Governance	
1.1 Review & Develop Strategic Plan	**1.2 Define Enterprise Performance Management Framework**	**1.3 Operational Planning**	**1.4 Develop Annual Operating Plan/Budget**	**1.5 Refresh Predictive Financial Forecast**	**1.6 Profitability & Performance Reporting**	**1.7 Perform Plan Analytics & Risk Management**	**1.8 Agree Action Plans & Update Forecast**	**1.9 Manage Process**	**1.10 System Governance**
1.1.1 Perform Strategic Analysis	1.2.1 Define Planning Objectives, Definitions, & Framework	1.3.1 Align on Sales & Operations Planning Input	1.4.1 Develop Revenue Plan	1.5.1 Refresh Revenue Forecast	1.6.1 Process Management Allocations	1.7.1 Run Analytics & Variance Analysis	1.8.1 Generate Performance Improvement Scenarios	1.9.1 Manage Planning/ Forecast Calendar	1.10.1 Maintain Data Governance & Master Data
1.1.2 Review & Refine Stakeholder Expectations	1.2.2 Leverage Predictive Analytics to Determine Drivers	1.3.2 Align on Resource Management Planning Input	1.4.2 Develop Workforce Plan	1.5.2 Refresh Workforce Forecast	1.6.2 Compile Actuals vs Plan	1.7.2 Analyze Performance Deviations	1.8.2 Model Performance Improvement Scenarios	1.9.2 Maintain Policies, Procedures, Standards, & Templates	1.10.2 Maintain Application Configuration & Security
1.1.3 Develop Baseline Strategic Objectives & Drivers	1.2.3 Link Strategic Plan to Operational & Financial Drivers	1.3.3 Align on Capital & Projects Planning Input	1.4.3 Develop Capital & Projects Plan	1.5.3 Refresh Capital & Projects Forecast	1.6.3 Deliver Baseline Profitability & Performance Reporting	1.7.3 Distribute Data Driven Insights to the Business to Action	1.8.3 Execute Action Plans to Address Performance Gaps	1.9.3 Maintain Internal Controls	1.10.3 Manage Application Releases & Upgrades
1.1.4 Define Strategic Initiatives & Measures/ KPIs	1.2.4 Define Operational & Financial Plan Account-abilities	1.3.4 Align on Other Expense Planning Input	1.4.4 Develop Other Expense Plan	1.5.4 Refresh Other Expense Forecast		1.7.4 Summarize & Report Insights to Executive Stakeholders	1.8.4 Update Business & External Drivers	1.9.4 Retain & Update Predictive Models	1.10.4 Maintain Reports
1.1.5 Develop Strategic Plan	1.2.5 Define & Distribute Templates, Standards & Timelines	1.3.5 Align on Working Capital Planning Input	1.4.5 Develop Balance Sheet & Cash Flow Plan	1.5.5 Refresh Balance Sheet & Cash Flow Forecast			1.8.5 Update Forecast & Performance Targets	1.9.5 Manage Process Efficiency & Effectiveness	1.10.5 Manage Interfaces & Drill Through
1.1.6 Set Multi-Year Targets from Strategic Plan		1.3.6 Align on Tax Strategy Planning Input	1.4.6 Develop Tax Plan	1.5.6 Refresh Tax Forecast			1.8.6 Input to External Guidance	1.9.6 Enhance Business Partner/ Employee Experience	1.10.6 Maintain Process Automation & Digital Labor
1.1.7 Gain Board Approval of Strategic Plan & Communicate		1.3.7 Conduct Business Partner Meeting & Link to Financial Plans	1.4.7 Approve Plan & Set Performance Targets	1.5.7 Approve Forecast				1.9.7 Archive & Maintain Records	

Work Plan

Essential to a successful project is a proper launch to set clear expectations, confirm project objectives, timeline, scope, and the roles and responsibilities of all stakeholders, and establish accountability/reporting guidelines and escalation protocols. The project planning and kick-off meeting(s) will be conducted with appropriate representatives to discuss these topics. Key activities will include:

Phase One – Project Management: Our project management tasks will consist of the following:

- **Kick-off meeting** - KPMG will conduct a kick-off meeting with the selected stakeholders to review our project's objectives, scope, and approach, review initial data requests, project timeline, and immediate next steps. We will also discuss anticipated project execution risks and mitigation plans.
- **Initial documentation and meeting requests** - KPMG will work with your dedicated project manager to identify and obtain documentation with respect to the policies, procedures, and processes relevant to this assessment. The purpose of this activity will be to help obtain and review documentation prior to meeting with the various stakeholders. In addition, the KPMG team will work with your project manager to identify the participants for current state working sessions.
- **Regular status reporting** - Throughout the project, the KPMG team will conduct weekly status meetings with project leadership team to review the progress for the reporting week, activities scheduled for next week, risks/issues requiring resolution, and any preliminary observations/findings noted by the KPMG team. KPMG will also provide a written status report to accompany this status meeting.

Phase Two – Perform Current State Assessment: During this task we will focus on understanding the current state and conduct high level interviews/working sessions to identify areas for improvement and enhancement. Key activities will include:

- **Interviews/Working sessions** - KPMG will work with your project manager to identify and schedule working sessions with the key stakeholders to review and understand the current state processes.
- **Documentation of "As-Is" processes**- KPMG will leverage information obtained from these working sessions to document our high-level understanding of the "As-Is" or current state processes. This documentation will also help identify various improvements.
- **Follow-up sessions** - KPMG will work with the State to schedule follow-up sessions to collect any additional follow-up information based on our analysis and documentation of the "As-Is" documentation. These Follow-up sessions will be pointed sessions to discuss any gaps noted by the KPMG team to help confirm our understanding of the entire process.

Phase Three – Perform gap analysis between current state and leading practices: During this task we will perform a gap analysis between our understanding of “As-Is” processes and leading practices as identified from out Powered Enterprise future state processes. Utilizing the knowledge and documentation obtained in our interviews, workshops, and process analysis, KPMG will assess how the current delivery models and business processes align with leading industry practices to identify performance gaps. These performance gaps will be used to identify recommendations for future state processes and delivery models. This information will provide a path to a detailed understanding of the current environment so that any performance can be documented along with key attributes:

- Cause of functional process gaps, if determinable.
- Impact (if any) on the current system environment.
- How efficiency and effectiveness may be impacted by these gaps.

Phase Four – Develop future state recommendations and roadmap: Considering all information gathered and discussed throughout completion of the first three phases of our approach, KPMG will develop future state recommendations. These recommendations will be developed and validated with key stakeholders. In addition, KPMG will leverage the work products from previous steps to develop a high-level implementation roadmap for the recommendations.

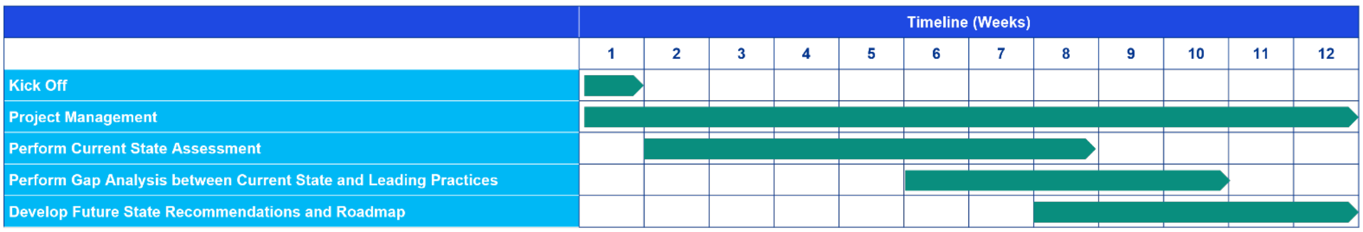
Deliverables

The team will develop a set of future state recommendations resulting from project fieldwork. These recommendations are normally formulated into a narrative report supported by a high-level implementation roadmap for the recommendations.

Timeline

In our experience, the procurement maturity assessment takes 1 to 3 months on average from the time the client notifies, to the time KPMG delivers its final report, but can extend beyond 3 months due to certain delays. Timelines are estimates and are subject to reasonable cooperation and timely data request turnaround by the vendor.

Illustrative Timeline for Finance Transformation



Representative Qualifications

Qualification 1	
Name of client organization	**State University**
Project Title	Budget Process Review
Project description	KPMG delivered a budget process review for a state university system campus' budget process. This project included analysis of the school's budget development, management, and monitoring processes and an assessment of campus adherence to system policies and procedures. The effort also involved significant interaction with and presentations to system and campus leadership including the System President's Office, the Board of Trustees and Audit Committee

Qualification 2	
Name of client organization	**Private University**
Project Title	Budget Process Review
Project description	KPMG performed a budget process review project for a private university in metropolitan New York. KPMG assisted management with identifying opportunities to improve the control framework and efficiency of its current budget process. The team developed a budget process crosswalk document and corresponding policies and procedures for University budget as well as academic and administrative staff.

Qualification 3	
Name of client organization	**Large City Comptroller's Office**
Project Title	Current State Assessment
Project description	This City Comptroller's Office engaged KPMG to perform a risk assessment of the processes, procedures, roles, and responsibilities for select City business functions – including purchase requisitioning, vendor management, contract management, and invoice processing. The project team also provided recommendations for potential improvements, including a gap assessment of the City's current state policies, procedures, processes, and controls as implemented by the City in the new Oracle Cloud solution. These recommendations included high-level process flow diagrams for current state functions, gap analysis around potential risks, and documentation of key recommendations.

Qualification 4	
Name of client organization	**Large City Government**
Project Title	Multiple Projects: Internal Controls, Business Process Improvement, Financial Reporting, Grant Compliance
Project description	For more than 20 years, KPMG has acted as a strategic and technical advisor for this large city government. We have worked hand-in-hand with the City to create class-leading processes that support various municipal budget, policy, and financial accounting related process across the entire process value chain including strategy, policy, integration, measurement and performance management, decision-making, accountability structures and technology enablement. A highlight of the projects we have performed are as follows: • **Process Assessments:** KPMG has supported the City of New York with several assessments of their accounting standards and directives, policies, business processes and operations, and technologies. As a part of these projects, KPMG has analyzed current state operations and processes (including documentation of policies and procedures) and provided both high-level and detailed strategy and recommendations for Future State operations and processes. In addition to these direct recommendation options, KPMG has also provided specific recommendations on organizational change, process adoption, and technology impacts. Recently, the City engaged KPMG to help develop strategy and policy around cloud computing in accordance with GASB 96, among others. • **Business Operations**: The City also previously engaged KPMG with review of its business operations for specific policies, accounting standards, etc. and requested support for development of implementation plans, change management, technology analysis and impacts, risk management, and quality assurance on implementation of new policies and procedures. • **Technology Advisory Support:** KPMG's service history include supporting specific financial, budgeting, and accounting technology advisory support projects. These projects range from capturing requirements and recommendations for updating existing technology and tools to providing vision, requirements, design advice, testing analysis, deployment support, PMO, and change management support for large projects. Some such projects involve the City's citywide financial, accounting, and budgeting system that manages the entire City's muti billion-dollar budget, accounting, financial, and supply chain management functions

Your Finance Transformation Lead

This segment of the KPMG team will be led by Julie Barrientos who is a managing director in KPMG's State and Local Government Finance Transformation advisory practice and have helped her clients by providing creative solutions to enhance business processes. She has devoted her entire career to the government industry and have over 28 years of professional experience with KPMG providing finance related advisory services to governments. She is also CPA.

Details on the balance of the Finance transformation team may be found in our team resumes in the appendices.

Practice Overview – Economic & Valuation Services - Economic & Statistical Consulting

The KPMG Economic & Valuation Services (EVS) practice provides Economic & Statistical (ES) consulting. ES Consulting offers economic consulting services and professionals with specialized knowledge and practical experience in economics, policy analysis, and statistics. Using leading econometric and statistical modeling techniques and methodologies, including proprietary models, our professionals support data-driven and evidence-based decision making for our public and private sector clients. We are a highly qualified team of PhD- and Masters-level analysts, economists and statisticians with requisite experience and subject matter knowledge to deliver results and meet engaging agency requirements.

The infographic below depicts the range of services provided by the KPMG EVS team.

What we do

IV. Labor Economics & Workforce Development
Economic analyses of labor issues, analyses of compensation strategies, and analysis and evaluation of company benefit programs

III. Economic Modeling
Microeconomic modeling of behavior of households, firms, assets, etc.,
Macroeconomic modeling of impacts of policies or events on the economy

II. Predictive Modeling and Econometrics
Econometric modeling to inform business or financial decisions

I. Economic Impact Studies
Impact of a business or industry on economic output, employment, tax revenue

V. Financial Economics
Modeling of financial risk revenue, and cost projections, credit risk and bank capital, and financial securities and products

VI. Survey Design and Statistical Sampling
Survey design, statistical sampling, implementation, and analysis

VII. Healthcare Policy & Data Analytics
Analyses of claims for data-driven business decisions; assistance with policies and new payment models

VIII. Behavioral Economics
Assist clients with policies and procedures to improve outcomes, reduce risk, or increase revenue

IX. Litigation Support
Assist counsel or law firms with economic analyses, expert report, and testimony

The professionals in our KPMG EVS practice have extensive experience in delivering economic contribution assessments. The infographic below illustrates our representative economic contribution projects.

Representative economic impact projects

We have evaluated the economic impact of the following activities:

Planned investment in a fulfillment center by online retailer	Capital development program of a transit agency
R&D facilities by a manufacturing company	Recreational fairs
Proposed expansion and hotel construction by an entertainment company	Expansion of a research center
Presence of a satellite company	Operations of a university
Sporting events and professional sports team for sports facility	An international flower show for a nonprofit organization
Oil spill for an energy company	Construction of a launch pad for a state space development agency
Operation of a casino resort	Music and arts events for a nonprofit music and arts organization

Approach

Revenue and expenditure baseline projections not only produce a big picture for the financial health for government agencies or programs, they are a key analytical concept in budget preparation that refers to estimates of future income and outlay on the assumption that current policies remain unchanged. They serve as reference points against which other data, such as proposed or approved budgets, new governmental programs/initiatives, or expenditure/revenue ceilings, can be compared. In many states they are a basic tool for starting the preparation of the budget. They represent neither future spending allocations nor total expected outturn as they do not incorporate estimates of the cost of new policies and the expected impact of saving measures. Other features of baselines are that they are generally produced over a multiyear period, they can be calculated at any level or form of the budget classification (that is, economic classification, specific policies, functions or programs), and can be summed up to higher levels (such as the whole budget). Hence, they can be useful at both a micro and a macro level.

Below we discuss a 7-step approach to generate the baseline forecast, followed by detailed description of our proposed statistical approach i.e., regression analysis. The specific project approach will need to be tailored based on different project objectives, but we want to use this approach as an example to demonstrate our capabilities in economic forecast.

Work Plan

Task 1 – Selection of forecast period, forecast frequency, and length of historical data: To determine the frequency of the projection (monthly, quarterly, and/or annually) and the length of economic projection, we take the following factors into consideration:

- The availability and quality of data.
- The type (and sustainability) of the revenues or expenditures to be forecasted.
- The degree of accuracy sought.

Task 2–Examination of data for stationarity: This step involves examination of the data for symmetries, such as trends and rates of change. Here, the main concern is to identify evidence of:

- Stability.
- Nonstationary nonlinear paths, such as
  - Exponential growth.
  - Quadratic paths.
  - Structural breaks and seasonal or cyclical variation.
- The predictability of each revenue category will be assessed, on the characteristics of the category, such as
  - The rate structures approved for revenue collection.
  - The level of demand and rate of change of demand for revenues from the relevant source, for example, demand of housing could impact housing prices and assessed values.
  - Significant seasonal or cyclical variation in expenditure.

Task 3 – Adoption of assumptions: Forecasting requires explicit assumptions and processes. This step involves adoption of applicable assumptions about the revenue source that affect the methods used, including how the revenues are affected by:

- Changing economic conditions.
- Changing population size and citizen demand.
- Changing government policies.
- Changing administrative procedures.

Task 4–Selection of forecasting methods: This step involves actual selection and application of the methods to estimate or forecast revenue collections in future years. The method selected depend on the nature and type of revenue.

- Qualitative and judgmental methods are needed for revenue sources that are highly uncertain, including:
  - New revenues sources.
  - Grants.
  - Asset sales or sales from government-owned business activity.
- Quantitative methods are needed when the revenues are based on greater certainty, such as
  - Revenues from income.
  - When in doubt, the method selected should be the simplest of the options available, subject to the evaluations in steps 5 and 6 below.

Task 5 – Evaluation of estimates: After the chosen methods have been applied and robust models generated, some doubts may remain. “How confident are we in the results? How much will the results change if the basic data is slightly wrong? Will that have a minor impact on your results? Or will it give a completely different outcome?” An important approach is to avoid relying on any single analytical approach to assess the hypothesis and as such, a critical next step is to test the assumptions made in the analysis.

Sensitivity Analysis and Model Robustness Checks are linked in that they are both attempts to assess the appropriateness of a particular model specification and to appreciate the strength of the conclusions being drawn from such a model. Whereas model confirmation (Task 6) is useful for assessing the model fit within a specific research dataset, sensitivity analysis is particularly useful in gaining confidence in the results of the primary analysis and is important in situations where a model is likely to be used in a future analysis.

- Model Robustness Checks include assessments of the assumptions about the revenue source. Valid estimates require sound assumptions about the existing environment:
  - Economy.
  - Population (demand).
  - Administrative.
  - Political.
- Evaluation of reliability is based on sensitivity analysis. This involves:
  - Varying key parameters used to create the estimates.
  - Assessing if small parameter changes result in large changes in the estimates or small.
  - If large, the projection is given a low degree of reliability.
  - If small, the projection is given a high degree of reliability.

Task 6 – Monitoring of outcome and comparison with forecasts: Actual revenue collections are observed and compared against the estimates. The extent of deviation or ‘error’ is measured and used to assess the accuracy of the forecasts. As a general rule, a forecast should be ‘unbiased’ in the sense that the expected value of the deviation of the actual estimates and the forecast should be zero.

Task 7– Updating the Forecasts: In this final step, the forecasts are updated if the assumptions should be changed. Specifically, updating is needed when the conditions in the economy are changing. These relate to:

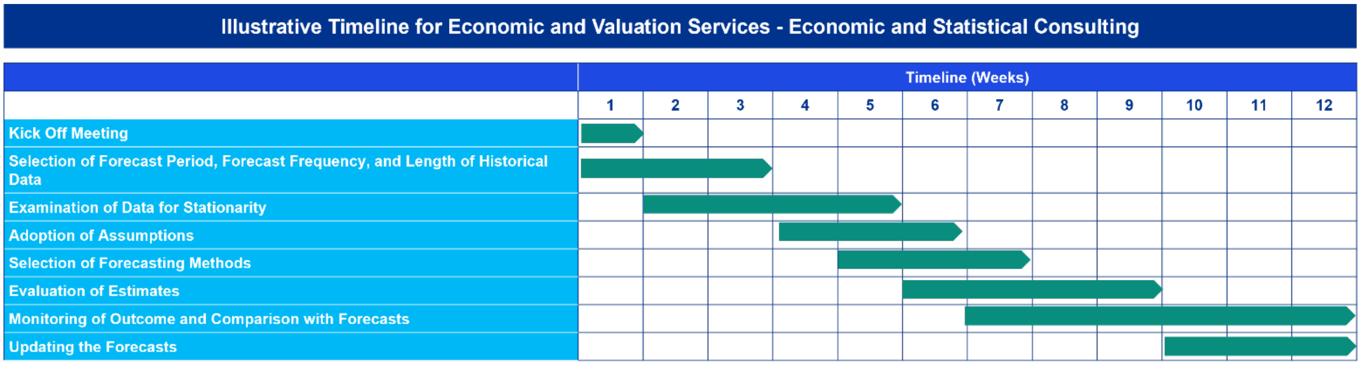
- Economic forces.
- Population (demand).
- Administrative arrangements.
- Political developments.

Deliverables

The output of exercises such as this are driven by the quality and extent of the data under consideration as well as the number of updates required to the resulting forecasts required/made.

Timeline

The duration of projects of this type depend heavily upon the number and complexity of the process areas in scope.



Representative Qualifications

Qualification 1	
Name of client organization	**Large Federal Government Agency**
Project Title	Key Performance Indicator (KPI) Tool Development
Project description	The client sought assistance defining KPIs to identify high-risk and vulnerable populations in the U.S. to understand drivers of utilization and costs, and support policy decisions. In response to this need, KPMG provided the following: • Developed key measures that provide descriptive statistics on utilization, costs, outcomes and quality of care measures across different populations by geography and hospital. • Provided trend analyses to track the health of populations over time using multiple years of data. • Built an interactive visualization tool to easily navigate and understand the vast amount of information in a user-friendly way on website. • Built customizable queries based on a chosen chronic condition and measure, by gender, age, dual eligibility status (i.e., Medicare and Medicaid eligibility), and racial and ethnic group. The tool presented the measures by state or county and distinguishing urban and rural counties. The benefits of this effort allowed the client to: • Understand drivers of utilization and costs by geography and customer segments. • Ave an ability to benchmark measures for any population with the county, state, or national average. • Benchmark performance of hospitals for numerous KPIs. • Design targeted policies/interventions, potentially improving health outcomes and reducing the disparities identified

Qualification 2:	
Name of client organization	**District Government Department of Employment Services (DOES)**
Project Title	Unemployment Insurance Program - UITF Forecast & BAM Data Analytics
Project description	The client was receiving unprecedented amount of UI claims potentially creating a threat to the UITF solvency. The perception was that the sudden shift of economic conditions due to COVID-19 may have had a significant impact on the UITF solvency and labor market recovery. This observation was coupled with the client experiencing high amount of claims filed with limited resources to process these claims and an Increase of potential fraudulent claims. In response to this issue, the team performed the following: • Used both publicly available data and detailed claims data to project UITF inflow, outflow, and balance for the next 7 years. • Used BAM data (of 2008 – present) and machine learning models to identify risk factors of the claims and claimants that are correlated with improper payments. • Developed Tableau dashboards for latest economic indicators and UITF forecasts. • Conducted data analytics to verify accuracy of LWA reports prepared by DOES. The results of this effort produced the following: • Equipped leaders with the latest economic trends and forecast of UITF in the short-term and medium-term. • Provided the users a capability to identify UITF solvency strategies based on UITF forecasts. • Allowed for a capability to generate risk scores for potential improper payments. • Enabled viewing of the UITF forecast, economic recovery, and BAM predictive results using the interactive Tableau dashboards.

Qualification 3	
Name of client organization	**State Workforce Development Offices**
Project Title	State Labor Market Information and Data Modernization Study
Project description	The state's Workforce Development office was seeking a structured approach to modernize and standardize ways to proactively deliver key economic data to the state's users and consumers of economic information. The goal was to improve the access to economic data and labor market insights for the department's key stakeholders and customers including other state executive offices and social services, the larger public and private workforce development network, and constituents. Working together with key state leadership, KPMG leveraged Labor Market Information leading practices and customized an approach specific to this state's services and programs.

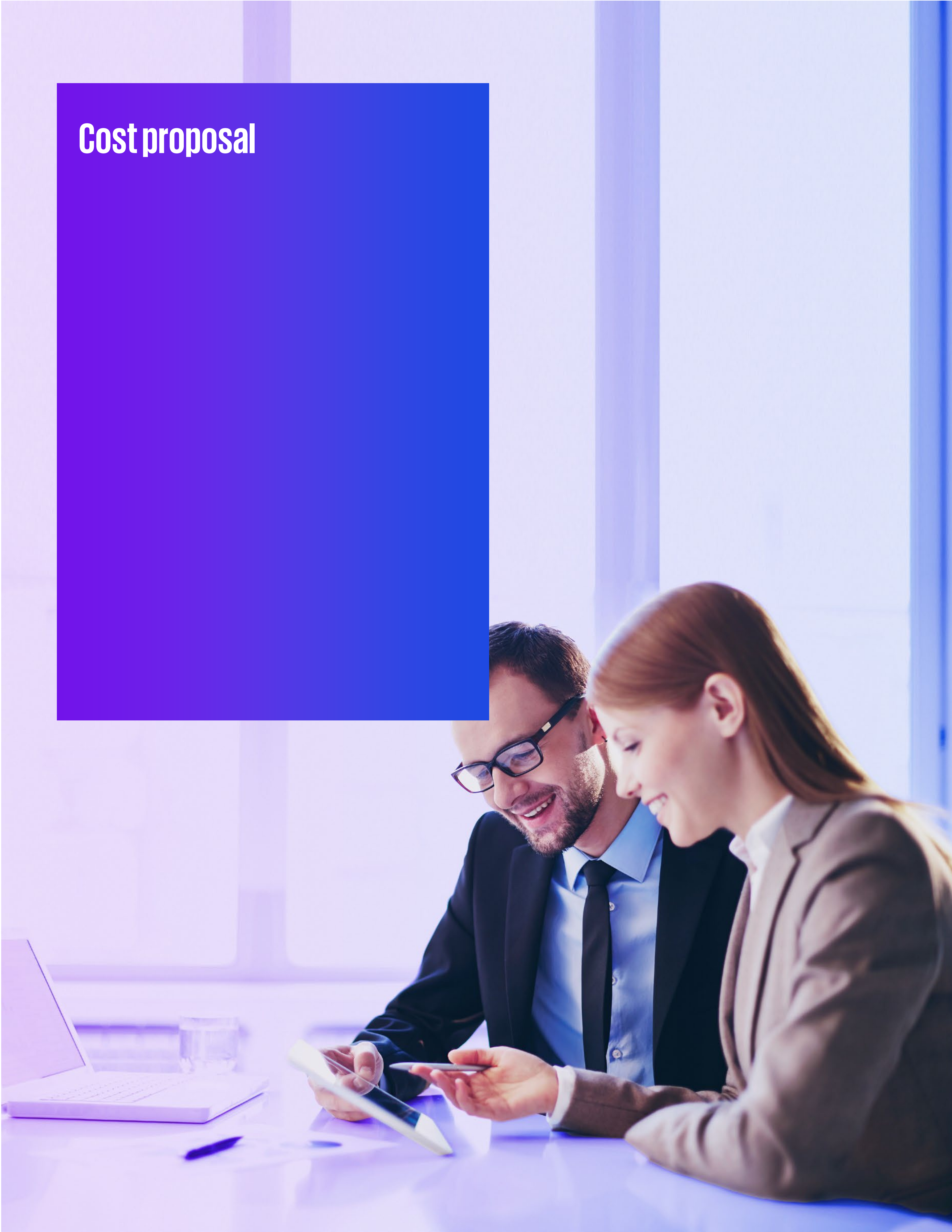
Qualification 4	
Name of client organization	**State Department of Human Services (DHS) Office of Income Maintenance (OIM), Bureau of Employment and Training Programs (BEP)**
Project Title	Employment and Training Program Improvements for TANF and SNAP Recipients
Project description	The KPMG team supported this state's a Department of Human Services (DHS) Office of Income Maintenance (OIM), Bureau of Employment and Training Programs (BEP) in a multi-year effort to improve employment and training programs provided to assist recipients of the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) benefits. DHS has undertaken an initiative to redesign its employment and training programs to better meet the needs of recipients and their families as they move toward employment and self-sufficiency. Changes center on whole-person focused support as recipients prepare to excel in family-sustaining education, training, and jobs. KPMG provided support across each of six employment and training programs available to TANF and SNAP recipients: Employment Advancement and Retention Network (EARN), Work Ready, SNAP 50/50, Keystone Education Yields Success (KEYS), Education Leading to Employment and Career Training (ELECT), and Refugee Resettlement Program (RRP). • As-is Feedback Assessment – a final report that included an overview of the six employment and training (E&T) programs, findings from key stakeholder group interviews (PA DHS County Assistance Offices, E&T contracted program vendors, advocates, and TANF recipients via regional town hall focus groups), and seven areas of future program improvements. • Strategy and Planning Support – facilitating of the identification, prioritization, and planning associated with the tactical implementation of the E&T program, policy, and procedural changes.

Your Economic & Valuations Services Lead

Dr. James Moore is an accomplished and results-oriented Labor Economist with a strong record of overseeing and improving federal and state education, social programs, and workforce development programs. Dr. Moore has over 25 years of proven skills in project management, labor economics, education, social program and labor policy, research and survey methodology, analysis of regulations, quantitative research, and data analysis.

James will be guiding the EVS team during this support effort, detailed resumes for Dr. Moore and the rest of the team may be found in the appendices.

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.

Competitive and transparent pricing

We believe our pricing philosophy is straightforward and value-driven while remaining grounded in transparency. After giving considerable thought to our proposed labor rates, we recognize that we operate in a very competitive and unpredictable environment and seek to provide value to the State of North Carolina at a fair price.

We believe this price proposal provides the State of North Carolina exceptional value based on the reputation of our Firm, our extensive experience providing the services requested, our knowledge of state and local government as well as higher educational institutions, coupled with our prior experience and successful track record of delivering similar initiatives. Our price is based on our current understanding of the scope of services for this (RFP as well as the assumptions stated within this proposal document. Should the State 's needs differ from these assumptions or our proposed approach, we would be happy to discuss changes or modifications.

There are no costs related to the preparation of the proposal for this RFP included in our response.

The proposed fee structure takes into account the content reflected in your Request for Proposal as well as your answers provided to potential respondent questions issued on August 23, 2023. We believe our pricing is competitive and consistent with the high-quality service you expect from us. Further, we believe long-term business relationships are based upon strong professional relationships, mutual professional respect, and reasonable fees. In that light, we are confident that KPMG is the right firm to serve your Internal Audit needs — both now and in the future.

The proposed fees reflect the importance we place on your organization and our desire to work with you. KPMG can be flexible with respect to billing needs in terms of frequency, invoice structure, and payment methods. We will agree upon such arrangements in advance with you in an effort to help bring about provisions that meet your needs.

See our pricing form separately posted to the State's procurement application.

Pricing Assumptions

Additional Pricing Assumptions include:

- A percentage of offshore resources may be used in the course of project delivery. The nature and level of such support will vary based on audit complexity.
- "Supervisory" category uses a blend of KPMG Manager and Director – level hours/rates.
- Rates provided are maximum rates; however, rates may be further discounted based on the given Task Order if deemed appropriate.
- Specialist/subject matter professional roles may be used to support audits that may require more senor direction and/or additional technical expertise.
- Travel expenses will be billed as incurred and are not factored into our proposed rates.
- Resource mix will be unique to each audit, based on factors such as the complexity of audit, the type levels and number of professionals required for execution, the delivery timeline, and other factors.
- Some audits may require participation from multiple service disciplines based on the subject matter.

Appendix A: Attachments forms

Our proposal also include the following required forms accompanying this solicitation which have been loaded separately to the Arriba Procurement site.

1. Completed and submitted ATTACHMENT A: COST PROPOSAL
2. Completed and submitted signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION
3. Completed and submitted signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM
4. Completed and submitted signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR
5. Completed and submitted signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL
6. Completed and submitted ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION

Appendix B: Resumes

Team personnel qualifications matrix.

Team member/ KPMG role[4]	RFP role classification	Professional Credentials		
		Education	Years of experience	Certifications
Project Leadership and Management				
Jerod Holloway *Engagement Lead, Managing Director*	Executive	BS	23+	CIA, CFE, CHC, CHIAP
Young Kim *North Carolina Lead Account Partner*	Executive	BS, MS	20+	PMP
David Gmelich *Engagement Lead Director*	Supervisor	BA, MIA	20+	
Alan Moore	Executive	BBA, MBA	30+	CIA, Six Sigma Black Belt
Operational/Performance Audit				
Operational Audit				
Jerod Holloway, *Managing Director*	Executive	BS	23+	CIA, CFE, CHC, CHIAP
David Gmelich, *Director*	Supervisor	BA, MIA	20+	
Nick Durocher, *Manager*	Supervisor	BS, MS	8+	CPA - New York, TMP CPA - North Carolina
Rachel Black, *Senior Associate*	Upper staff	BS	3+	CPA - North Carolina
Jennings Modla, *Associate*	Base staff	BSBA	2+	
Performance Audit				
Rory Costello, *Principal*	Executive	BS, MA	25+	PMP
Adrian Savic, *Director*	Supervisor	BA	15+	
Bart Cantor, *Manager*	Supervisor	BS, MS	8+	CPA - Florida
Ramatulai Fofana, *Senior Associate*	Upper staff	BBA, Associate	5+	

[4] Please note that we anticipate our team senior manager/director level employees may serve as supervisors in the course of delivery, to oversee larger delivery projects, or in a SMP role where deliberate skills and/or experience may be required. – As such their hourly rates reflected in the Attachment A Pricing Form may correspond to the Supervisory or SMP rates as appropriate

Team member/ KPMG role[4]	RFP role classification	Professional Credentials		
		Education	Years of experience	Certifications
Diaraye Sylla, *Senior Associate*	Upper staff	BA, MBA,	8+	
Max Thursam, Associate	Base staff	MA, BS	2+	
Investigative Audit				
Kelly Donovan, *Managing Director*	Executive	BA, JD	30+	Licensed Attorney
Emily Wong, Director	Supervisor	BS	10+	CPA - New York
Vicki Chen, *Manager*	Supervisor	BS	8+	
Krystle Diaz*, Senior Associate*	Upper staff	BS	9+	
Tyler Ancona*, Associate*	Base staff	BBA, MS	3+	CPA, CFE
Compliance Audit				
Contract Compliance Services				
Filippo Puglisi-Alibrandi, *Principal*	Executive	BA	20+	Italian equivalent titles of CPA, CIA, and CFE in the U.S.
Shan Kachhi, *Director*	Supervisor	BA, BS	10+	LIMA
Sashant Palli, *Senior Associate*	Upper staff	BA	5+	
Dylan Lamphier *Associate*	Base staff	BS	3+	
Construction Audit Service				
Kevin Max, *Principal*	Executive	BE, MBA, PE	20+	CFE, PMP
Adebayo Oyeniya, *Director*	Supervisor	B.Arch. M. Arch	12+	CCP
Fran Shammo, *Manager*	Supervisor	BS, MBA,	7+	Occupational Safety and Health Administration (OSHA) 30 Certified
Michael Boccia, *Senior Associate*	Upper staff	BS	5+	OSHA 30 Certified
Priya Patel, *Associate*	Base staff	BS	3+	OSHA 30 Certified
Information System Audit				

Team member/ KPMG role[4]	RFP role classification	Professional Credentials		
		Education	Years of experience	Certifications
Technology Risk				
Joseph (Joe) Manusakis, *Principal*	Executive	BS	20+	Certified Information Systems Auditor (CISA)
Mike Albertson, *Director*	Supervisor	BS	11+	CISA
Aly Gotfried, *Senior Associate*	Upper staff	BS	4+	CPA
Brianna Santerfeit, *Associate*	Base staff	BA, MSISOM	1+	
Cyber Security				
Rahul Kohli, *Principa*l	Executive	BE	21+	CISSP
Andrew Fitzgerald, *Director*	Supervisor	BS, MS	12+	PMP, CISA, Certified Government Financial Manager (CGFM)
Kendall Doig, *Manager*	Supervisor	BS	6+	
Michelle Green, *Senior Associate*	Upper staff	BS	4+	CISSP
Jessica Adithela, *Associate*	Base staff	BS	1+	CompTIA Security+
Data Analytics				
Omid Yazdi, *Partner*	Executive	BS	30+	CPA, CFE
Chris Launey, *Director*	Supervisor	BS	12+	Alteryx Designer core certified, CIA
Benjamin Gabella, *Senior Specialist*[5]	Upper staff	BA	4+	Alteryx Designer core certified
Risk Assessment and Audit Plan Development				
Jerod Holloway, *Managing Director*	Executive	BS	23+	CIA, CFE, CHC. CHIAP
David Gmelich, *Director*	Supervisor	BA, MIA	20+	
Nick Durocher, *Manager*	Supervisor	BS, MS	8+	CPA- New York, TMP CPA – North Carolina
Rachel Black, *Senior Associate*	Upper staff	BS	3+	CPA – North Carolina

[5]Given the nature of the work in this area, there are no lower staff (associate level) resources in the practice.

Team member/ KPMG role[4]	RFP role classification	Professional Credentials		
		Education	Years of experience	Certifications
Jennings Modla, *Associate*	Base staff	BSBA	2+	
Financial Audit (Internal Control Reviews)				
Jerod Holloway, *Managing Director*	Executive	BS	23+	CIA, CFE, CHC, CHIAP
David Gmelich, *Director*	Supervisor	BA, MIA	20+	
Rachel Black, *Senior Associate*	Upper staff	BS	3+	CPA – North Carolina
Jennings Modla, *Associate*	Base staff	BSBA	2+	
Accounting and Financial Services				
Michael Lammons, *Partner*	Executive	BSBA, MBA	30+	CPA
Barbara Ruane, *Director*	Supervisor	BS	15+	CPA
Francesca Roberts, *Manager*	Supervisor	BS, MA	5+	CPA
Olivia Miller, *Senior Associate*	Upper staff	BS, MS	4+	CPA
Collin Holmes, *Associate*	Base staff	BBA	2+	
Managerial Advisory Services				
Economic & Valuation Services				
James Moore, *Principal*	Executive	BS, MA PhD	25+	
Alice Yu, Senior *Manager*	Supervisor	BS, MS, PhD	10+	
Alexander Pearson, *Manager*	Supervisor	BS, MA, PhD	5+	
Jung Bae, *Senior Associate*	Upper staff	BS, MA, PhD	3+	
David Jung, Associate	Base staff	BA, MDA	1.5+	

Team member/ KPMG role[4]	RFP role classification	Professional Credentials		
		Education	Years of experience	Certifications
Finance Transformation				
Julie Barrientos, *Managing Director*	Executive	BS	28+	CPA
Danielle Kosberg, *Director*	Supervisor	BA, MBA	15+	PMP
Ryan Meyer, *Manager*	Supervisor	BA, MPA	9+	
Brooks Jones, *Senior Associate*	Base staff	BS, MBA	12+	Certified Scrum Master
Procurement				
Len Prokopets, *Managing Director*	Executive	BS, BA, MBA	25+	
Nathan Clark, *Director*	Supervisor	BS, MBA	25+	
Summer Zhang, *Manager*	Supervisor	BE, MS	5+	Ivalua S2C, Ivalua P2P
Jarek Markley, *Senior Associate*	Upper staff	BS	8+	
Kaitlyn LaValley, *Associate*	Base staff	MS, BC	3+	Coupa Certification

Jerod J. Holloway

Managing Director

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville TN-37203

Tel 615-248-5626
jerodholloway@kpmg.com

Function and specialization

Jerod is an Advisory Managing Director in the IA &ER practice. He specializes in the Healthcare & Life Sciences industry with a focus on process, risk, controls and testing as a way of mitigating risk and harmonizing the 3 lines of defense to achieve business imperatives.

Education, licenses and certifications

- BS in Finance, Oakwood University
- CIA
- CFE
- CHC
- CHIAP

Professional associations

- Health Care Compliance Association (HCCA), South Central Conference Planning Committee Member
- Institute of Internal Auditors (IIA)
- Association of Certified Fraud Examiners (ACFE)
- Association of Healthcare Internal Auditors (AHIA) At Large Board Member January 2023
- Institute of Internal Controls (IIC)
- Nashville Health Care Council (NHCC)

Representative clients

- The MetroHealth System
- Anne Arundel Health System
- Albert Einstein College of Medicine
- Summa Health System & Summa Care
- Texas Children's Hospital & Health Plan
- Cook Children's Hospital
- Independence Blue Cross
- CareFirst of Maryland

Lead Engagement Managing Director/Operation Performance Audit/Risk Assessment and Audit Plan Development

Background

Jerod Holloway is a Managing Director in the Advisory Healthcare & Life Sciences Internal Audit & Enterprise Risk practice based in Nashville, TN. Jerod has over 23 years of professional experience in public accounting, providing services in internal audit, risk consulting, investigative/integrity assurance and health care compliance.

Professional and industry experience

Jerod has provided internal audit and risk consulting, investigative and integrity assurance, and health care compliance and regulatory services in a wide range of health care delivery settings. Some representative engagements include the following:

- Recently assisted a large Health Plan (Blue) with the development of the 2019 Internal Audit Prioritization Plan. He led Client's Internal Audit department in performing a risk assessment through surveys and facilitated BU leaders risk prioritization sessions conducting interviews and functional stakeholder workshops.
- Assisted a large AMC/IDN hospital system with the implementation of their integrated Electronic Health Record/Revenue Cycle Management (Epic) to address regulatory compliance, patient safety, technology and financial risks. The project entailed recommending and developing compliance and financial controls to mitigate operational risks to the institution. Conducted review of revenue cycle management system to assess regulatory compliance risk mitigation and control structures for a large faith-based hospital system. Developed a risk and controls assessment toolkit and assisting Counsel in review of documents and executive interviews.
- Served as the interim Chief Compliance Officer for a large Academic Medical Center system. comprised of two hospitals and numerous hospital-based clinics. Duties included developing the compliance program based on the OIG seven elements of an effective compliance program. Recruiting and hiring a permanent Chief Compliance Officer and building a candidate list for compliance staff. Executing all compliance initiatives identified in the "New Co." 100-day plan. Assisted a large southern Academic Medical System with a review of their Compliance department, activities, and culture related to the OIG seven elements of an effective compliance program for hospitals. Assisted a large Healthcare payment processor with a HIPAA/HITECH Gap analysis and policy and procedure project. The gap analysis was conducted on the basis of the Office of Civil Rights HIPAA audit protocol.
- Assisted a large west coast Health Insurance Plan in evaluating their compliance and ethics program in the wake of CMS sanctions being levied on the Medicare Advantage (MA) activities of the plan. Assisted the nation's largest For-Profit health care company with regulatory compliance of its Corporate Integrity Agreement including participation on the Outpatient Laboratory billing work plan, leading out on the Physician Relationships work plan for CIA yr. 3, directing the Inpatient DRG work plan from CIA yr. 4 - CIA yr. 8 (final year).

Young Kim

Principal, Advisory

KPMG LLP
4242 Six Forks Road
Suite 850
Raleigh, NC 27609

Tel 703-286-6045
yhkim@kpmg.com

Function and specialization
Young is the North Carolina Account Partner and a Principal in KPMG serving federal, state, and local governments.

Education, licenses and certifications

- BS, North Carolina State University
- MS, Georgia Institute of Technology
- Certified PMP

Professional associations

- Project Management Institute (PMI)

Representative clients

- State of North Carolina
- U.S. Department of Health and Human Services (HHS) Office of Secretary (OS)
- Office of Finance HHS OS Office of Human Resources
- HHS National Institutes of Health
- HHS Centers for Disease Control and Prevention

North Carolina Lead Account Partner

Background

Young Kim will work with you to tackle complex public sector challenges. involving technology transformation and evolving legislative mandates. He has over 20 years of experience serving federal, state, and local Governments, so he has the institutional knowledge and experience to work with public sector leaders. His goal is to "unburden" you so that you can focus on improving the lives of your communities.

KPMG teams always focus on achieving results: having the right solution, personnel, and technology is vital but you require unique approach to achieving these results. We can certainly do that for you.

Professional and industry experience

- Provide coordination, outreach, and solutions to North Carolina public sector customers to address their pressing challenges.
- Led a Human Resources systems modernization initiative for a major U.S. Cabinet level department, including the transformation of their business processes and upgrade of their technology platform.
- Oversight of emerging federal initiative on transparency of financial and grants data.
- Led the governance, strategic planning, and CFO support for a large federal agency.
- Led of financial management system alignment of policy, procedures, and implementation.
- Led a business process re-engineering and business integration of a federal audit resolution process.
- Set up an enterprise program management office for a financial transformation initiative for one of the largest Departments of the US Government.
- Supported the start-up of a program integrity initiative for an emerging legislative effort for a large federal healthcare agency.
- Served as the Program Manager to institute the requirements.

David Gmelich

Director

KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Tel 617-988-1047
dgmelich@kpmg.com

Function and specialization
David is a director in the KPMG Boston Advisory practice. He specializes in providing advisory services to the government and higher education engagements.

Education, licenses and certifications
- BA, University of California, San Diego
- MIA, Columbia University, New York

Professional associations
- Member, Institute of Internal Auditors
- Member, Project Management Institute

Representative clients
- Columbia University
- University of Massachusetts
- University of San Diego
- University of Virginia
- Virginia Commonwealth University
- Yale University
- Yeshiva University
- State of Arizona
- State of California
- District of Columbia
- State of Vermont
- State of New Jersey
- State of Rhode Island
- Commonwealth of Massachusetts
- State of New York
- State of Washington

Lead Engagement Director/Operation Performance Audit/ Risk Assessment and Audit Plan Development

Background

David is a director with more than 20 years of professional experience in serving federal, state, and local government and higher education clients. His experience includes internal audit risk assessment, planning and delivery performance auditing and internal control assessment.

Professional and industry experience

- Led multiple Government Accountability Office (GAO) Performance Audits of the federal rule 9957 compliance requirements for state – based health insurance exchanges included viability of eligibility determinations and related appeals, applicant enrolment activity, oversight of supporting call centers, required CMS reporting, and IT privacy and security controls.
- Assisted a state Convention Center Authority in documenting existing internal controls and practices for managing its IT assets, performing a high-level internal control assessment against the COSO framework,
- Helped an Office of the State Treasurer with assessing the Tangible Property Unit's internal control framework including assessing the internal control framework currently in place over the receipt, storage, accounting, and disposition practices, performing a high-level gap analysis against the COSO framework and to communicate potentials gaps and associated observations and recommendations.
- Performed an internal controls audit for a county Superior Court system on behalf of the state's Administrative Office of the Courts. His team reviewed case management and revenue collection procedures for multiple departments including criminal, civil, family law, and traffic courts at five county court locations.
- Conducted an internal audit over the purchasing, payroll and account payable functions at a large private northeastern university. The project work plan included interviews with key stakeholders, operational walkthroughs and process/controls documentation and testing
- Conducted an internal audit risk assessment in support of a University's Internal Audit department. Mr. Gmelich's team sought input from a broad range of sources including key administrative and academic leadership, results of previous assessments, strategic priorities of the University and common industry trends and developments. From this effort, the team constructed and analyzed an entity risk register to prioritizing principal areas of risk and devised a three-year internal audit program as an additional output of the risk assessment efforts.
- Led a performance audit for an Office of the State Auditor over the County. Mr. Gmelich reviewed specific areas identified through initial interviews with various stakeholders, addressed statutorily mandated issues, and recommended areas for improvement. The project involved analysis of the cash flows generated by the excise tax, including a comparison between actual and expected revenues and a review of how they were used.

Alan Moore

Chief Administrative Officer (CAO)

Indelible Business Solutions, Inc.
841 Prudential Dr Suite 1203,
Jacksonville, FL 32207

Function and specialization

Alan specializes in Consulting, Large Project Management, Process Improvement, Internal Audit, IT Audit, Internal Controls, Finance Transformations, System Implementations, Intercompany Processes, Contract Compliance, Anti-Fraud reviews, Data Analytics and Visualization, Professional Services Practice Leadership

Education, licenses and certifications

- BBA, George Washington University
- MBA, Case Western Reserve University
- CIA
- Six Sigma Black Belt

Professional Associations

- Ernst & Young 2006 Elmer Whiting Award Honoree
- Ernst & Young 2013 Chairman's Value Award Nominee

Indelible Business Solutions

Background

Alan has more than 30 years of experience providing professional services to corporations, higher education and governmental clients. He led practices and teams which provided a wide range of consulting, internal audit, process improvement and system implementations to help clients meet or exceed their goals as well as to comply with governmental or industry specific regulations. In his role as Indelible's CAO, Alan is tasked with ensuring that our people and functions are organized to provide exceptional client service and achieve personal growth.

Professional and industry experience

Led internal audit practices in three regions for EY comprised of partners and 20-150 professional staff. Responsible for overall sales, recruiting, and quality assurance for both co-sourced and outsourced client relationships. Served as Coordinating Partner for select clients (integrating all EY services across assurance, advisory, tax and transactions) as well as lead executive for individual engagements across a variety of industries.

- Assisted prime contractor with accounting and financial reporting (A&FR) clean-up and enhancement project for a state economic authority.
- Led internal audit co-sourcing relationships for Fortune 500 multi-national companies/organizations across various industries including Information Technology, Higher Education, Real Estate, Health Care, Consumer Products and Manufacturing.
- Led team which redesigned internal financial processes, chart of accounts, and associated IT enablement for a state university financial system with more than 60,000 students.
- Served as interim Chief Audit Executive (CAE) for a $10+B international transportation company, reporting to the CFO and the Audit Committee and served as a member of the finance leadership team (left position when we were able to fill the CAE role)
- Managed intercompany financial process redesign and implementation for a multi-national manufacturer with more than $6B in annual revenue.
- Led a Hyperion Financial Management (HFM) implementation for a global professional services organization with more than 300,000 employees.
- Completed a variety of process and financial internal audit reviews for multi-national clients.
- Completed a variety of contract compliance and vendor performance reviews.
- Completed numerous appropriate uses of funds and fraudulent activity reviews for multi-national clients.
- Supported governmental organizations in evaluating, planning, and implementing processes and associated controls to help administer services for new federal programs.

Nick Durocher

Manager

KMPG LLP
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Function and specialization
Nick is a member of the Internal Audit and Enterprise Risk Management practice, specializing in Sarbanes-Oxley compliance, enterprise risk management, and internal audits.

Education, licenses and certifications

- Master of science, Accounting, Sienna College.
- CPA -New York, North Carolina
- TMP CPA-North Carolina

Operational Audit

Background

Nick is a registered CPA in both New York and North Carolina. Nick has been with the firm for over eight (8) years since 2015. The first four (4) years of his career were spent in the Albany, NY office where he primarily served as the lead senior on a public manufacturing audit engagement. In August of 2019, Nick transferred to the Charlotte, NC office. Nick spent the first six (6) years of his career within the Audit practice before transferring to the Advisory practice, specifically the Internal Audit & Enterprise Risk group, in July of 2021. Nick primarily manages co-sourced, outsourced and loan staff arrangements for clients. Nick has utilized the skills developed from previous roles within the audit practice to execute control gap assessments and test and review internal controls, resulting in recommendations for process improvements and remediation activities efficiently and effectively. These activities include assisting clients to design, implement, and monitor key control activities to assess compliance with industry standards and regulatory requirements. I've management operational audits to assess compliance with company policies and procedures to identify potential risks and provide recommendations for mitigation.

Professional and industry experience

Sarbanes-Oxley (SOX) and Internal Audit Compliance:

- Managed and planned multiple SOX compliance engagements that assist organizations with their regulatory financial reporting compliance requirements including but not limited to IPO readiness work, acting as Internal Audit and GAP assessments.
- Managed outsourced and co-sourced internal audit programs for public client, including end-to-end delivery of resources and continuous monitoring. Managed loan staff engagements for public clients, working closely with the client to understand their needs to appropriately identify resources and/or subject matter specialists to assist with SOX compliance and internal audit work.
- Conducted internal audits including independent quality assessment reviews for organizations with the objective of improving the internal audit processes and reporting requirements of the senior management.
- Initiated, designed, performed, and implemented control requirements for business process controls for financial statement related process areas. As part of these processes, performed quality reviews of business process flowcharts and controls designed to validate that internal controls are in accordance with leading practices.
- Led walkthrough meetings with key process owners, developed process documentation such as process flowcharts and narratives, including the identification of areas of risk and control points.
- Assisted engagement efforts in project management including budgeting, contracting, scheduling, invoicing, and planning activities. In addition, oversaw staff members on a day-to-day basis.
- Provided hands on training to business process owners to gauge if control owners were adequately trained to execute the controls, they were responsible for performing.
- Provided regular status updates to internal and external members of the engagement including key client contacts.

Rachel E. Black

Senior Associate

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Function and specialization
Rachel is a member of the Internal Audit and Enterprise Risk Management practice, specializing in Sarbanes-Oxley compliance, enterprise risk management, and internal audits.

Education, licenses, and certifications

- Bachelor of Science in Business Administration, University of Richmond
- CPA – North Carolina

Operational Audit

Background

Rachel has been with the firm for 3 years. She has spent the majority of her time with KPMG in the Audit practice serving large, public, financial services clients before transferring into the Advisory practice in June of 2023. Rachel has continued working with financial services clients as a Senior Associate within KPMG's Internal Audit and Enterprise Risk Advisory group. Rachel leverages her audit background to focus on Sarbanes-Oxley 404, process improvement, and control design & implementation. Before joining the firm, Rachel received a Bachelor of Science in Business Administration majoring in Accounting from the University of Richmond in Virginia. Additionally, Rachel holds an active CPA license in North Carolina.

Professional and industry experience

- Advised on financial reporting process improvements and financial projections for clients within the financial services industry.
- Managed and delivered projects related to the development and build of internal controls including identification of process improvement opportunities and cost enhancement considerations.
- Analyzed controls and risk surrounding equity, related parties, trading derivatives, mortgage securities, financial reporting, prime brokerage securities, and internal audit process areas.
- Managed a compliance attestation relating to asset-backed securities.
- Drove daily communication to provide project status updates and monitored budget from the planning stage through execution.
- Performed key control testing including conducting control walkthroughs, requesting evidence, communicating results of testing with management.
- Managed and onboarded new team members assigned to assist in documenting controls, developing flowcharts, and testing of processes and controls.

Jennings Modla

Associate

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Function and specialization
Jennings is a member of the Internal Audit and Enterprise Risk Management practice, specializing in Sarbanes-Oxley compliance, enterprise risk management, and internal audits.

Education, licenses and certifications

- B.S.B.A in Finance & Economics with a concentration in Data Analytics, The University of South Carolina

Operational Audit

Background

Jennings is an associate in the Internal Audit & Enterprise Risk practice in Charlotte, North Carolina. She began her career with the firm as an intern in June 2021 and joined as a full-time associate July 2022. She earned her Bachelor of Science in Business Administration with a double major in Finance & Economics and a concentration in Data Analytics in May 2022 from the University of South Carolina.

Professional and industry experience

Jennings' professional and industry experience includes evaluating financial reporting risks, developing process level documentation, designing controls, SOX compliance, internal control testing and remediation efforts, and conducting operational audits. Jennings has experience on advisory engagements in multiple industries, including:

- Commercial – Healthcare & Life Sciences.
- Technology, Media, & Telecom – Media.
- Industrial Manufacturing – Conglom, Metals & IND Products.

Jennings has performed SOX testing as part of integrated external and internal audits. Her responsibilities included:

- Attending walkthroughs with client personnel to gain an understanding of the control environment.
- Testing business processes controls by inspecting the test of design and operating effectiveness.
- Working with our offshore team to help craft quality deliverables and progress towards the goals of the engagement.
- Assisting in the documentation of controls and the development of process flowcharts and narratives.
- Developing slide decks for the client to visualize positive trends identified during control design testing.

Rory Costello

Principal

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Function and specialization

Rory has 24 years of financial, accounting, and regulatory compliance experience and brings 15+ years of large project management experience.

Education, licenses and certifications

- BS, Kean College
- MS, SUNY Albany
- PMP

Professional associations

- Member, Project Management Institute
- Board Member – Joseph House and Shelter, Troy, NY

Performance Audit

Background

Rory is a Principal in the KPMG Government Regulatory Compliance practice and has been with KPMG since 1995. Rory has extensive health and human services as well as, state and federal compliance experience (A-87 Costing Principles, ARRA, Disproportionate Share Payments to Hospitals, CMS 9957) having served on numerous regulatory compliance engagements including several federal single audits. A certified PMP, Rory brings years of performance audit experience in state and local government, healthcare, and health insurance.

Professional and industry experience

- Served as a principal on a state Medicaid Billing and Claiming Audit where he worked with a team of professionals and oversaw multiple yellow book audits. He gained strong insight into the relevant Regulations and Administrative Memoranda as well as a deep understanding of the provider community.
- Since 2020 to present, Rory leads, or has led, multiple COVID 19 related engagements including, risk assessments, monitoring and oversight of: Coronavirus Relief Funds; Emergency Rental Act funding; and American Rescue Plan Act funding. Rory brought strong grants management as well as federal regulatory and compliance skills to each of these engagements.
- Currently, Rory is a principal on a large state Department of Health (2002 – Current) regulatory compliance initiative that KPMG has been conducting for the past 18 years. Facilitating the execution of the state's Health Care Reform Act (HCRA) performance audits in accordance with Generally Accepted Government Auditing Standards (GAGAS) at various insurance payors and healthcare service providers throughout the state.).
- Rory also currently (2014 – Current) serves as an engagement principal on the state's Disproportionate Share Payments to Hospitals (DSH) engagement. Facilitated the execution of the state's Medicaid Disproportionate Share (DSH) performance audits in accordance with Generally Accepted Government Auditing Standards (GAGAS) to assess the state's compliance with the DSH requirements.
- Rory served (2014-2015)) as Lead Principal in charge of the project management office (PMO) on a state Delivery System Reform Project (DSRIP) engagement with the state's Department of Health. DSRIP´s purpose is to fundamentally restructure the health care delivery system by reinvesting in the Medicaid program, with the primary goal of reducing avoidable hospital use by 25% over 5 years. Up to $6.42 billion dollars are allocated to this program with payouts based upon achieving predefined results in system transformation, clinical management, and population health.
- Rory currently is the lead principal (2015 - Current) on performance audits of State Based Exchanges. Rory and his team are auditing State compliance with the HBX rule 9957.

Adrian Savic

Director

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Function and specialization
Adrian is a Director in KPMG's Consulting services practice. She specializes in organizational operations, programmatic support, communication, strategic planning and partnering.

Education, licenses and certifications
- BA, Wake Forest University

Performance Audit

Background

Adrian is a Director in KPMG's Consulting services practice with 15 years of professional and management consulting experience. Adrian has honed these skills by leading teams across disciplines to better serve Florida, North Carolina, and Virginia based clients; and by operationalizing the global expansion of a KPMG alliance with a North Carolina based technology company.

Professional and Industry Experience

- Serves as project lead for a state Division of Emergency Management to support disaster recovery and grants management services for Hurricane Michael, Irma, Ian and Nicole. Tasks include overseeing operations, contracts management, engagement administration and serving as liaison of over 150 resources.
- Evaluated Project leader for an assessment of the NGS (911) Bureau integration status into a state emergency management agency. The project required an assessment of current processes, through review of policies and procedures, staff interviews, assessment of current state and provision of business improvement recommendations and an actionable roadmap. Currently supporting leadership communication to internal and external stakeholders
- Led alliance expansion across industries, including State and Local Government, and across the globe with activity in 36 countries. Coordinated across multiple stakeholder groups with our alliance partner to identify client needs and how to work to execute on joint projects or solution development. Delivered full breadth of KPMG U.S. and global services to match our alliance partner's needs to better serve their clients.
- Provided engagement oversight and client communication for multi-stream projects involving multiple KPMG teams, alliance partner and client stakeholders. Coordinated workstreams through assessment and design phases for successful model and technology implementation.

Bart Cantor

Manager

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Function and specialization

Bart works a Manager in Advisory in KPMG's Miami office, specializing in forensic engagements. He is a key member of the national disaster recovery team and has created workbooks to help automate the payment, compliance, and small project closeout of FEMA projects.

Education, licenses and certifications

- BS, accounting, minor in Spanish language, Florida Gulf Coast University
- MS, cybersecurity, information assurance concentration, University of South Florida
- CPA-Florida

Performance Audit

Background

Bart is an advisory manager at KPMG's Miami office in the operations, risk, and compliance line of service for state and local governments. With experience in disaster recovery, grants management, cost accounting, financial statement auditing, internal and external audit, Bart specializes in leading forensic engagements to help enhance team performance and client value. Bart is a key member of the KPMG's national disaster recovery team and has created workbooks to automate the payment, compliance, and small project closeout of FEMA projects. During the course of the engagements with FDEM, Bart and the KPMG team have automated over 2,500 payment packages consisting of RFA advances, cost share changes, and small projects.

Professional and industry experience

- Performed risk assessments for routine or customized audits for external auditors or audit committee. Tested compliance with internal accounting policies, U.S. GAAP, and SOX IT controls for established and newly acquired entities.
- Conducted nationwide field visits to test financial, operational, and information security controls related to construction, inventory management, financial services, title, and brokerage.
- Assisted Lennar division controllers and process owners interpreting and implementing operational, financial, and IT controls, including remediation.
- Prepared reports presented to the audit committee and senior management addressing issues identified during internal audit engagements.
- Participated in a rotational program with the Chief Security Officer's team to complement my graduate studies: Researched and contributed to projects relating to GRC, vendor security product evaluation, physical security, data privacy, and mitigating the risks of social engineering for the entire corporation.
- Worked independently and with teams to identify and resolve client issues discovered throughout multinational financial assurance engagements. Regular responsibilities include applying professional regulations and standards into my work such as: ISA, PCAOB, SOX, International Financial Reporting Standards (IFRS), and COSO.
- Evaluated, tested, and reported on the effectiveness of complex financial internal controls during many audits and agreed upon procedures with the risk assurance team across multiple industries.
- Developed unpredictable procedures aimed to detect fraud and abnormalities for high-risk engagements consisting of numerous related party transactions and extensive litigation claims outstanding.
- Responsible for translating and reviewing financial statements, facilitating inter-firm correspondence across global engagements, and compiling audit hardcopies in compliance with firm retention polices.

Ramatulai Fofana

Senior Associate

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Function and specialization
Rama is a Senior Associate in the State & Local Regulatory and Compliance practice. She helps state departments of emergency management with FEMA Public Assistance reimbursement eligibility reviews of municipalities after disasters and assists in the pre-award process for departmental grants.

Education, licenses and certifications
- Associate of Applied Science, The University of the District of Columbia (UDC)
- BA of Business Administration Howard University

Performance Audit

Background

Rama is a Senior Associate in KPMG's State & Local Regulatory and Compliance practice. She assists state departments of emergency management in conducting FEMA Public Assistance (PA) reimbursement eligibility reviews of different municipalities after major disasters. She also liaises with departmental grant applicants in the course of the pre-award process.

Professional and industry experience

- Assists the State of Florida Division of Emergency Management (FDEM) in conducting FEMA Public Assistance (PA) eligibility reviews of project worksheets submitted by applicants for Hurricane Michael projects. Conducts comprehensive grants management line-item testing of cost summaries, to determine eligibility of funds for reimbursement. Reviews procurement and contracting compliance to reduce risks associated with project worksheet and to eliminate duplication of benefits.
- Reviewed a state's emergency procurement framework in accordance with minimum legal and regulatory procurement requirements. - Assessed internal policies and procedures to provide recommendations for potential improvements to facilitate a faster, safer, and more effective response. - Performed analyses of key emergency procurement procedures and identify trends, control weaknesses and potential efficiency gains. - Assessed the Department's ability to demonstrate compliance with its policies and procedures and key local, state and federal guidelines.
- Reviewed and compared key collateral metrics, data and statistics in CAS, using client provided data files, to comfort information disclosed in the transaction offering documents. - Analyzed loan and property level from client provided data files to actual source documents (appraisals, engineering/environmental/seismic reports, site inspections, rent rolls, loan agreements, and financial statements) to assess accuracy of client data files. - Reviewed and compared key collateral metrics, data and statistics in CAS, using client provided data files, to comfort information disclosed in the transaction offering documents.
- Assessed accuracy of investor statements to disclosure statements obtained from bond issuers to help bring about compliance. - Performed procedures required by the Securities and Exchange Commission to test the accuracy of loan level and collateral reporting elements for securitization transactions. - Conducted control testing on master servicing agreements to assess compliance of the Dodd-Frank Act. - Analyzed client-provided data files and adjustment documentation to assess if deal assets (collateral cashflows) properly match liabilities (offered bonds and credit enhancements).

Diaraye Sylla

Senior Associate

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Function and specialization

Diaraye is a Senior Associate in KPMG State and Local Government practice with 8+ years' experience in regulatory compliance and FIAR engagements. She specializes in business process documentation, internal controls testing, and regulatory compliance.

Education, licenses, and certifications

- B.A., International Relations, Economics and Development, University of Delaware
- Master of Business Administration (MBA), Wilmington University

Performance Audit

Background

Diaraye is a Senior Associate in KPMG's State and Local Government Practice with experience providing regulatory compliance testing for the State of Florida Division of Emergency Management. Her 8 + years of experience also includes supporting Financial Improvement and Audit Readiness (FIAR) engagements with Federal government clients. She specializes in business process documentation, internal controls testing and evaluation as well as regulatory compliance.

Professional and industry experience

Diaraye has a wide range of experience, specifically, Diaraye has done the following:

For a Major Disaster Support team, she performed the following:

- Served as a Lead for a team of 20+ validators on FDEM's Hurricane Irma contract to help validate public assistance projects for 30+ applicants, including high priority applicants such as the City of Miami.
- Oversaw a large team and was responsible for prioritizing assignments, assessing compliance with FEMA policies, performing complex compliance testing on work eligibility, contracts, procurement, leased equipment, union agreements, labor policies and force account materials.
- She was the main point of contact for several high priority PA applicants and led discussions related to complex and related supporting documentation.

For a federal Financial Improvement and Audit Readiness project she:

- Documented business processes and internal controls to assist clients in achieving audit ready financial statements and compliance with OMB circular A-123 (management responsibilities for internal controls in Federal agencies)
- Executed process walkthroughs and stakeholder interviews.
- Identified documentation and control gaps.
- Assisted with the development and implementation of corrective action plans resulting from independent auditor's NFRs (Notice of Findings and Recommendations)
- Tested the design and effectiveness of internal controls.
- Provided guidance on sufficient and appropriate evidential matter for monthly inventory reconciliation, involving third-party managed, government properties

Maxwell Thursam

Associate

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Function and specialization
Maxwell is a Forensics Advisory Associate in KPMG's Tallahassee office. He specializes in assisting clients with disaster recovery operations and grant programs.

Education, licenses and certifications
- BS in Political Science/Florida State University
- MA in Global Affairs, Florida International University

Performance Audit

Background

Maxwell is an associate in KPMG's State and Local Government Disaster Management practice. His responsibilities include assisting the Florida Division of Emergency Management is performing disaster recovery operations for Hurricanes Irma, Michael, Ian, and Nicole. Maxwell has two years of experience in this role and has assisted over 100 organizations with the grant application process.

Professional and industry experience

Grant administration team for Hurricane Irma/Michael/Ian/Nicole recovery effort with activities such as:

- Providing applicant technical assistance with program reporting requirements and administrative items needed such as quarterly reporting, time extension submissions, payment status, and subgrant agreements, and assist with instructions on navigating through the State portal.
- Assisting with project closeout procedures through the creation of closeout packages, final review of reimbursement requests, and notifying applicants of project completion.
- Processing accuracy reviews for newly obligated project versions and notified team of FEMA determinations.
- Assisting statewide applicants in the submission of their organization's subgrant agreement in order to receive disaster assistance funding.
- Troubleshooting applicant roadblocks to help streamline grant administration process.

Invoice Review Team Leader for Hurricane Idalia recovery effort with activities such as:

- Helping to activate as Emergency Disaster Support Personnel to assist the state Emergency Operations Center respond to Hurricane Idalia.
- Collaborating closely with team members to monitor compliance with agency invoice checklist, verify alignment with purchase/change order details, and validate invoices within the department's Salesforce application software.

Kelly Donovan

Managing Director

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Function and specialization
Kelly specializes in fraud, misconduct and regulatory investigations, fraud risk management, leading practices and internal controls, compliance and monitoring services in public and private sectors.

Education, licenses and certifications
- BA Boston College
- Juris Doctor, Catholic University of America
- Licensed Attorney, New York
- Admitted to Practice, Supreme Court of the State of New York

Professional associations
- Member of the International Association of Independent Corporate Monitors
- NYC Professional Women in Construction
- New York City Bar Association
- Board of Visitors, Columbus School of Law, Catholic University of America
- Lawyer's Committee, Inner City Scholarship Fund, Archdiocese of New York

Investigative Audit

Background

Kelly Donovan is a Managing Director in the New York City office of KPMG's U.S. Advisory Services, Risk Consulting practice. She has more than 30 years of work experience.

As a member of KPMG's Forensic Investigations & Disputes Network and State & Local team, Kelly conducts state and national misconduct and fraud investigations, helps assess, design, and implement regulatory compliance programs and provides fraud and risk management to public and private clients. Prior to joining KPMG, Kelly was the Executive Deputy Attorney General for Criminal Justice in the New York State Attorney General's Office

Professional and industry experience

Kelly currently serves as Lead Engagement Partner on the following engagements:

- Multi-state fraud, waste and abuse analytics and investigations in the federally funded Emergency Rental Assistance Program (ERAP) and Homeowners Assistance Programs (HAF), from project set up, detection analytics implementation and state and federal reporting.
- For a City Law Department, she supervised a team conducting a forensic review of childcare services and related payments. Having uncovered payment irregularities and compliance failures, she presented findings to the City, its agencies, and the targets of the investigation to seek restitution and civil settlements.
- Providing on-going vendor integrity due diligence and third-party risk management for a global technology firm, and for a southern State's hurricane disaster recovery efforts.
- Conducts confidential cyber privacy and security audit for a NYC agency.
- Manages a third party annual financial reporting and ethics program for a large international government agency.
- Provides forensic audit and investigative services to a state agency regarding securities fraud schemes.

Emily Wong

Director

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Function and specialization

Emily is a Director in the Forensic Advisory Services practice, specializing in investigations, forensic accounting, and fraud risk management services. She also completed a rotation in the NYFS audit practice.

Education, licenses and certifications

- BS in Accounting, Fordham University, Summa Cum Laude
- CPA - State of New York

Investigative Audit

Background

Emily is a Director in the New York City office of KPMG's U.S. Forensic Advisory practice with more than 10 years of experience. She has experience working in compliance, fraud risk management, forensic accounting, and investigation services. She provides clients with a wide range of forensic services by assisting with the prevention, detection, and response to fraud and misconduct.

Professional and industry experience

- Manages the Northeast Journal Entry Data Analytics team, which involves assisting the firm's audit teams with their planned testing of journal entries. Emily works with audit teams to understand their fraud risk factors and risk areas, review and understand the results of the trend analysis, and assist with evaluating and applying selection criteria to identify potentially high-risk transactions. Based on the analysis, Emily selects a sample of journal entries for review and conducts interviews with senior level financial and accounting management to understand the business purpose of the selected entries, the accounts affected, and whether there are any potential improvements to existing internal controls and processes.
- Led an investigation that involved several allegations including: the use of excessive reserve and provision accounts to smooth earnings and close gaps; inaccurate purchase price accounting in connection with a recent acquisition, including specific concerns around opening balance sheet items such as slow-moving and obsolete inventory reserves; potential bill-and-hold transactions; and improper allocation of rebates to help certain business units meet targets. Utilized data analytics to profile and identify high risk journal entry transactions, as well as trace the debit and credit activity posted by the Subject to the high-risk accounts in connection with the allegations.
- Led a forensic review over one of the largest early learning/after school service providers to determine and quantify whether the program engaged in potential overbilling.
- Performed an investigation to assess alleged employee misconduct, specifically whether a senior level employee misappropriated company funds. The investigation involved analyzing unusual journal entry transactions, performing an accounts payable analysis to identify possible questionable payments, and a targeted review of cash inflows and outflows to and from the company.
- Participated in several investigations utilizing data analytics to process, aggregate, and normalize various datasets in order to apply an index of risk-based criteria and analyses to risk-rank and identify potentially high-risk transactions (and/or third parties) for further investigation.
- Manages a portfolio of Asia Pacific investigations triaged by a large multi-national life sciences company to KPMG, investigating a wide range of fraud and misconduct issues including channel stuffing, product diversion, financial statement fraud, bribery and corruption, and employee misconduct, among others

Vicki Chen

Manager

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Function and specialization

Vicki is a Manager in the Forensic Advisory Services practice, specializing in investigations, disputes, and regulatory compliance. She also completed a rotation in the NYFS audit practice.

Education, licenses and certifications

- BS from Binghamton University

Investigative Audit

Background

Vicki is a Manager in the New York office of KPMG's U.S. Forensic Advisory Services practice, where she has 8 years of experience in investigations, regulatory compliance, and disputes. She also completed a rotation in the New York Financial Services (NYFS) External Audit practice, spending three busy seasons working on a banking client.

Professional and industry experience

Vicki has experience managing a wide range of engagements across a variety of industries. Representative experience includes managing and conducting investigations across various industries (including state governments) related to employee misconduct, bribery and corruption, channel stuffing, conflicts of interest, embezzlement, revenue recognition, missing intellectual property, fraudulent vendor billing, and inappropriate accounting practices.

Other projects include:

- Assisted a large municipality in conducting a forensic review of childcare services and related payments, including recalculation of potential vendor overbilling.
- Managed and conducted cross-border (Brazil, Poland, South Africa, Germany, Colombia, Sri Lanka, Kazakhstan, Nigeria, Morocco, Turkey, Saudi Arabia) FCPA audits for a large multi-national Life Sciences company to help identify process and control gaps relating to healthcare compliance and provided detailed recommendations for management in order to address those gaps.
- Conducted Anti-Bribery and Corruption due diligence assessments for target companies in the technology, consumer goods, software, and oil and gas industries.
- Prepared an expert witness report related to alleged construction fraud for an arbitration.
- Conducted an enterprise-wide fraud risk assessment for a travel technology company and issued recommendations to address those fraud risks.
- Managed a portfolio of global investigations for a large multi-national Life Sciences company from project initiation and planning to reporting final deliverables to the business.
- Assisted with analyzing buyer and seller positions and drafting determinations in neutral arbitrations relating to three large post-acquisition disputes.
- Assisted financial services audit teams in brainstorming fraud risks, and procedures to address those fraud risks, during their risk assessment discussions.

Krystle Diaz

Senior Associate

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Function and specialization

Krystle is a Senior Associate and specializes in Forensic data analytics related services with a primary focus on identifying fraud, waste and abuse.

Education, licenses and certifications

- BS in Business Administration with a concentration in Finance, Fordham University

Investigative Audit

Background

Krystle is a senior associate in the KPMG's forensic practice in New York with more than 9 years of experience. She delivers and executes KPMG's forensic service offerings across various industries. Her core experience is in analyzing large amounts of complex data and effectively communicating valuable data driven insights to technical and non-technical stakeholders at all levels.

Professional and industry experience

- Performed a forensic fact-finding review related to potential fraud and misconduct for US based multinational financial services organization under guidance of client's internal counsel.
- Executed forensic data analysis efforts for forensic fact-finding review related to potential fraud and misconduct for a US based construction company under guidance of client's external counsel.
- Supported concurrent performance audits with an emphasis on forensic analysis for telecommunication recipients of federal funding, evaluating compliance with FCC rules and Generally Accepted Government Auditing Standards (GAGAS). Tasks included analyzing large subscriber datasets for instances of duplicative support and potential risks of fraud, waste and abuse.
- Assisted a major US telecommunications carrier with assessing compliance requirements for recipients of federal funding under the Lifeline Universal Service Program. Under the direction of External Counsel, performed forensic data analytics procedures to assess compliance with the Lifeline regulations and to detect potential risks of fraud, waste and abuse.
- Performed forensic data analytics procedures to identify potential fraud and non-compliance for a leading media company's recently acquired entity.
- Supported the firm's Accounting Advisory Services (AAS) group with data analytics to validate, analyze, and compile the data required for the wireless and wireline impact quantification analyses of the New Revenue Recognition Standard for a large telecommunications carrier.
- Performed data and analytics driven reconciliation between provisioning and billing systems regarding wholesale circuits for a major US telecommunications carrier. Analyzed and validated data that contained several million records and provided methodology documentation as a guide to repeat the reconciliation in the future.
- Supported process and control documentation for key process areas affected by the New Revenue Recognition Standard for various clients. Tasks included performing walkthroughs, documenting future-state processes with controls in narrative, process flow and risk and control matrix formats, and identifying potential control gaps.
- Supported multiple concurrent performance audits and equipment inventories for school and library recipients of federal funding, evaluating compliance with FCC rules and Generally Accepted Government Auditing Standards (GAGAS).

Tyler Ancona

Associate

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Function and specialization

Tyler works as an Associate in KPMG Forensics practice in NYC office. He has over a year of professional accounting experience supporting audit engagements for the firm's largest clients in healthcare, consumer goods, power industries, and private universities.

Education, licenses and certifications

- BBA, University of Notre Dame
- MS in Accountancy, University of Notre Dame
- CPA
- CFE

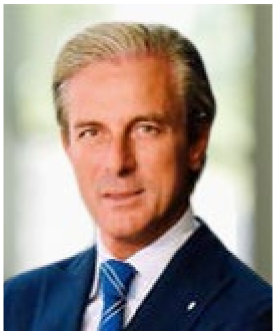
Investigative Audit

Background

Tyler is an Associate in KPMG's Forensics Practice in the New York City office. He has three (3) years of experience including a two-year rotation program with KPMG's Forensic and Audit Practice. Tyler has professional accounting experience providing comprehensive audit support for some of the firm's largest clients in the healthcare, consumer goods, and power industries, as well as some private university clients in the NYC metro area.

Professional and industry experience

- During audit assistance engagements, Tyler managed the following audit testing workstreams and brought them to completion:
  - Revenue
  - Accounts Payable/Search for Unrecorded Liabilities
  - Human Resources/Payroll
  - Equity
- In managing these testing areas, Tyler conducting the respective test work procedures, building appropriate test work templates, communicating with our client representatives to discuss issue areas, handling the receipt and organization of supporting documents, and routinely informing senior team members of areas' statuses. He also performed ad-hoc testing or provided various supporting services for my teams in these areas: Inventory, Confirmations, Pensions, Related Parties, and Marketing.
- Assisted with fraud investigations, he handled various fraud claims pertaining to financial instruments and government programs.
- Examples of work he regularly performs include:
  - Reviews of financial instruments for signs of tampering, forged endorsements, and counterfeiting.
  - Investigations of cases of reported scams pertaining to wire transfers, P2P transactions, and COVID-19 relief funding
  - Created investigative reports to be submitted with government authorities.
- Participated in various risk assessment strategies to determine the likelihood that frauds have been committed and am equipped to take the appropriate steps when such instances have been identified to protect victims and aid in the litigation and restitution process.



Filippo Puglisi-Alibrandi

Principal

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Function and specialization

Filippo is the U.S. leader of KPMG's Contract Compliance Services group specializes. in assisting clients with their third-party commercial risk, by executing audit clauses in contracts between clients and third-party business partners.

Education, licenses and certifications

- BS in Economics & Business Administration, LUISS
- International University, Rome, Italy
- KPMG Lead Partner Academy class 2015
- KPMG Lead Partner Academy class 2022
- Tax Audit IRS Methodology, Academy of Italian Financial Guard, which is the equivalent of IRS, Bergamo, Italy
- Market Segment Specialization Program, Oil and Gas Industry, Academy of Italian Financial Guard, which is the equivalent of IRS, Bergamo, Italy
- Dual citizenship U.S./EU

Professional associations

- Dottore commercialista, revisore contabile, esperto del tribunale, which are the Italian equivalent titles of CPA, CIA, and CFE in the U.S.

Compliance Audit - Contract Compliance Services

Background

Filippo serves as the U.S. National Leader for the Contract Compliance Solution Group within the Forensic network. Filippo advises clients on developing and delivering third party compliance programs in relation to intellectual property and self-reported relationships and on broader issues of intellectual asset management. He has over 20 years of experience in planning, performing, and directing numerous third parties' assessments including participations audits, license/distribution examinations, "most favored nation" (MFN) analysis, and manufacturer/vendors assessments on behalf of multiple client across industries. Under his direction, contract compliance project teams have completed approximately 1000 third party reviews worldwide and have successfully helped recover millions of dollars in underreporting in addition to identifying many other instances of contractual noncompliance.

Professional and industry experience

- Filippo has led numerous Supplier, Channel, & general Third-Party Risk Programs including leading development of testing methodology, data analysis modeling, employee interview planning, database & system testing, HSSE review, quality requirement assessments, and program management. He led and participated in reviews with identified findings and cost savings opportunities totaling over $250 million and has reviewed financial transactions in excess of $10 billion USD.
- Filippo has undertaken several MFN reviews across a wide range of categories including raw materials, facilities management, home video replicators, and TV programmers in multiple sectors including pharmaceuticals.
- Performed numerous types of reviews across a number of third-party relationships including supplier compliance, sales channel, joint ventures, ad agency, outsourced service, performance assessments, most favored customer pricing, and distribution audits.
- Filippo has developed and delivered royalty contract compliance programs for global entertainment movie studios, for one of the largest toy manufacturers and for a multinational semiconductor company that designs and markets wireless telecommunications products and services. He has directed global teams during the execution of multiple contract compliance examinations of various third parties including: accessory and apparel licensees, retailers, semiconductor suppliers, manufacturers and marketers of consumer foods, publishing companies, amusement parks and resorts, photo agencies, licensing agencies, video game software publishers, and toy manufactures.
- Filippo has led royalty audits for high-end fashion houses, large media companies (consumer products, video games, and publishing), and tech companies (including mobile operators and music labels).

Shan Kachhi

Director

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Function and specialization

Shan conducts vendor compliance, IP licensing, and lease operating expense reviews for State and Local Government entities, tenants and landowners, and multi-national corporations in the US and internationally.

Education, licenses and certifications

- BS in Business Administration, Walter A. Haas School of Business, University of California Berkeley
- B.A in Economics, University of California Berkeley
- LIMA

Compliance Audit - Contract Compliance Services

Background

Shan is a director in KPMG's Consulting practice, where he advises clients on developing and delivering contract compliance programs. Shan has over 10 years of experience in planning, performing, and directing compliance assessments including vendor compliance reviews on behalf of state and local government entities, tenants and landowners, and multi-national corporations.

Professional and industry experience

- Assist clients in establishing vendor compliance programs to identify areas of non-compliance including vendor overcharges and areas where the vendor did not meet performance requirements.
- Lead reviews of clients' vendors including event operators, landlords/renters, parking companies, concessionaires, and others.
- Identify risk areas such as ambiguous contractual language that is or could be misinterpreted by vendors to the client's detriment.
- Led teams in analyzing massive amounts of data using Microsoft Excel, SQL, Alteryx and other internal KPMG tools in order to identify reporting errors.
- Delivered reports that have resulted in tens of millions of dollars recovered by clients.
- Assists tenants and landlords in reviewing lease agreements to determine and quantify accurate billings of rent and other billable operating expenses per the lease.
- Performs Common Area Maintenance (CAM) reviews to identify incorrect billings and allocations.
- Reviewed venue operation agreements and concessionaire agreements for the purpose of identifying underreported revenue share to the landowner and other contractual noncompliance.
- Assisted new property owners in putting together models quantifying for the lifetime of the lease: billable rent including CPI increases and all billable expenses.
- Reviewed financial data supporting revenues and expenses reported, along with a sample of vendor agreements, source remittances, cash receipts and payments, and other supporting documentation, for the purpose of assessing the completeness and accuracy of amounts reported.

Sashant Palli

Senior Associate

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Function and specialization

Sashant specializes in performing risk assessments and compliance reviews of vendors, advertisers, distributors, and royalty licensees.

Education, licenses and certifications

- Bachelor of Art in Neuroscience, University of Southern California

Compliance Audit - Contract Compliance Services

Background

Sashant is a senior associate providing Contract Compliance Services to clients across the Technology/Telecommunications, Consumer Products, and Entertainment industries. Sashant has five years of experience in working with engagement staff and KGS teams to perform global vendor, advertising and royalty compliance assessments on behalf of clients to mitigate third party compliance risks, provide contract enhancements, and enhance financial recoveries.

Professional and industry experience

- For a state government, performed compliance assessment of Department of Transportation contractors to review disaster recovery protocols in support of the government's hurricane response. Reviewed and analyzed documentation provided by Debris and Recovery teams to analyze costs and assess compliance with government requirements and safety protocols.
- For a Fortune 100 Telecommunications and Entertainment company, performed risk assessments of fashion, food and beverage, confectionary, stationery, toy, and video game manufacturers engaged in royalty agreements to increase revenues by over $3 million. Performed on-site and virtual process walkthroughs and procedures with global licensee accounting and product teams across to assess performance and compliance with contractual requirements. Coordinated with the KGS team and communicated directly with the licensees to perform data analysis and identify instances of underreported revenues.
- For a Fortune 100 technology company, performed online advertiser compliance assessments of more than 20 advertising companies to assess the advertisers' compliance with US and international data protection and privacy laws and the client's usage policies. Lead virtual process interviews to analyze the processes in place for each company to monitor its handling and retention of user data and identify gaps in compliance or risk areas that would pose a threat to the client or its end-users.
- For a Fortune 100 semi-conductor and electronics manufacturer, performed vendor compliance reviews of IT and customer support service vendors. Lead process interviews with global vendor teams to assess hiring, training, staffing, timekeeping, and data security processes. Collaborated with KGS and engagement staff to perform data analysis of billing rates, labor, and pass-through costs including travel and rewards and recognition to assess compliance with client policies.
- For a Southern California-based real estate data company, lead a data license compliance review of a software licensee to assess compliance with the terms of the client's service agreements. Performed a reconciliation of client and licensee usage reports, conducted process interviews to provide the client with insight into the licensee's development and delivery of its Data Driven Marketing platform. Observed data access and ingestion, product delivery, and data destruction processes to identify and quantify unauthorized data usage.

Dylan Lamphier

Associate

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Function and specialization
Dylan is an Associate within KPMG's Contract Compliance Services practice specializing in assessing vendor compliance with the financial and non- financial components of existing contractual relationships.

Education, licenses and certifications
- BS in Business Administration, University of North Carolina at Chapel Hill, Kenan-Flagler Business School, Highest Distinction
- Senior-class academic award recipient: Excellence in Consulting

Compliance Audit - Contract Compliance Services

Background

Dylan is an Associate in KPMG's Contract Compliance Services division with more than three years of experience. He specializes in global vendor assessments with a focus in joint venture, advertising, and lease compliance assessments.

Dylan was born and raised in Cary, North Carolina, went to UNC-Chapel Hill's Kenan-Flagler Business School, and used to volunteer at the Marbles Kids Museum just down the street from NCDCP's office. He is a North Carolina native and will offer additional localized subject matter experience.

Professional and industry experience

- Dylan has staffed dozens of audits ranging across a variety of industries and clientele. He has achieved millions in findings for his clients, and brings valuable analysis, critical engagement, and experience to his projects.
- Assisted a royalty audit where the 3rd party had been delinquent in payment primarily due to fraud committed by their CPA. The CPA had artificially injected inventory into the 3rd party's ERP system such that they did not know what inventory they had for the in-scope period, much less how much they owed in royalties. The KPMG team reconstructed the firm's inventory system and delivered recoveries paid in excess of $900k for our client.
- Reviewed hundreds of pages of MFN agreements between our client and a 3rd party as well as the 3rd party's MFN agreements with our client's competitors. The KPMG team used the information embedded in these contracts to identify MFN non-compliance amounting to a multi-million dollar finding due our client from the 3rd party.
- Conducted audit testing procedures, process control interviews, and remediation for several advertising 3rd parties on behalf of a client in response to regulators' scrutiny regarding consumer privacy. The ongoing engagements deliver valuable transparency in a complicated industry and provide our client with a key asset in their efforts to comply with increasing attention from the federal government.
- Managed an offshore team for the review of a multinational airliner's compliance with an airport lounge operator agreement resulting in accountability between 2 large entities in an otherwise opaque pass-through cost agreement.

Kevin Max, P.E.

Principal

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Function and specialization
Kevin is a Principal in KPMG Construction Advisory practice where he specializes in providing construction advisory services.

Education, licenses and certifications
- Bachelor of Engineering, Civil and Environmental Engineering – Rutgers College of Engineering
- MBA Finance, Rutgers Graduate School of Management
- Professional Engineer, P.E. (Civil, New Jersey)
- CFE
- PMP

Professional associations
- Structural Engineering Institute
- American Society of Civil Engineers
- Project Management Institute
- Association for the Advancement of Cost Engineers International
- ACFE

Compliance Audit - Construction Auditing

Background

Kevin Max is a Principal in KPMG LLP's Construction Advisory practice. A licensed professional engineer, he has twenty years of diverse construction industry experience. Kevin's professional resume is highlighted by extensive civil engineering and construction management experience and consulting credentials in the areas of construction risk management, contract administration and compliance, project oversight, monitoring, investigations and auditing.

Professional and industry experience

- Kevin's team was engaged by an Ivy-league University in the northeastern U.S. constructing a 100M USD academic building using the Integrated Project Delivery method; reviewing vendor financials to calculate historical average overhead and profit rates, reviewing and vetting labor and equipment rates per the cost of work contract terms, and performing monthly invoice reviews to assess compliance with contract terms.
- Kevin's team was engaged by a large private university located in a major metropolitan city to assess the existing controls environment governing the management of a capital construction program in excess of 750M USD. KPMG provided recommended process improvements related to cost management; procurement management; program strategy, organization, and administration; risk management and project schedule management.
- Kevin's team was engaged by a public authority responsible for the development, construction, and maintenance of state-owned higher educational assets in the northeastern U.S. The authority engaged KPMG to review two on-going university construction projects valued at 200M USD. KPMG reviewed and assessed costs invoiced by general contractors and construction managers including general conditions, general requirements and time & material reimbursable costs, contract fees, mark-ups on change orders and insurance costs.

Adebayo Oyeniya

Director

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Function and specialization

Adebayo is a Director in the Infrastructure & Projects Advisory practice specializing in providing construction advisory services.

Education, licenses and certifications

- B.Arch., Architecture Ladoke Akintola University of Technology, Ogbomoso, Nigeria
- M. Arch, Architecture New Jersey Institute of Tech. NJ
- Construction Controls Professional (CCP)

Compliance Audit - Construction Auditing

Background

Adebayo is a Director in KPMG LLP’s Infrastructure and capital projects advisory practice withs over 12 years of diverse construction experience. Adebayo’s professional resume is highlighted by extensive architecture, construction and project management, consulting experience in integrity monitoring, construction project oversight, construction cost analysis, contract administration and compliance.

Professional and industry experience

Adebayo has applied his skills to lead and contribute to a wide variety of client engagements such as the following:

- He has led construction and project management support for a large City construction management agency overseeing all phases of development, from procurement, existing conditions assessments, programming, feasibility studies, estimating and budgeting, schematic design through construction documentation, regulatory submissions, bidding, construction, and project close-out.
- He has co-managed a hurricane Sandy Program $1.7B construction Grant for a City Capital Projects Agency relating to FEMA and CDBG-DR Funding, monitored, and assessed project goals, including scope, budget, and schedule, are continuously met, executed a risk-based management approach to project delivery.
- Led construction professionals working for a large City agency with 15B USD capital construction program. Adebayo’s team has been responsible for the overall management of the internal audit program including leading the risk assessment process, the development of the multi-year audit program, and the execution of more than eighty internal reviews and assessments. These have included audits and reviews of the authority’s primary business functions and departments including Capital Planning, Architecture and Engineering, Construction Management, Administration, Environmental and Regulatory Compliance, the team performed the assessments of the authority’s core business processes including, but not limited to project planning and initiation, procurement management and sourcing, contract administration and compliance, and emergency response.
- Served as an Integrity Monitor team member to a major metropolitan U.S. city helping to oversee the construction, project management and special inspections projects. The team monitored damage assessments, demolition work, and construction activities, reporting to city officials. The work included developing a process for reviewing invoices and supporting documentation; establishing system of accountability for work performed; facilitated the timely and appropriate payment to the contractor; and documented inappropriate, duplicative, and unsupported billing.

Fran Shammo

Manager

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Function and specialization
Fran is a member of the Infrastructure, Capital Projects, and Climate Advisory Practice specializing in construction and project management advisory services.

Education, licenses and certifications

- BS, Mechanical Engineering, Loyola University Maryland
- MBA, Pennsylvania State University, Smeal College of Business
- OSHA 30 Certified (2016)

Compliance Audit - Construction Auditing

Background

Fran Shammo is a Manager in KPMG's Construction Advisory practice. He 7+ years of construction industry experience across the entire project lifecycle including procurement management, infield construction management, contract compliance, cost audit review, construction monitoring, controls and governance review and development, and schedule management. Fran has provided construction advisory services to project owners across a variety of industries, including energy, healthcare, high education, and pharmaceutical/life science. Prior to joining KPMG, Fran was a Project Engineer at an ENR top 10 contractor where he conducted in-field project management.

Professional and industry experience

- Has been managing a multiyear construction control monitoring services for a Fortune 500 biotechnology firm’s Internal Audit team as well as provided the project management team with real time proactive advising to mitigate risks within their $3B+ campus R&D expansion. This includes contract reviews, cost management review, data analysis of wage rates, change management review, schedule quality reviews, risk monitoring, infield verification of assets all complemented by project and executive level reporting.
- Conducted a contract review and project readiness assessment on construction manager (CM), developer, and designer contracts for a major health system's $1 billion project. Directed the construction monitoring program for the client's internal audit department. This includes the development of data analytic models for wage rate analysis and equipment tracking, performing invoice reviews, schedule assessments and reporting quality issues, risk registers management and monitoring of financial risks against the contingency funding sources, and provided recommended future improvement reports and tracking.
- Managed an engagement team on an ongoing evaluation of a private university's capital program portfolios performance. This includes reviewing procurement process, invoices, change orders, and schedule analytics on multiple projects.
- Provided project management office (PMO) level services to one of the country's largest utility company's project team to implement a new maintenance plan. This included a current state assessment, developing a Target operating model for the future program and create implementation roadmaps.

Michael Boccia

Senior Associate

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Function and specialization
Michael is a member of the Infrastructure, Capital Projects, and Climate Advisory Practice specializing in construction and project management advisory services.

Education, licenses and certifications

- BS, Civil Engineering, Cum Laude, Villanova University
- Engineer in Training, National Council of Examiners for Engineering and Surveying
- OSHA 30 Certified (2017)
- NYC DOB 4-Hour Supported Scaffold User & Refresher

Compliance Audit - Construction Auditing

Background

Michael Boccia is a Senior Associate in KPMG's Construction Advisory Practice. He has more than five years of experience in construction management, project oversight, contract compliance, and cost estimating and monitoring. Michael is currently performing ongoing monitoring services on behalf of an owner's Internal Audit team and is supporting the owner's project management team in the biotechnology industry. He also recently provided construction advisory services to a project owner in the manufacturing industry.

Prior to joining KPMG, Michael served in several positions across a diverse portfolio of projects for one of Engineering News-Record's top ten largest contractors.

Professional and industry experience

- Performed ongoing monitoring services for a Fortune 500 biotechnology firm's Internal Audit team and is supporting the project management team with their $3B+ campus expansion.
- Recovered unallowable project costs and reported findings to key stakeholders for a higher education institution.
- Performed monthly reviews of invoices and change orders submitted by the Design-Build Contractor and Equipment Installers during the 14-month construction of a $500M+, 1.4 million square foot industrial facility. This included identifying unallowable or unsupported costs and presenting findings to the Contractor for resolution.
- Implemented cost management controls during the construction of a $500M+, 1.4 million square foot industrial facility to help the client administer multiple vendor contracts. This included developing and implementing controls for change order management, cost reporting, cost forecasting, contract administration, and subcontract review and approval.
- Contributed, as a Project Engineer for a large global contractor, to a historical museum restoration project, an international airport redevelopment, a metropolitan ferry service program, and an emergency healthcare project in response to the COVID-19 pandemic. His responsibilities included supervising the on-site labor force, coordinating routinely with the client and Design Team, sequencing critical work activities, tracking costs and allowances, conducting third-party agency testing, overseeing the punch list process, estimating, and implementing safety standards and procedures.

Priya Patel

Associate

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Function and specialization

Priya is a member of the KPMG infrastructure and projects advisory practice where she specializes in construction and project management services.

Education, licenses and certifications

- B.S, Civil Engineering, Pennsylvania State University
- OSHA 30 Certified (2021)

Compliance Audit - Construction Auditing

Background

Priya is an associate in the Tysons Corner office of KPMG's Infrastructure and Projects Advisory (IPA) practice. Since joining KPMG, Priya has focused on assessing project governance and controls to support clients on delivering capital projects effectively and efficiently. Her experience spans over three years in construction management, project and schedule oversight, contract procurement and administration, cost control, and contract closeout.

Professional and industry experience

- Provided project management support services for one of the largest automotive companies to construct a new $2B+ electric vehicle manufacturing plant. Supported ongoing construction services, integration of owner equipment manufacturers, project schedule management, change management reviews, and project reporting.
- Performed ongoing evaluation of a private university's capital project portfolio performance. This included reviewing procurement processes, invoices, change orders, schedule, budget forecasting, closeout processes, and other project documentation for eight projects valuing over one billion dollars. Identified cost recovery and improvement opportunities and recommendations to mitigate risks and implement enhanced controls.
- Provided internal audit services which included reviewing processes and controls related to contract administration, procurement, change management, remittance of payment to contractors and consultants, project reporting, safety, scheduling, quality assurance, and project closeout for a large international airline.
- Performed an assessment of project controls for a hospital expansion. This review focused on assessing project governance controls, reporting, cost management, long-lead procurement, risk management, and providing recommendations for process improvement.
- Provided services for a healthcare client to enhance construction operations, improve internal policies and standards, and ultimately increase efficiency and lower costs. The review focused on assessing contract compliance, invoice and change order controls, project reporting, and providing cost recovery observations.
- Performed an analysis of construction certified payroll. The review included detailed testing of supporting documentation and confirmation of wage rates for craft and professional personnel.
- Served as a Project Engineer for a redevelopment of a city block including demolition, renovation, and new construction to existing retail to build a new retail, grocery store, and move theater as part of a phase 1 to redevelop the city.
- Led closeout procedure for 60+ subcontractors by managing monthly invoices, receiving final lien waivers, etc. to close out contracts after completion of work.

Joseph E. (Joe) Manusakis

Principal

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Function and specialization

Joe is a Partner in KPMG's Atlanta office. He specializes in leading multi-disciplinary teams to assist clients in developing solutions to enhance the effectiveness and efficiency of their business and technology objectives. He focuses primarily on information systems and risk management as it relates to the design and effectiveness of business processes and controls.

Education, licenses and certifications

- BS, Auburn University
- CISA

Professional associations

- Member, Information Systems Audit and Control Association (ISACA)

Information System Audit - Technology Risk

Background

Joe is a Partner in KPMG's Technology Risk consulting group based in Atlanta, GA. Joe has 20 years of technology risk consulting, technology internal audit and risk management experience and serves as our national technology SOX solution leader.

Professional and industry experience

- Joe has substantial experience leading and coordinating technology risk engagements across multiple industries, with a focus on the manufacturing, consumer & retail and fintech markets sectors. He has served as project manager with responsibility for delivering technology Internal Audit projects, technology risk assessments; finance and technology transformation engagements; finance and technology current and future state evaluations, technology integration and project management and roll-out activities; Sarbanes-Oxley 404 testing of business and technology systems and controls risk assessments and recommendations.
- Lead multiple technology internal audit projects for Global organizations across the manufacturing, consumer & retail, hospitality (hotel), and transportation industries. Reviews such as enterprise-wide technology risk assessments, cyber projects, pre and post implementation reviews, data and technology governance, security frameworks, system development life cycle reviews and financial controls assessments.
- Assisted multiple organizations across multiple industries in achieving "year one" Sarbanes Oxley compliance through IPO or acquisition transactions. Assisted in documenting controls, remediation of gaps and control inconsistencies, processes and system maps and risk and control matrices.
- Performed an assessment of major insurance company's technology organization focusing on; appropriate staffing ratios, detailed budget review with focus on performing cost analysis of current spend versus like size companies in similar industries and application portfolio analysis.
- Performed a technology financial systems assessment for a Global Life insurance company's finance and technology organization focusing on; the capability of the system to support the company's growth plans and current business model, the current business processes, and end users' interaction with the system, and the ability of the system to meet reporting requirements along with assisting in selecting new vendor platforms.

Mike Albertson

Director

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Function and specialization
Mike is a Director in KPMG's Advisory Service practice, specializing in project management, risk, SOC, internal audit, and internal controls.

Education, licenses and certifications
- BS, The Pennsylvania State University
- Security Risk Analysis w/Social Factor and Risk Option
- CISA

Information System Audit - Technology Risk

Background

Mike is a Director in KPMG's Technology Risk practice with over eleven years of experience in managing multiple teams and executing engagements, which include, IT Internal Audits, External Audits (SOX and SOC Reports), SOX IPO readiness services, vendor assessments and pre/post implementation reviews. Mike has served clients who include some of the leading entities in the healthcare, manufacturing and retail and technology industries.

Professional and industry experience

- Managed daily tasks performed by the external and internal audit teams related to SOX requirements, SOC I and SOC II examinations, risk assessments, pre/post implementation reviews, and vendor assessments.
- Aided with the development of internal control environments during IPO and spinoff processes. Such activities included an assessment of the current control environment, to develop a risk controls matrix of key controls, and remediation of identified gaps. Other tasks include:
  - Assisted Management with the development of project plans to remediate significant deficiencies identified in their IT control structure.
  - Performed activities, such as, an assessment of the current environment, development of process flows, and a risk control matrix of key operational, financial, and IT controls.
  - Provided client management with the results of the assessment which included identified risks and recommendations.
  - Collaborated with external audit teams to develop audit plans leveraging the work of the internal audit function.
  - Performed pre/post implementation reviews for the upgrade/installation of new systems. Assisted in the identification of controls due to changes in processes.
  - Coordinated and lead discussions with key process owners to identify and review identified controls. Documented/updated process narratives to reflect changes in the control environment.
  - Led activities to identify controls and assist with the SOC II mapping for the updated Trust Services Criteria.

Aly Gotfried

Senior Associate

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Function and specialization

Aly specializes in IT Internal Control assessments, implementations, and remediation. Aly also has experience in performing IT external audits, subject to Sarbanes-Oxley 404 requirements.

Education, licenses and certifications

- BS Business Administration – Accounting, Management Information Systems, University of Arizona
- CPA - North Carolina

Information System Audit - Technology Risk

Background

Aly is a Senior Associate in KPMG's Technology Risk practice. She is a graduate of the University of Arizona, where she dual majored and received a Bachelor of Science in Business Administration in Accounting and Management Information Systems. Aly currently holds a CPA license in the state of North Carolina, she has an experience of more than four years performing IT internal control testing, IT internal control gap assessments, IT general control and IT automated business process control implementations and remediation.

Professional and industry experience

- Facilitated and performed internal IT general control testing for SOX 4040 compliance in areas including logical access, program change management, system develop life cycle, computer operations and vendor SOC compliance assessments.
- Implemented automation processes and utilized KPMG's offshore resources to increase testing efficiency and provide more timely testing conclusions.
- Evaluated newly implemented revenue recognition software to identify IT automated controls relied upon through the business process to comply with ASC 606 for goods and subscription bundles.
- Performed assessments of general IT control environment for companies and recent acquisitions. Provided a holistic gap analysis and detailed action plans for remediation activities. Created process flow and data flow diagrams for management.
- Led daily tasks that included client interviews, walkthroughs over process areas, documentation of results, and communication of project status to key project stakeholders.
- Communicated and negotiated with external IT audit team to provide them with documentation and answer questions about management's control environment.
- Drafted control findings and recommendations sections of SOC 1 Report.

Brianna Santerfeit

Associate

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Function and specialization

Brianna is an Associate in KPMG's Technology Risk practice, specializing in IT Internal Audit and IT risk assessments.

Education, licenses and certifications

- BABA, Business Administration, University of Florida
- MSISOM, Information Systems & Operations Management, University of Florida

Information System Audit - Technology Risk

Background

Brianna is an Associate in KPMG's Technology Risk Practice. She has been with the firm since June 2022 and is currently supporting Technology Risk Management and SOX engagements in the delivery of assessing, testing, and documenting the design and operating effectiveness of organizations' internal/external controls.

Professional and industry experience

- Brianna's experience has been focused on the testing of IT General Controls and IT Application controls for IT Internal and External Audit engagements for various industries including apparel and footwear, retail, and healthcare. She has experience leading offshore staff in the completion of deliverables and has assisted clients through the PBC request process, control testing, and remediation efforts throughout each engagement.
- Assisted in walkthroughs of General IT Controls and IT Application Controls to capture documentation and understanding of the clients' processes and IT environment.
- Led offshore teams in the timely delivery of key SOX (Sarbanes-Oxley) IT Controls, and helped perform testing over logical access, program changes, computer operations, and project development IT controls to help assess if the organizations' IT environment is effective and compliant with audit standards. Some of the IT controls tested include Access Provisioning and De-Provisioning, Authentication/Passwords, Administrative Access, User Access Reviews, Change Management, Segregation of Duties, Log and Job Monitoring, Incident Management, and Data Interfaces.
- Collaborated with client leadership and engagement teams to identify issues and/or deficiencies within the clients' IT environment to help mitigate potential risk and provide assurance on the reliability of the organizations' IT controls.
- Utilized Alteryx software to help automate and expedite the testing process of certain internal IT controls.
- Aided clients in the delivery of PBC requests and helped engagement teams track, organize, and reconcile PBC requests.

Rahul Kohli

Principal

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Function and specialization
Rahul is a Principal in the KPMG Cybersecurity Services practice and located in the Detroit office. He specializes in cybersecurity, IAM, cybersecurity assessments, strategy, and roadmap.

Education, licenses and certifications
- BE Mechanical engineering, Thapar Institute of Engineering and Technology
- Certified Information Systems Security Professional (CISSP)
- Harvard cybersecurity: managing risk in the information age.

Professional associations
- Member, International Information Systems Security Certification Consortium

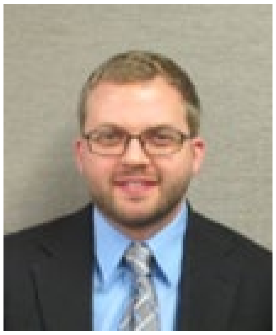
Information Systems Audit - Cyber Security

Background

Rahul leads our KPMG State and Local Government Cybersecurity practice and has more than 21 years of experience providing cybersecurity and privacy assistance to the State and Local clients. His professional focus is helping organizations in all industries reduce the risk of cybercrime while complying with the applicable regulations, improving operational efficiency, and securely enhancing the end-user experience.

Professional and industry experience

- Leading a security workstream for a state Medicaid agency to develop security and privacy documentation, implementing security controls, performing security assessments to meet the regulatory requirements.
- Serve d as delivery manager for the identity and access management solution providing user provisioning, access management, and identity federation for the state government. The overall effort involved various initiatives such as deployment of the IAM solution, IAM enhancements and extension project, and IAM operations project to provide maintenance and operations services for the IAM solution.
- Led a penetration testing project for an industrial manufacturing client.
- Led a cybersecurity assessment based on NIST CSF and development of cybersecurity strategy and roadmap project for a Higher-education client.
- Aced as delivery manager and technical lead for the state government project for state-wide identity, credentialing, and access management. Responsible for delivering Identity, credential, and access management services based on various federal and state standards including identity management, SSO, identity federation, identity proofing, MFA for the state employees, contractors, third-party users, and citizens.
- Developed a role-based access control (RBAC) and segregation of duties (SoD) strategy, architecture, and implementation plan for the financial services client. Created a framework and implementation roadmap that facilitated a streamlined and user-friendly experience, reducing security risks and enhancing overall risk awareness and education. The deliverables included RBAC governance uses cases, role governance model, RBAC Implementation methodology, and a sample role model.
- Served as security lead and delivery manager for the state government's department of transportation project. Responsible for delivering security and privacy services including identity and access management, application security, data security, and infrastructure security to help state comply with HIPAA, HiTech, PCI DSS, IRS 1075, DPPA, NIST 800-53, EO 504, 201 CMR 17.00, MGL Ch. 93 H and I Ref, and 201 CMR 17.00, MGL chapter 93 H and I, and other state-specific regulatory and compliance requirements.



Andrew Fitzgerald

Director

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Function and specialization
Andrew is a member of the KPMG Advisory Services practice specializing State and Local Government Cybersecurity Strategy and Governance.

Education, licenses and certifications

- MS, Accounting, Information systems, Virginia Polytechnic Institute and State University,
- PMP
- CISA
- CGFM

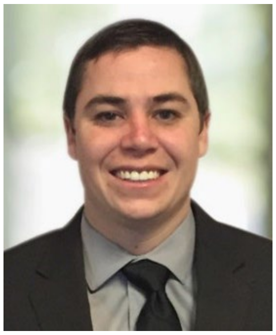
Information Systems Audit - Cyber Security

Background

Andrew is a cybersecurity director with more than 12 years of experience in IT audit and advisory services. He has significant experience in conducting IT cybersecurity and audit engagements for large Federal Government agencies and has a strong background in IT cybersecurity, audit, audit readiness, project management, and risk and compliance monitoring. Over the past 12 years, he has led engagement teams to perform Federal Information Security Modernization Act (FISMA) audits, National Institute of Standards and Technology (NIST) 800-53 Rev. 5 assessments, Minimum Acceptable Risk Safeguards for Exchanges (MARS-E) 2.2 assessments, performance audits, general and application control IT audits, and other IT attestation engagements at numerous Federal agencies. Andrew is a CGFM, CISA, and a PMP.

Professional and industry experience

- Andrew led a security workstream for a state Medicaid agency to develop security and privacy documentation, implementing security controls, performing security assessments to meet the regulatory requirements. He also led the Security and Compliance workstream for the KPMG Integration Platform which includes but not limited to defining baseline security controls applicable based on FedRAMP Shared Responsibility Matrix defined by Cloud Service Providers, security architecture reviews and conduct security assessments to evaluate control effectiveness. Work includes MARS-E policy and procedures development, NIST 800-53, Rev. 5 assessments, system security plan reviews, security strategy implementation and security support to all workstreams.
- Andrew served as the lead IT senior on IT support of various consolidated government financial statement audits and provided assessments of IT general controls (access management, change/configuration management, logging and monitoring controls, and computer operations), application controls, and entity-wide controls.
- Andrew served as lead IT senior on numerous audit readiness projects and identified controls from process cycle memos provided by clients and performed assessments of compliance for the identified controls to identify key control gaps between agency controls and compliance with laws and regulations, to include:
  - Federal Information System Controls Audit Manual (FISCAM)
  - Federal Information Security Management Act (FISMA)
  - Federal Financial Management Improvement Act (FFMIA)
  - General Accepted Government Auditing Standards (GAGAS)
  - Government Accountability Office (GAO) audit guidance.



Kendall Doig

Manager

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Function and specialization
Kendall is a Manager in the KPMG Government Cybersecurity practice. He specializes in cybersecurity vulnerability assessments.

Education, licenses and certifications

- BS Management Information Systems, Utah State University
- BS Accounting, Utah State University

Information Systems Audit - Cyber Security

Background

Kendall is a Manager in the KPMG State and Local Government Cybersecurity practice. Kendall has a strong eight years of experience and knowledge of government operations, technical cybersecurity controls and processes, and leading and performing cybersecurity assessments. Kendall helps maintain the KPMG technical cybersecurity lab, from which the Government Cybersecurity practice performs external assessments of government agency controls and processes.

Professional and industry experience

- Documented and maintained security controls to meet NIST 800-53 requirements for a cloud-based system integration platform hosting various government data. Worked closely with the business and development teams to identify ways to meet their needs without compromising the security of the system. Developed policies and procedures to meet various security objectives including access controls, vulnerability management, contingency planning, incident response and more. Additionally assisted with ongoing engagement management, including planning, resource management, client interaction, directing staff, and preparation of reports and conclusions.
- Performed Information System Risk Assessments evaluating cybersecurity maturity and existing security controls in accordance with MARS-E v2, NIST 800-53, and other applicable laws and regulations and providing results and conclusions including a roadmap of future activities.
- Supported government agencies with technical cybersecurity assessments and consulting services, to include the Department of Energy and National Association of State Workforce Agencies. This work includes internal and external vulnerability assessments, penetration testing, phishing exercises, social engineering, and wireless assessments. Kendall's teams provide the results to management including findings and recommendations for management's consideration and inclusion in various reports.
- Performed Authority to Operate Assessments, and Independent Verification and Validation assessments for a government agency. His responsibilities also include assessing various applications (cloud, mobile, desktop, and open source) and hardware for vulnerabilities or other major security risks prior to installation or deployment.

Michelle Green

Senior Associate

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Function and specialization
Michelle is a Senior Associate in the Advisory practice developing security documentation, conducting cyber security assessments, and assisting in vulnerability scanning/remediation. Other potential areas of interest include data analytics and risk management.

Education, licenses and certifications

- BS in Business Administration, Christopher Newport University
- CISSP

Information Systems Audit - Cyber Security

Background

Michelle is a senior associate in KPMG's Cyber Security Practice assisting in implementing a new platform for the State of North Carolina. She has had five years of experience which includes two years in the Technology Assurance practice performing information technology audits on controls for a federal agency and supporting financial statement audits to assist in mitigating risks. Prior to joining the KPMG team, Michelle worked for General Dynamics Information Technology as a contract's administrator intern assisting in forming contracts compliant with the Federal Acquisition Regulation standards and supported multiple government agencies.

Professional and industry experience

- Assisted in assessing information technology controls alongside her team on a state and local government engagement. She created a Systems Security Plan to gauge if the scope of controls meet all regulatory requirements. She creates Plan of Actions and Milestones and multiple workstreams to assess if these are remediated within a timely manner.
- Aided in the development and implementation of a newly created platform supporting Medicaid efforts.
- Audited several government information systems including the Department of Labor including creating and drafting work papers, conducting walkthroughs, observations, and sampling. Experience with creating and updating document request lists to help aid consistent and timely communication with client. These engagements were performed in accordance with Government Auditing Standards and AICPA Consulting Standards.
- Reviewed a federal agency's Federal Information Security Management Act (FISMA) to audit Identity and Access, Risk Management, Contingency Planning and Configuration Management controls including areas such as
  - NIST 800-53 Security and Privacy Controls for Information Systems and Organizations and NIST Cyber Security Framework (CSF) and Risk Management Framework (RMF)
- Documented security weaknesses and created finding reports to assist with the department's remediation plan and areas of focus.

Jessica Adithela

Associate

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Function and specialization

Adithela is an Associate in KPMG's Government Cyber practice. She is skilled in FISMA system security operations, NIST SP 800-53 controls, risk management, and IT control mapping, with a background in assessment & authorization, project management, and IT automation solutions.

Education, licenses and certifications

- BS in Business IT, Cybersecurity Management and Analytics, Virginia Tech University
- CompTIA Security+ certification

Information Systems Audit - Cyber Security

Background

Adithela is an Associate in KPMG's Government Cyber practice with one year of experience. She is a recent grad who is proficient in Microsoft Excel, Word, PowerPoint and Access. She has experience in beginner-level Python and VBA. She demonstrates strong work ethic skills and is detail orientated with her work.

Professional and industry experience

- In support of the Universal Service Administrative Company engagement, Adithela serves as an Information System Security Officer (ISSO) on their Assessment & Authorization workstream. She effectively leads three FISMA systems as the primary contact for day-to-day system security operations, leads security assessments, POA&M's assessment & management, penetration testing management, ensuring compliance of client procedures/policies and serves as principal advisor on all security questions/concerns. She serves as a liaison between the Vulnerability Management team and system stakeholders to mitigate risk and vulnerabilities, leads client meetings and facilitates discussions. She developed 15+ Confluence pages for ISSO's and established standardized Confluence SOP template for deliverables. She has developed an understanding of NIST SP 800-53 controls, Xacta, Confluence and other client tools. She has also performed general administrative activities including meeting minutes and other client documentations.
- In support of the Powered GRC team, Adithela performed mappings for IT specific controls using NIST Risk Management Framework to support the risk technology security and controls asset that helps with mitigating risks specific to the controls. She worked on updating the project general risk log to identify any general risks that come with starting a project from scratch. She also worked with NIST to determine which IT controls could fit into the more than one NIST control family.
- Prior to joining KPMG full time, Adithela worked as an intern and assisted the team to perform data flow process mapping for client transactions and systems, conducted research, assisted with IT Risk analysis, supported internal team members with planning and performing tests of client's information technology controls including IT security and governance controls. She learned new and emerging technologies and explored opportunities to use intelligent automation. In addition, she assisted the team by compiling meeting notes during mandatory meetings and completing work papers in Clara to support project deliverables.

Omid Yazdi

Partner

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Function and specialization
Omid is a Risk Services partner, and his responsibilities include leading a national risk analytics team.

Education, licenses and certifications

- BS in Business Management–Tulane University
- CPA - California
- CFE

Professional association

- AICPA, United States

Data Analytics/Continuous Monitoring

Background

Omid is a partner in KPMG's Risk Services practice. His responsibilities include leading a national risk analytics specialist team and co-leading KPMG's Southern California Forensic practice. Omid has over 30 years of international experience assisting KPMG's clients with assessments, data analytics, internal audit services, forensic services, financial statement audits, and risk management related services. Omid has also served clients in Europe, Asia Pacific, Southeast Asia, South America, and Africa and has led a number of large complex projects enabled by data analytics.

Professional and industry experience

- Led a full scope assessment of a state Department of Auditor General's audit operations.
- Created a digital internal audit framework in response to COVID-19 that was scalable and industry agnostic.
- Engaged and supported over 80 internal audit leaders on their company specific analytics journey.
- Developed data analytics strategies in across a variety of different industries.
- Served as subject matter professional for data & analytics in multiple Internal Audit Quality Assurance Reviews (QARs).
- Leadership role in the investigation and financial restatement of the largest financial fraud in the history of India through deployment of data analytics to uncover origin of fraud at the client.

Chris Launey

Director

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Function and specialization
Chris is a member of the Risk Services practice specializing in leading data-driven projects to manage risk and improve business performance.

Education, licenses and certifications

- BS Accounting, Louisiana State University (LSU)
- Specialization in internal audit, LSU Center for Internal Auditing
- Alteryx Designer Core Certified
- CIA

Data Analytics/Continuous Monitoring

Background

Chris is a Director in KPMG's Risk Services practice and manages a national risk analytics specialist team. He has twelve years of experience delivering innovative analytics projects on many of the KPMG's largest and most complex clients across multiple industries. Chris's primary focus is working with clients to deploy data and analytics to address process risk and gain control level insights using leading analytical and visualization technologies including Alteryx, Tableau, and Power BI.

Professional and industry experience

- Implemented and maintained several instances of Continuous Risk Assessment (CRA) dashboards at multiple clients, driving insight into location and process-based risks that were addressed through a combination of remote data-based audits and onsite reviews.
- Supported several clients with data and analytics strategy implementation using existing infrastructure to achieve specified business results and audit department objectives.
- Assisted clients to identify opportunities to leverage data and analytics within the internal audit process to drive enhancements, automation, process improvement, cost reduction, potential fraud detection, and achievement of planned business objectives.
- Led data-driven operational audits at a global non-profit client using a combination of statistical profiling and transaction-based analysis to complete audit objectives.
- Designed and executed a payroll analysis, in support of a broader payroll process audit, of personnel at various operational locations to identify potential outliers based on a combination of factors: job roles characteristics, location revenue, overtime, regular time, and employee tenure.
- Led development of workflows in Alteryx to transform manual processes for both clients and KPMG into partially automated processes over key financial and operational reporting areas.

Benjamin Gabella

Senior Specialist

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Function and specialization

Benjamin is a member of the Risk Services practice specializing in leading data-driven projects to manage risk and improve business performance.

Education, licenses and certifications

- BA, Economics, University of California Santa Barbara
- Alteryx Designer Core Certified

Data Analytics/Continuous Monitoring

Background

Benjamin is a Senior Specialist in KPMG's Risk Services practice with four years of experience. He is a core member of the national risk analytics specialist team. He has a strong background in producing data driven insights and providing exceptional client service to a wide range of KPMG clients. Benjamin has participated in internal audit engagements, internal control SOX testing, and financial statement audit engagements.

Professional and industry experience

- Designed and developed an analytic solution that reconciles revenue between company's e-commerce revenue streams and their general ledger. Identified variances and supported the revenue reconciliation process.
- Performed analytics on variances between a client's payroll system and their W2 processing system.
- Developed an analytic application to automate control testing procedures for a client's high-risk controls, improving testing efficiency over targeted sample selections.
- Developed an analytic to perform a risk assessment for an audit by applying risk indicators to assist with reconciliation of manual journal entries. Project also included additional profiling and analysis procedures to identify trends and outliers.
- Assisted clients and KPMG delivery teams by integrating data and analytics into the internal audit process, improving efficiency, effectiveness, and achieving key business objectives.
- Designed and developed a comprehensive User Access Review and Segregation of Duties analytic application to identify conflicts at the user and profiles level.
- Developed visualization dashboards to help key stake holders gain insight on business processes, allowing for more targeted project scoping.
- Designed analytic procedures and visuals for a non-profit entity to help identify areas of inefficiency and risk in their global procurement card process.

Michael Lammons

Partner

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Function and specialization

Michael is a Partner at KPMG Accounting Advisory Services Group with 30 years of experience. He specializes in serving clients such as educational institutions, healthcare organizations, and foundations, with extensive GASB and FASB accounting expertise.

Education, licenses and certifications

- BSBA (Accounting), Samford University
- MBA (Applied Statistics), The University of Alabama
- CPA - Alabama, Georgia, Florida and New York

Professional associations

- Georgia Society of CPAs
- Alabama Society of CPAs
- AICPA
- National Association of Corporate Directors

Accounting and Financial Services

Background

Michael is a partner in our Accounting Advisory Services Group – which is a part of our Deal Advisory & Strategy Practice. He has 30 years of experience – including 11 years of experience as an audit partner and 8 years serving advisory clients. Michael has deep experience in serving colleges & universities, state & local entities, academic medical centers, healthcare/insurance organizations, and foundations. Michael has extensive GASB and FASB not-for- profit and governmental accounting experience, including serving as the audit partner for two major public college and university systems with academic medical centers.

Professional and Industry Experience

- Michael has a broad range of experience in applying the various accounting standards, including GASB, USGAAP, and IFRS principles.
- Michael has extensive experience supporting mergers, acquisitions and divestitures for clients in the public and private sectors, including supporting financial diligence efforts with consideration of purchase GAAP implications, nonprofit merger and acquisition accounting, and post-deal accounting integration.
- Michael has served as the engagement leader for over 25 accounting change engagements, including projects related to:
  - GASB Statement No. 14 (and as amended by GASB Statement No. 39) – The Financial Reporting Entity
  - GASB Statement No. 29 – The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities
  - GASB Statement No. 31 – Accounting and Financial Reporting for Certain Investments and for External Investment Pools
  - GASB Statements No. 34/35 – Basic Financial Statements and Management's Discussion and Analysis as it relates to business-type activity reporting.
  - GASB Statement No. 87 – Leases
  - GASB Statement No. 94 – Public and Private Partnerships and Availability Payment Arrangements
  - GASB Statement No. 96 – Subscription-Based Information Technology Arrangements
  - FASB 116 – Accounting for Contributions Received and Contributions Made
  - FASB 117 – Financial Statements of Not-For-Profit Organizations
  - FASB 124 – Accounting for Certain Investments Held by Not-For-Profit Organizations

Barbara Ruane

Director

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Function and specialization

Barbara is a member of the Accounting Advisory Services practice within Deal Advisory.

Education, licenses and certifications

- Bachelors in accounting and business Administration with a concentration in Finance, Augustana College, Rock Island, IL
- CPA – Texas, Colorado

Accounting and Financial Services

Background

Barbara has over 15 years of accounting experience, of which 5+ years have been spent providing technical accounting advice and financial reporting support under US GAAP and IFRS to audit and non-audit clients at KPMG. Barbara began her career at the Governmental Accounting Standards Board (GASB) as a postgraduate technical assistant, primarily working on Public Private Partnerships in a joint effort with the International Public Sector Accounting Standards Board (IPSASB), which would become the basis for GASB 60, Service Concession Arrangements. The following 2 years were spent at the International Accounting Standards Board (IASB), primarily working on IFRS 10, Consolidations. Barbara also has 5 years of experience working in the Global Finance department of an SEC registrant, Fortune 500 company. During this time, she provided accounting policy, technical accounting, and financial reporting services.

Professional and Industry Experience

While at KPMG Barbara has led multiple projects related to providing clients technical accounting advice and financial reporting support under US GAAP (GASB & FASB) and IFRS to various types of transactions within the following industries: Government, Higher Education, Healthcare/Life sciences, Retail, Software, and Oil and Gas. Some of this work has included:

- Assisting governmental entities in the implementation of the following accounting standards:
  - GASB 94, Public-Private and Public-Public Partnerships
  - GASB 96, Subscription-Based Information Technology Arrangements
- Assisting governmental entities with the acquisition of a private entity and performing a conversion of FASB-to-GASB for reporting and policy purposes.
- Assisting governmental entities with considerations related to other various accounting standards, including GASB 87, Leases and GASB 53, Accounting and Financia l Reporting for Derivative Instruments.
- Assisting private entities with technical inquires and projects in the areas of Revenue Recognition, Consolidations, Share-Based Payments, Leasing, and Business Combinations.
- Assisting buy-side clients by completing purchase accounting, drafting pro forma financial statements, and technical whitepapers.
- While working in industry, Barbara assisted with the implementations of ASC 606, Revenue from Contracts with Customers, ASC 842, Leases, and led the implementation of ASC 326, Financial Instruments – Credit Losses. She advised operations teams about the impact of such accounting changes as well as provided recognition and classification-related advice for various income and expense items. She also led a transformation effort to streamline revenue processes and procedures globally and was appointed Global Director of Revenue Recognition.

Francesca Roberts

Manager

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Function and specialization
Francesca is a member of the Accounting Advisory Services practice within Deal Advisory.

Education, licenses and certifications
- Bachelor of Business Administration, Texas Christian University
- Master of Accounting, Texas Christian University
- CPA – Texas

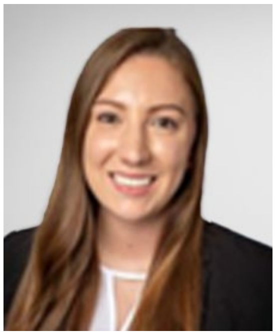
Accounting and Financial Services

Background

Francesca is a Manager in KPMG's Accounting Advisory Services practice in Dallas with more than seven years of experience. She provides technical accounting and financial reporting assistance to clients undergoing accounting and transformational changes. Prior to joining KPMG in 2019, she worked on the technical staff of the Financial Accounting Standards Board (FASB) as a Postgraduate Technical Assistant.

Professional and Industry Experience

- Provided accounting change services and support for ASC 842, Leases and IFRS 16, Leases. She has worked on engagements to assist clients in the engineering and construction, telecommunications, chemical, and financial services industries with assessing the impacts of and implementing the new standards. These efforts include creating accounting schedules and journal entries, analyzing contracts, and drafting accounting policy white papers. She has also assisted companies post-ASC 842 implementation with assessing significant lease modifications, sale-leasebacks, and lease impairment/abandonment.
- Assisted clients with cross-border merger and acquisition transactions, including assisting with determining the significance of the transaction, purchase accounting, IFRS to US GAAP conversions, accounting policy alignment, chart of account mapping, preparing pro forma financial information, pushdown accounting, and preparing subsequent reporting packages.
- Provided on-call technical accounting services to clients. She has researched, provided views, and drafted memoranda for clients on various US GAAP topics, including share-based payments, R&D funding arrangements, goodwill impairment, and consolidation.
- Help to stand up a client's financial reporting function, including creating accounting processes, drafting proposed controls, assisting in user acceptance testing of new accounting systems, and analyzing forward contracts and debt agreements.
- Participated in and answering internal inquiries related to KPMG's leases, share-based payment, and SEC reporting technical topic teams within Accounting Advisory Services.
- During her tenure at the FASB, Francesca worked on the Goodwill and Intangibles projects, writing decision-making memoranda, performing outreach with stakeholders, presenting to FASB advisory groups, and drafting a proposed Accounting Standards Update to modify the accounting for goodwill and certain intangible assets for not-for-profit entities. She also worked on several disclosure projects related to defined benefit plan disclosures, interim disclosures, and disclosures about government assistance.



Olivia Miller

Senior Associate

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Function and specialization
Olivia is a Senior Associate at KPMG who gained valuable experience analyzing financial reporting standards, evaluating government finance reports, and engaging with auditors during her time at GASB as a Technical Assistant.

Education, licenses, and certifications
- Bachelor of Science, Accounting, University at Buffalo
- Master of Science, Accounting, University at Buffalo
- CPA - New York

Accounting and Financial Services

Background

Olivia is a AAS Senior Associate and member of the Complex Accounting Group with more than four years of experience. Prior to joining KPMG, she was a Post-graduate Technical Assistant at the Governmental Accounting Standards Board (GASB). While at the GASB, she engaged with preparers, users, and auditors of governmental financial statements, analyzed current financial reporting standards, and evaluated state and local government financial reports to further staff's research.

Professional Experience

- Member of the Complex Accounting Group, supporting clients (both within KPMG and externally) in addressing complex accounting issues.
- Assisted a large state university with the implementation of GASB 96 and evaluation of over 300 potential SBITAs.
- Preparing technical accounting memorandums and presentations for complex transactions and other technical accounting topics. Technical areas of focus include Consolidation, Revenue Recognition, Share-Based Compensation, and Derivatives and Hedging.
- Assisted in audit planning procedures for a Fortune 500 insurance company.
- Tested financial documents and reports for accuracy and compliance with applicable accounting standards.
- Prepared audit completion documentation to gauge if all factors were addressed in planning and substantive testing.
- Reviewed and filed clients' financial records to assure supporting documentation was properly maintained.
- Conducted request-for-proposals for employee benefit plans; performed cost-benefit analyses in Excel; presented findings and recommendations to executive management.
- Processed hundreds of retirement benefits and lump sum calculations for retirement plan participants.

Collin Holmes

Associate

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Function and specialization
Collin is a member of the Accounting Advisory Services practice within Deal Advisory.

Education, licenses and certifications

- BBA Accounting and Master of Financial Management, Texas A&M University

Accounting and Financial Services

Background

Collin joined the Dallas office in July 2021 as an associate in accounting Advisory Services within KPMG's Deal Advisory practice, and a member of the Complex Accounting Group. During his time at KPMG, he has assisted both public and private clients with technical accounting inquiries, new standards implementations, mergers and acquisitions, and IPO assessments. Collin has worked predominantly with clients in the following industries: state departments of transportation, higher education, power and utilities, software, healthcare and life sciences, and digital assets/cryptocurrency.

Professional and Industry Experience

- Assisted governmental entities in the implementation of the following accounting standards:
  - GASB Statement No. 94, Public-Private and Public-Public Partnerships
  - GASB Statement No. 96, Subscription-Based Information Technology Arrangements
- Assisted public and private clients with inquiries related to the implementation of GASB Statement No. 87 and ASC Topic 842, Leases, including required lease disclosures, determining proper lease classifications, and identifying the presence of embedded leases.
- Assisted clients with merger and acquisition transactions, including:
  - Opening balance sheet preparation
  - Assisting with purchase accounting, asset acquisitions, and pushdown accounting
  - Assisting with post-acquisition debt covenant accounting and reporting requirements
  - Advising clients on the accounting for post-combination compensation and incentives
- Assisted clients through IPO assessments, including:
  - Public company readiness
  - SEC reporting requirements and emerging issues
  - Researching responses to SEC comment letters
- Assisted clients with technical inquires and projects related to revenue recognition, collaboration agreements, derivatives, and business combinations.

James H. Moore

Principal

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Function and specialization

James is a member of the Economic and Statistical Services practice specializing in using leading econometric and statistical modeling techniques and methodologies to support data-driven and evidence-based decision making for our public and private sector clients.

Education, licenses and certifications

- B.S. Business Administration, Mississippi Valley State University, 1990
- M.A., Virginia State University, 1994
- Ph.D., Howard University, 2004

Professional associations

- Council of Professional Associations on Federal Statistics Member
- American Statistical Association Member
- National Association of State Workforce Agencies (NASWA), Labor Market Information Committee Member
- Bureau of Labor Statistics Workforce Information Council
- Local Employment Dynamics (LED) Steering Committee
- National Association for Business Economist (NABE) Member

Managerial Advisory Services - Economic & Valuation Services

Background

Dr. Moore is an accomplished and results-oriented Labor Economist with a strong record of overseeing and improving federal and state education, social programs, and workforce development programs. Dr. Moore has over 25 years of proven skills in project management, labor economics, education, social program and labor policy, research and survey methodology, analysis of regulations, quantitative research, and data analysis.

Prior to KPMG, Dr. Moore worked on evaluating and providing technical assistance to education, social programs, and workforce development programs in several states across the nation. He is the former the Deputy Assistant Secretary in the US Department of Labor's Office of the Assistance Secretary for Policy. As the Deputy Assistant Secretary, Dr. Moore provided advice and assistance to the Secretary, Deputy Secretary, and departmental leadership. Dr. Moore is the former Deputy Commissioner for New Jersey Department of Labor and the former Deputy Director and Chief Economist for the District of Columbia Department of Employment Services. In these roles, Dr. Moore provided oversight for the state's social and workforce development programs. He has served on numerous boards and commissions and initiated several innovative workforce development programs to advance training and re-employment services and improve responsiveness to the business community.

Professional and industry experience

- Served as the engagement partner that is helping a district agency establish an efficient and effective way of monitoring their time keeping and payroll system. This is accomplished through developing uniform guidance via policy development, standard operating procedures, timekeeping and payroll process flowcharts and internal controls.
- Served as the engagement partner that helped a federal office comply with Accrued Sick and Safe Leave Act requirement by conducting an annual study on the economic impact of the act.
- Served as the Project Director and supported a federal agency U with a variety of services, including (1) conducting economic impact analyses, (2) performing probabilistic analysis and producing written reports, (3) analyzing the economic impact of the assumptions developed by DOL and WHD staff and providing written reports explaining the findings.
- Served as the Project Director for the evaluation of a state agency program administered by multiple County Workforce Development Boards. The team conducted a random assignment impact evaluation, an implementation and outcomes study of an entrepreneurial program, Startup Quest (SQ). SQ provides unemployed and underemployed adult jobseekers with entrepreneurial training, business mentoring, self-employment orientation, and other services.
- Served a Project Director for the evaluation of the Linking Innovation, Knowledge, and Employment Program administered by a County Economic Development Agency. For this project, the team conducted an impact evaluation, process study, implementation study and cost benefit analysis of the DOL Workforce Innovation Fund grant project in Southern California.

Huijie (Alice) Yu

Senior Manager

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Function and specialization

Dr. Yu is a Senior Manager specializing in applying quantitative techniques like data analytics, simulations, and modeling to solve business problems. She specializes in labor market issues, revenue forecasts, cost-benefits analysis, and fraud analytics for social benefits programs.

Education, licenses and certifications

- BS in Biology, University of Science and Technology of China
- MS in Economics, City University of Hong Kong
- PhD in Economics, North Carolina State University

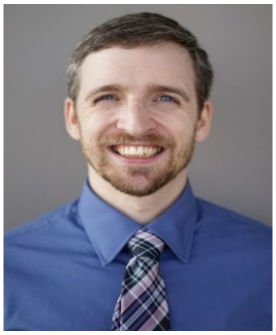
Managerial Advisory Services - Economic & Valuation Services

Background

Dr. Yu is an econometrician with experience in applying quantitative techniques to solve business problems; these techniques including data analytics, simulations, applied econometrics, and empirical machine learning modeling. She has more than 10 years of experience specializing in labor market issues, revenue forecasts, costs and benefits analysis, and fraud analytics applied to social benefits programs. Her experience also includes budget and financial forecasting and financial risk assessment.

Professional and industry experience

- Used internal claims data and U.S. Department of Labor's Integrity Data Hub (IDH) and build machine learning models, linkage analysis, and executive dashboards to help a state workforce agency manage fraud, reduce fraudulent claims, and increase fraud payments recovery.
- Developed regression analyses and statistical learning models to assist a state workforce agency in understanding the trend of its Unemployment Insurance Trust Fund (UITF) balance from 2020 – 2027. Provided considerations to help replenish the UITF in the future after the fund depletion due to the COVID-19 health pandemic. Built machine learning models to study UI improper payments and identified key features to predict potential fraudulent claims.
- Assisting a state workforce agency's Paid Family Leave Program in (1) using time series model to forecast the trust fund balance of the program, benefits usage, and tax contribution, (2) developing data visualizations to help the agency's decision making, (3) providing training to program staff, and (4) building fraud analytics to help identify potential fraudulent claims activities.
- Developed a time series model to support a state workforce agency in replacing its outdated forecast model for UITF balance. Helped the agency understand implications of different UI financing means. Provided a detailed documentation of statistical methodology, macroeconomic inputs, and model assumptions to the agency. The transparency of the model helped reduce manual labor and learning costs for the agency's in-house economic office.
- Conducted an economic sector research and supported a non-profit organization's recovery efforts during the COVID-19 health pandemic. Labor market trends, revenues, industry challenges and opportunities, and recommendations were included in this study focusing on the leisure/hospitality industry and the art/entertainment industry.
- Identified wage, employment, and other demographic data that could be used to supplement the U.S. Equal Employment Opportunity Commission (EEOC) survey data. These data included ethnicity/race, salary, and other demographic variables. Calculated potential survey burden if the EEOC-1 were to expand its data collection.



Alexander Pearson,

Manager

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Function and specialization
Alex is a member of the Economic & Valuation Services practice specializing in Economic Services and Transfer Pricing.

Education, licenses and certifications

- BSc Economics (Mathematics minor) University of Houston
- MS Economics, University of North Carolina Chapel Hill
- PhD Economics, University of North Carolina Chapel Hill

Managerial Advisory Services - Economic & Valuation Services

Background

Alex is a Manager in KPMG's Economic & Valuation Services practice focusing on Economic Services and Transfer Pricing. He joined the firm in May 2018 after completing his PhD in Economics at the University of North Carolina Chapel Hill. Alex's area of research focused on International Trade and Spatial Economic Analysis.

Professional and industry experience

- For a large Federal Agency, created and maintained a strategic planning tool to inform the agency's planning around the distribution of workload required to support key activities between multiple organizations.
- For a non-profit organization, created and collected survey data on small business owners who received forgivable loans. Performed a regional economic impact study that highlighted the impact of these business on the least developed communities within the Dallas metropolitan area.
- Undertook regression analysis to estimate location premiums of international urban and rural areas. Analyzed the location premium's underlying determinants to support policy planning for the Indonesian government.
- Evaluated the impact of newly constructed road corridors in foreign country using a difference-in-difference estimation method with geo-referenced household and firm-level data spanning 10 years.
- Performing a post-acquisition restructuring project. Providing guidance and analysis on entity integration, exit tax implications, intercompany pricing and transfer of intellectual property and tangible assets of an acquired company active in over 30 countries.
- Providing macro-economic forecasting verification on this. multi-year audit engagement to verify forecasted macroeconomic indicators that are used for policy planning and to comply with current expected credit losses (CECL) standards.
- Coordinating with KPMG's Merger and Acquisitions team to analyze a target party's cross border intercompany transaction policies to assess they comply with US and international standards. Providing intercompany financing planning studies that provides interest rate analysis, debt capacity analysis and term recommendations to guide financial policies of the acquiring company.
- Analyzing the determinants of profitability with respect to limited risks distributors within various industries and geographical regions. The results are assisting the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting to enact new policies intended to streamline pricing distribution activities reducing disputes between multi-national taxpayers and tax administrators.

Jung Bae

Senior Associate

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Function and specialization

Jung is a Senior Associate of KPMG's Economic & Valuation Services practice specializing in economic analysis and econometric modeling, with expertise in labor economics and urban economics.

Education, licenses and certifications

- BS in Economics & BA in Mathematics, University of Washington
- MA in Economics, Ohio State University
- PhD in Economics, Ohio State University

Managerial Advisory Services - Economic & Valuation Services

Background

Jung is a Senior Associate in KPMG's Economic & Valuation Services practice with more than six years of experience. He is a labor and urban economist with both academic research and consulting experience in the areas of immigration, science & innovation, and transportation. His skills include econometric and statistical modeling – particularly causal inference techniques such as randomized controlled trials, difference-in-differences, regression discontinuity, and synthetic control – as well as tools from machine learning and large-scale data linkage and imputation.

Professional and industry experience

Supported a causal inference project including:

- Conducting a multi-year program evaluation of a state's reemployment services program for the state labor agency, designing and analyzing a large-scale randomized controlled trial according to USDOL standards and studying program implementation.
- Implementing a difference-in-regression-discontinuity (DRD) design to study the impact of U.S. immigration policy change on immigrants' health insurance outcomes.
- Studying the long-term demographic response of U.S. regions to trade shocks, applying the shift-share instrument.
- Studying the relationship between unexpected migratory settlements and city-level crime with a synthetic control strategy.
- Supporting expert witness testimony in litigation over television royalty allocations, providing theoretical and practical arguments regarding the use and interpretation of hedonic regressions.

Assisted with regional/transportation econometric modeling, forecasting, and surveys by

- Estimating the association between interest rates and toll road usage behavior in North America, employing econometric estimation and stated-preference survey and modeling techniques.
- Performing wider economic benefits (WEB) analysis for a state-level high-speed rail project, estimating regional agglomeration benefits via a wage difference-in-differences approach and an effective-density approach.
- Forecasting future traffic demand and various underlying economic drivers for a large toll road network in Europe and multiple toll road systems in North America for different clients, using a mix of econometric methods and time series approaches (panel data estimation and ARIMA)
- Assisting with design and implementation of a commuter survey targeted to users of a U.S. toll road to learn about causes of post-pandemic driving behavior.

Delivered analytics, data science and machine learning including:

- Assisting a state regulatory agency with econometric analysis and forecasts of revenues from marijuana licensing.
- Assisting a municipal agency with survey administration and data collection, as well as linkage and structuring of existing datasets, to generate insights on the financial health of the population it serves.

David Jung

Associate

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Function and specialization

David is an Associate in KPMG with a master's in data Analytics in Economics and Finance. He specializes in economic impact analysis, regulatory analysis, workforce and labor analytics, breakage analysis, transportation modeling, etc.

Education, licenses and certifications

- B.A. Economics, Hanover College
- Master of Data Analytics, Utah State University, Cum Laude Specializing in Economics and Finance

Managerial Advisory Services - Economic & Valuation Services

Background

David is an Associate in KPMG's Tysons Corner Economic & Valuation Services practice with more than three years of experience. He graduated Cum Laude from Utah State University in December 2021 with a master's in data Analytics, specializing in Economics and Finance. His academic experience focused on econometrics, Python programming, statistical analysis, and research on immigration and labor in the United States. David's work primarily involves economic impact analysis, regulatory analysis, workforce and labor analytics, breakage analysis, transportation modeling, and pay equity analysis.

Professional and industry experience

- Actively serves as the junior economist to conduct economic impact analyses for a federal agency). Work includes:
- Building economic impact analysis models, collecting, and cleaning data in Excel and Python, and conducting research for model assumption and qualitative benefits.
- Conducting 2 annual ad-hoc analyses and preparing data visualizations in Excel, Python and SAS.
- Supporting the annual drafting of regulatory impact analyses, regulatory flexibility analyses, and paperwork reduction analyses for publication in the Federal Registrar.
- Performed an economic impact analysis of Broadband federal funds for a State – Department of Economic Opportunity. Work included construction and operation phase cost aggregation into IMPLAN, an analysis on heavily impacted industries in the short-term, and a long-term impact analysis on healthcare, education, and economic factors.
- Supported a workforce, labor market, and industry impact analysis of COVID-19 for a City Office of Economic and Workforce Development. Deliverables to the client included a review of literature, COVID-19 impact assessment, industry-level analysis, and SWOT analysis for the City. David created dashboards in PowerBI, aggregated data using Python web scraping methods, and conducted extensive analysis in Excel.
- Conducted an extensive trend analysis and econometric forecasting of metro line ridership in using client panel data and fixed-effects regressions for a large commuter rail.
- Developed a federal funds allocation model at the county level for a state a Department of Economic Opportunity, focusing on low-income population and target demographics such as disability, household breakdown, language spoken at home, education, and access to plumbing.

Julie Barrientos

Managing Director

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Function and specialization
Julie is a managing director in KPMG's Chicago office, specializing in the state and local government industry.

Education, licenses and certifications

- BS business administration, University of Nebraska
- CPA – Illinois and Nebraska

Professional associations

- Member, AICPA
- Member, Illinois Society of CPA

Managerial Advisory Services - Finance Transformation

Background

Julie is a managing director in KPMG's State and Local Government Finance Transformation advisory practice and have helped her clients by providing creative solutions to enhance business processes. She has over 28 years of professional experience providing finance related advisory services to governments and holds a CPA.

Professional and industry experience

- She is leading a team to augment staff and improve business processes for a district Transportation Authority. Client challenges included unreconciled accounts; inadequate financial close processes; payroll processing errors; manual, undocumented business processes; numerous material weaknesses and significant deficiencies in internal controls; untimely, inefficient year-end close and audit processes; and modified audit opinions. Outcomes include streamlined business processes, unmodified (clean) audit opinions and remediation of all material weakness and significant deficiencies in internal controls, the receipt of the prestigious certificate of achievement for excellence in financial reporting award from the Government Finance Officers Association, and a successful Kronos implementation.
- Led a team to assist a state university in redesigning their chart of accounts. Client challenges included significant manual intervention to generate the desired reporting and inconsistent use of the chart of accounts segments across the campuses, resulting from a combination of the design structure and training when Oracle was initially implemented. Our role was to provide subject matter advice and assistance with communicating the benefits of the changes to the stakeholders and provide training on the new design.
- Managed a team to provide implementation and business process transformation services for the new leasing standard for a state Health and Hospitals Corporation. KPMG provided the initial assessment and implementation roadmap. Assisted with data analysis using a robotics processing automation tool and to assist with the business process design changes required to comply with the new leasing standard.
- Led a team to provide a procurement risk assessment for a district government. In this capacity, we reviewed procurement policies and procedures, performed spend data analytics, and evaluated vendor management processes to identify financial, operational and fraud risks. The results of our analysis were used to develop the internal audit plan for the Districts' Office of the Inspector General for the next five years.
- She led a team to improve the grants management processes for a private university streamlining the grants reconciliation processes and producing documented grants management policies and procedures and reports to facilitate the grant reconciliation process.
- She has provided an assessment and roadmap to facilitate the implementation of the new government leasing standard for the State of New York and a large health and hospital system on the east coast.
- She has provided a targeting operating model and implementation plan to Pennsylvania Higher Education Assistance Agency which improved the efficiency and effectiveness of administration of an educational state grant program.

Danielle Kosberg

Director

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Function and specialization

Danielle is a KPMG Director specializing in finance transformation, complex project management, enhancing business operations, supporting learning and development initiatives, increasing revenues and cash flow, and supporting change management activities. Her industry of specialization is government and public sector- state and local.

Education, licenses and certifications

- BA, Flagler College
- MBA, Florida State University
- PMP

Managerial Advisory Services - Finance Transformation

Background

Danielle has more than 15 years of experience in information technology program delivery and program management within state and local government. Her key delivery experience includes developing project strategies, leading negotiations, and managing the execution of clients' most significant statewide business transformation projects.

Professional and industry experience

- Served as a leader of a state government team to replace the state's financial accounting and cash management systems with Oracle Peoplesoft. Responsible for developing project strategies, leading negotiations, and managing the execution of project activities across multi-functional teams to assess if project goals and objectives are accomplished within prescribed timeframe and funding parameters.
- Danielle served as a senior project manager on a h large county's customer experience project, a business process and technology transformation project to bring the county's customer requests under one management structure. The goal of the project was to replace the current Customer Relationship Management (CRM) system with an enterprise omni-channel software solution and update the County's call routing technology with an enterprise Interactive Voice Response (IVR) system.
- Served as the project manager for a state Department of Transportation's Work Program Integration Initiative (WPII Project) a $250 million project to leverage transportation revenue into transportation products and services by aligning business processes and leveraging a modern system solution. Led all aspects of the project and responsible for the planning (Schedule IV-B Development), resource recommendations, and to coordinate the execution of all project activities and deliverables to achieve the project's strategic vision and business outcomes.
- Served as the PMO manager for a State Automated Child Welfare Information System (SACWIS/FSFN) application. Responsibilities included managing the project schedule and coordinating the work activities of all project team members. Led the design, development, user acceptance testing, and implementation of a data warehouse with 500+ data elements and 100+ client specific designed reports. Led deliverable quality control reviews and was leader of the Change Control Review Board Team.

Ryan Meyer

Manager

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Function and specialization
Ryan is a member of the Finance Transformation Advisory practice specializing in State and Local Government.

Education, licenses and certifications

- BA Political Science, The University of Texas - Austin
- Master of Public Administration, University of Georgia

Managerial Advisory Services - Finance Transformation

Background

Ryan is a Manager in KPMG's Finance Transformation Advisory practice specializing in State and Local Government. Ryan has more than 9 years of experience serving public sector agencies, focusing on business process improvement, risk identification, financial reconciliation, chart of account reconciliation, revenue monitoring and reporting, transaction flow monitoring, cost allocation assessment, compliance and performance audits, and benchmarking.

Professional and industry experience

- Served as project manager to assist a city client with a risk assessment of the process, procedures, roles, and responsibilities for select business functions – purchase requisitioning, vendor management, contract management, and invoice processing – and recommendations for potential improvements. The engagement included: a gap assessment of the client's current-state (current condition) policies and procedures related to vendors, contracts, procurement, and invoicing, a gap assessment of the current-state processes & controls (manual & automated) as implemented by the new Oracle Cloud solution, documentation of high-level process flow diagrams for the current-state functions, gap analysis to identify and document key observations and recommendations around potential risks and gaps.
- Helped a state agency assess its current TEMS platform and provide recommendations for a next generation TEMS platform. His team evaluated the current TEMS environment through identification of operational strengths, weaknesses, opportunities, and risks; documentation of customer experiences and challenges; and development of short-term and long-term needs and opportunities for improvement.
- Utilizing the knowledge from the assessment phase and RFI process, developed sourcing options for a future state delivery model that were aligned with departmental and state policy priorities to meet operational needs. He determined the operational impacts a next generation TEMS solution would have on the department and its customers, including initial implementation timeline and implementation cost estimates. and provided governance and organization recommendations and frameworks for transformation and transition.
- Augmented a university finance staff in the review and reconciliation of revenue and expense imbalances and accounts receivable balances for cost reimbursable, fixed fee, and prepaid grants. Provided guidance for how to correct the balances in Workday and assisted in documenting the content of the account balances that comprised overall grant receivable balances.
- Reviewed a university's current state payroll processes and procedures by reviewing existing documentation, conducting staff interviews and workshops, and observing payroll production.

Brooks Jones

Senior Associate

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Function and specialization

Brooks is a Senior Associate at KPMG, specializing in project management, finance transformation, organizational change management, and quality control and assurance.

Education, licenses and certifications

- Bachelor of Science, Accounting, Alabama A&M University, 2010
- MBA, Mercer University, 2017
- Certified Scrum Master (CSM)

Managerial Advisory Services - Finance Transformation

Background

Brooks is a senior associate in KPMG's Advisory Services, Financial Transformation practice with over 12 years of management, finance, and operations experience in the government & healthcare sectors. He has a strong history of leading project executions, assessing current state scenarios, and championing stakeholders for the future state.

Professional and industry experience

- Mr. Jones provided financial management support to a federal public health organization in multiple areas including budget planning and execution, indirect cost methodology development and maintenance, Working Capital Fund development, and business process improvement. He documented methods, notated issues, and risks, and provided set of recommendations to division leadership related to cost-sharing methodology. Mr. Jones also led a team to assess the current state of Federal records management throughout the organization and developed detailed reports highlighting observations from interviews, site visits, and data collection to better understand the level of effort required to digitize records required to be maintained. The report also provided several recommendations for the client to consider in pursuing the digitization effort looking at process, staff, technology, and Federal rules and regulations to improve how records are maintained in a digital environment.
- Mr. Jones led monthly, quarterly, and annual financial planning/budget and forecasting process to create and manage both the capital and operations budgets for the clinical research and grants administration departments. He developed the deliverance of standardized finance processes, programs, tools, and leading practices. Mr. Jones also was instrumental in helping the division prepare for audits from Federal Government financial oversight organizations.
- Mr. Jones serves as project management & business process analysis support to provide DFS with a feasibility assessment of their Customer Relationship Manager (CRM). He assists in the current state assessment of DFS's current CRM systems and processes to identify potential risks, quantitative and qualitative impacts, and recommended future state solutions to procure, develop, and replace the legacy systems.

Len Prokopets

Managing Director

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Function and specialization
Len is a Managing Director with 25+ years of experience leading transformation programs for higher education, state and local government, and commercial organizations. He specializes in Procurement and Supply Chain Strategy, Transformation, Analytics, SRM, Category Management, Cost Reduction, and Sourcing, and is the lead for Future of Procurement and Generative AI in Procurement at KPMG.

Education, licenses and certifications

- BS and BA, University of Rochester (Engineering and Math)
- MBA, Carnegie Mellon University, Tepper School of Business

Managerial Advisory Services - Procurement

Background

Len brings over 25 years of experience in defining and leading complex transformation programs for organizations in higher education, state and local government, and commercial. He is KPMG's lead for Future of Procurement and for Generative AI in Procurement. He has helped clients assess their current Procurement capabilities and opportunities and have helped clients drive performance improvements in costs, working capital, and service levels through Procurement improvement. His specialties include Procurement and Supply Chain Strategy, Procurement Transformation, Procurement Analytics, Supplier Relationship Management (SRM), Category Management, Cost Reduction, and Strategic Sourcing. He is a frequent speaker and author on Supply Chain and Procurement topics.

Professional and industry experience

- Assisted higher education, state and local, and commercial organizations with current state assessments and designs of a leading Purchase-to-Pay operations with enhanced purchasing methods.
- Conducted SRM assessment, program development, and training efforts in multiple organizations covering IT hardware, software, IT outsourced services, and other spend categories. Clients included major retailer, global high-tech manufacturer, major pharma manufacturer, top financial services firm.
- Conducted multiple supply chain collaboration transformations including a redesign of supply chain collaboration strategy and definition of supply chain collaboration architecture and processes.
- Led sourcing programs covering category opportunity assessment, sourcing program design, and implementation in clients in consumer, retail, manufacturing, and services industries covering contract labor, professional services, and other categories. Drove in excess of $1B sourcing savings across multiple client engagements.
- Led multiple spend analysis projects in Consumer, Retail, and other industries, developing spend cubes and reports. Translated work into development of KPMG's spend analysis solution.
- Led Procurement transformation programs including assessment and execution targeting hundreds of millions in benefits for multiple organizations.

Nathan Clark

Director

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Function and specialization

Nathan is a KPMG Director with 25 years of experience in consulting and industry. He specializes in strategic sourcing, category management, supplier relationship management, and technology enablement. He leads KPMG's Strategic Sourcing offering is known for excellence in cross-functional collaboration, strategic vision, business transformation, and change leadership.

Education, licenses and certifications

- BS in Engineering, Cornell University
- MBA, Texas McCombs School of Business

Managerial Advisory Services - Procurement

Background

Nathan is an accomplished leader with 25 years of experience in consulting and industry. He has leveraged his unique background and deep experience to guide his clients on their transformation journey and help them find ways to capture maximum value via innovative thinking in strategic sourcing, category management, supplier relationship management, and technology enablement. He currently leads KPMG's Strategic Sourcing offering where he works closely with our clients to help them increase the value that they capture from their sourcing activities. He is focused on delivering results that matter and have unlocked more than $200M in value through strategic and transformational initiatives and am recognized for excellence in cross-functional collaboration, strategic vision, business transformation, and change leadership.

Prior to KPMG, Nathan worked at Molson Coors where he was the Global Vice President of Indirect Procurement and oversaw $2.7B in global spend.

Professional and industry experience

- Led an end-to-end transformation project for a large global aluminum container manufacturer that included a maturity assessment of their procurement organization, development of a new global operating model and organization design, and the design and implementation of Coupa across their global footprint of 23 countries.
- Led a post-acquisition strategic sourcing program targeting the indirect categories for a global transportation and defense manufacturer with a savings target of $58M. Guided the client in the development of their category identification and assessment methodology and identified and developed the sourcing strategies and deployment plans for all indirect savings opportunities.
- Executed a strategic sourcing project focused on reducing the marketing costs for a large media and entertainment company. Collaborated with the marketing organization to develop an innovative approach to partnering with creative agencies on joint cost reduction, saving more than $5M in costs and leading to the development of an innovative agency relationship management program.
- Oversaw $2.7B in global spend and led team that executed strategic cross-functional projects up to $240M in value that involved determining the strategic direction and supplier partners in critical areas such as creative agencies, media agencies, IT application maintenance and application development, consulting, and contingent and temporary labor.
- Unlocked more than $70M in value by implementing leading-edge capability improvements that enabled new and innovative ways of doing business.

Summer Zhang

Manager

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Function and specialization

Summer is a Manager in KPMG and specializes in transforming Source to Pay processes through technical enablement. She has over 5 years of supply chain industry experience and an engineering background, which helps her bring together technology and business. Summer has implemented procurement technologies for various industries including food and beverage, manufacturing, and state and local government.

Education, licenses and certifications

- B.Eng., National University of Singapore, Electrical Engineering
- MS in Supply Chain Management, Washington University in St. Louis, Olin Business School
- Ivalua S2C Certification
- Ivalua P2P Certification

Managerial Advisory Services - Procurement

Background

Summer helps organizations transform their Source to Pay process through technical enablement which ranges from requirements gathering, business process design, testing, change management, and deployment.

Her engineering background and over 5 years of supply chain industry experience enables me to bring technology and business together. Having implemented procurement technologies across food and beverage, manufacturing, and state and local government,

Professional and industry experience

- Led the enhancement workstream for state government project: Led design sessions to clarify requirements with clients to enhance the procure-to-pay functionalities. Configured the application and to help bring about timely delivery of the functionalities to the client's production environment over multiple 2-week sprint cycles.
- Led the source-to-contract, procure-to-pay and spend analytics workstreams on an Ivalua Implementation for State government and its component agencies; designed the end-to-end procurement process from need identification, solicitation, contracting to purchase order processing and invoicing; configured the application with systematic assessments to transform the client's procurement process from manual to automatic.
- Led the source-to-pay assessment for a Retail company; facilitated interview sessions and workshops with key stakeholders throughout the organization to assess the as-is process and pain points; assessed the source-to-pay governance and controls against leading practice; delivered the designed to-be source-to-pay process, overall transformation roadmap, technology sequencing, implementation plan, etc.
- Led the supplier management workstream for an Ivalua implementation. Tailored the Supplier Management functionality in Ivalua to fully support the client's supplier onboarding process and to be compatible with the ERP systems. The module was designed with user friendly interface and self-explanatory workflows to allow suppliers to navigate through the process via self-service.
- Led the SIM and Sourcing modules design and implementation for Zycus for a Manufacturing company. Documented business requirements designed sourcing templates and tested the functionalities. The transformation helped the company increase their sourcing velocity across the United States, Europe, and Asia-Pacific.

Jarek Markley

Senior Associate

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Function and specialization

Jarek is a Senior Associate in KPMG's Procurement & Outsourcing Advisory practice with over 8 years of IT project experience. He has worked with Fortune 100, Fortune 500, and State and Local Government clients in multiple industries. Jarek specializes in exceeding business objectives, enhancing the user experience, and driving towards your organizations long term strategic vision.

Education, licenses and certifications

- Bachelor of Science, Information Science and Technology, Missouri University of Science and Technology

Managerial Advisory Services - Procurement

Background

Jarek am a Senior Associate in KPMG's Procurement & Outsourcing Advisory practice with over 8 years of IT project experience, with a honed focus on Ivalua engagements over the past 3 years. He has worked with Fortune 100, Fortune 500, and State and Local Government clients across manufacturing, retail, technology and travel industries to elevate the capabilities of the Ivalua technology. He has experience leading Ivalua implementations across the following functional and technical domains: SQL development, UI configuration, ownership of business processes, knowledge transfer, deliverable documentation, Sourcing-to-Contract, advanced Integrations for external systems, Procure-to-Pay process, and Master Data migration and management. He take pride in delivering solutions that exceed business objectives, enhance the user experience, and drive towards your organizations long term strategic vision.

Professional and industry experience

- Led functional workstream of an Ivalua integration for a State government client. Provided functional system enhancements that aligned with procurement policy and new integration process. Provided support for procurement automation and enhancements by assessing current pain points and defining end-state functionality in order to identify gaps and determine the activities needed to resolve them. Executed complete end-to-end design and development, implementation, and UAT. Helped complete final production cutover and hypercare support.
- Supported and led various functional S2P workstreams of Ivalua for a Fortune 100 Industrial Manufacturing client. I worked closely with the procurement, QA, UAT, and operations teams with system configuration aims to address both functional and technical requirements of both systems and that associated data was compatible. Led and assisted with complex data migration efforts for connecting Legacy systems into Ivalua. This was accomplished by creating ETL's, API connections, EAI's, and SQL extracts to transform data from various sources into one format within Ivalua. Assisted the deployment of custom Ivalua sub-modules including Supplier Self Registration (SSR and SRM), Contracts (CLM), Savings Tracking, Shop/Catalogs, Items, Purchase Requisitions/Purchase Orders, and Invoices
- Supported and assisted with the initial pre-build and requirements gathering scope for an entire S2P implementation of the Ivalua platform for a Fortune 500 travel technology client. I worked closely with their GPO and various segment stakeholders and leadership to gauge if platform expectations were aligned and consist for a global adoption within the client umbrella. Provided complete and thorough deliverables ranging from solution design documents and technical workbooks outlining all Ivalua S2P processes. In addition to the first phase of work, I helped implement additional functionality for an agency subsidiary of the client. This work revolved around custom built Ivalua functionality based on Sourcing capabilities and Guided Buying/Intake Forms within the platform. The key work that was completed included UAT, gathering approvals, functional and technical deliverables, and hosting various informational venues for the client users.

Kaitlyn LaValley

Associate

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Function and specialization

Kaitlyn is an Associate with 3 years of Procure-to-Pay experience in higher education, specializing in procurement and travel card transactions in compliance with state purchasing guidelines. She brings technical and interpersonal skills to provide the meaningful solutions for her clients.

Education, licenses and certifications

- Business Coordinator – Texas A&M University
- Master of Science in Business – Texas A&M University
- Coupa Certification

Managerial Advisory Services - Procurement

Background

Kaitlyn has 3 years of experience of procure-to-pay operations and analysis in higher education, with a focus on procurement and travel card transactions and payments in compliance with state purchasing guidelines. She brings a fresh perspective given technical and interpersonal skills in order to reach the meaningful solutions for her clients.

Professional and industry experience

- Conducted an ongoing audit of all the procurement and travel card transactions through Concur for a large state university resulting in withdrawal from proper budget allotments.
- Developed procurement card training materials and an E-commerce site for users within a large state university to increase transaction process efficiency. Topics including spend tracking, software usability, and compliance with state guidelines.
- Conducted the input of vouchers and non-PO invoices in a state university's database to certify prompt payment to vendors and assess compliance with state purchasing guidelines.
- Executed a spend analysis on various airline expenses for a state university in order to streamline the charter purchasing process for the department, reduce spend errors and create an efficient purchasing process.

Appendix C: Assumptions

Project Assumptions

This appendix includes our project team assumptions.

General

- NC DOA/engaging state agency is aware that KPMG may be providing assurance, tax and/or advisory services to other actual or potential vendors of KPMG. KPMG will perform an internal search for any potential client conflicts relating to any of NC DOA/engaging state agency's vendors identified by NC DOA/engaging state agency as having a role in connection with KPMG's performance of this Contract. NC DOA/engaging state agency hereby agrees that a vendor's status as a KPMG client does not impact KPMG's engagement to perform this Contract. KPMG will advise NC DOA/engaging state agency of any conflicts of interest that could prevent it from performing the Contract. However, KPMG is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for any other related party will not be accepted somewhere else in KPMG's firm. Should any new information come to the KPMG's attention, KPMG will promptly inform NC DOA/engaging state agency. KPMG shall perform this Contract in accordance with applicable professional standards. We will advise if we are not able to pursue any specific task orders issued under this contract as a result of such conflict checks.
- KPMG's services as outlined in this proposal constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.
- NC DOA/engaging state agency engaging party is responsible for the substantive outcome of the work and, therefore, is responsible both in fact and appearance to make an informed judgment on the results of the project. NC DOA/state agency engaging party agrees to:
  - Designate a management level individual to be responsible and accountable for overseeing the performance audit.
  - Establish and monitor the performance of the project to help ensure that it meets management's objective.
  - Make any decisions that involve management functions related to the performance audit and accept full responsibility for such decisions.
  - Evaluate the adequacy of the services performed and any findings that result.
  - Work will be performed at NC DOA/engaging state agency offices, at KPMG facilities, or remotely. When on site, the NC DOA/engaging state agency will provide appropriate workspace for our team with your project staff. This will include access to phones, a fax machine, photocopier, printer, and high-speed Internet connectivity. Workspace should include at least one private office or similar area. Regular project status meetings can occur either in person or via teleconference.
  - The NC DOA/engaging state agency will collect and make available, in a timely manner, relevant documents (paper or electronic) that would aid in the engagement. The NC DOA/engaging state agency will facilitate scheduling interviews and coordinating meetings. Our ability to achieve the proposed estimates and schedule of fees is dependent on the assistance provided by the NC DOA/engaging state agency related to the coordination of meetings and the availability of personnel to attend requested meetings.
  - KPMG will act as an independent contractor in providing these services as set out in this proposal and does not undertake to the perform obligations of the NC DOA/engaging state agency whether regulatory or contractual.

- KPMG will not form part of the NC DOA/engaging state agency's internal control structure. In carrying out our work as outlined in our proposal, KPMG will not act in the capacity equivalent to a member of management or as an employee of the NC DOA/engaging state agency.
- KPMG will not make management decisions or serve in a management capacity relative to any in-scope initiatives. v the NC DOA/engaging state agency management is responsible for implementation of any process improvements and management decisions associated with this project. KPMG may send the final report electronically for the NC DOA/engaging state agency's convenience. However, only the final hard-copy report should be viewed as our work product.
- NC DOA/engaging state agency will review the draft deliverables during the engagement and provide timely feedback. If no feedback is received within 5 business days, we assume the NC DOA/engaging state agency approves and accepts the deliverable.
- KPMG does not and cannot provide engineering services.

IA Services:

- KPMG will carry out internal audits as directed by NC DOA/the designated engaging agency Project Sponsor. KPMG will execute the elements of your internal audit plan as directed by the NC DOA/engaging state agency Project Sponsor and agreed to by KPMG, using our Internal Audit Services methodology. KPMG will document the test procedures performed, the results of those procedures, and related supporting documentation in a work product that will be considered a deliverable.
- KPMG will attend engaging agency Audit Committee meetings with the Project Sponsor or participate in other meetings with Audit Committee members, as requested by the NC DOA/engaging state agency Project Sponsor and specified in a resulting SOW under this contract. Pricing for such participation will be included as part of SOW pricing as necessary.
- KPMG will perform internal audits of select areas as designated by the engaging agency Project Sponsor and will issue a report or deliverable at the end of each internal audit project. We will prepare each internal audit report or deliverable in a format agreed upon with the engaging agency Project Sponsor, which will include observations, recommendations, and management's responses. The draft deliverables will be provided to the engaging agency Project Sponsor for review, comment, and approval prior to final delivery.
- IA Deliverables will not be prepared on KPMG letterhead or contain the KPMG logo or other references to KPMG. These deliverables may be prepared on NC DOA/engaging agency letterhead or contain the NC/DOA engaging Agency logo, if instructed by the NC DOA/engaging agency Project Sponsor.
- Each deliverable will be provided to the NC DOA/engaging agency Project Sponsor and other members of senior management, as applicable, for their review. Engaging agency management will take full responsibility for each deliverable and is solely responsible for classifying any control matters of concern as deficiencies, significant deficiencies, or material weaknesses, if applicable. Each deliverable is considered an internal engaging agency report or deliverable that may be distributed as management determines to be appropriate for its needs.
- Each deliverable will be provided to the NC DOA/engaging agency Project Sponsor and other members of senior management, as applicable, for their review. NC/DOA engaging agency management will take full responsibility for each deliverable and is solely responsible for classifying any control matters of concern as deficiencies, significant deficiencies, or material weaknesses, if applicable. Each deliverable is considered an internal engaging agency report or deliverable that may be distributed as management determines to be appropriate for its needs.
- KPMG may attach a transmittal letter to each deliverable or provide a periodic transmittal letter referring to the deliverables that have been provided previously. Neither this KPMG transmittal letter, nor a copy thereof, should accompany any reports or deliverables shared outside the NC DOA/engaging Agency. Should the NC DOA/engaging agency attach its own transmittal letter when reports or deliverables are shared externally, such transmittal letter may not indicate that the report or deliverable was prepared by KPMG or that the findings were based on input or test work provided by KPMG. Further the KPMG role in supporting the NC DOA/engaging

Agency's internal audit function or other projects may not be publicly disclosed (other than to Engaging Agency's external auditor) without the KPMG written consent.

- We understand that the majority of IA fieldwork may be performed remotely although project resources may work at both remote and physical office locations throughout the United States. Our price proposal reflects this assumption.

- Overview of potential deliverables and sample timelines presented in this document are illustrative and will depend upon the nature of the service being requested.

- We may work with our offshore subcontractor (KGS) to execute some of the detailed fieldwork identified as part of our support tasks as necessary. We will determine this as part of assessing individual scopes of work upon their receipt from engaging state agencies.

- The NC DOA/engaging state agency will provide assistance in gathering requested documentation from in a timely manner. Delays in receiving such information may cause inefficiencies that affect our ability to complete the work within the proposed timelines. The NC DOA/engaging state agency will assist with unresponsive agencies or undue delays encountered via "notice to comply" letters, or other relevant points of contact to facilitate the timely completion of audits.

- The NC DOA/engaging state agency agrees all records, documentation, and information we request in connection with our performance reviews will be made available to us, all material information will be disclosed to us, and we will have the full cooperation of NC DOA/engaging agency personnel. In completing the performance reviews, we will make specific inquiries of NC DOA/engaging state agency management and request documentary evidence regarding the performance audit objectives and where appropriate the effectiveness of internal control and obtain a representation letter from management about these matters. The responses to our inquiries, the written representations, and the results of performance audit procedures, among other things, comprise the evidential matter we will rely upon in determining the appropriate findings, conclusions or recommendations to be reported in our performance audit reports.

- We disclaim intention or obligation to update or revise observations included in deliverables whether as a result of new information, future events, or otherwise. Should additional documentation or other information become available which impacts the observations reached in our deliverables, we reserve the right to amend our observations and summary documents accordingly.

- KPMG has a strong history of working with subcontractor firms of various size and specialties across a broad range of our state government clients. We are pleased to have one such subcontractor firm teaming with us on this opportunity for the State of North Carolina. Given the skill sets this firm can bring across the categories to which we are responding, we hope to be able to meaningfully team with this firm across a variety of the NC DOA/engaging agency assistance requests. However, as we do not know the nature and extent of the assistance required in order to meaningfully to estimate the level of effort required under a resulting contract, we will complete a subcontracting commitment plan for each task order issued under this resulting contract.

- No staff augmentation/loaned staff services will be delivered under this contract.

- As noted earlier in this proposal, KPMG has developed a number of advanced analytics tools to perform different types of analyses as part of engagements including large-scale data analysis and data mining, and other engagement tools. Use of some such applications or tools may require the establishment of additional safeguards and related permissions, including terms and conditions specific to those tools that we intend to discuss with the NC DOA/engaging state agency. We will consider such actions as part of our task order responses under applicable services categories.

- We assume that work under this resulting contract will not require access to personally identifiable information or PII. If it does, we will mutually agree on the applicable data security protections prior to such data being provided to us as part of the task order response and award process.

- For SOWs issued under the final contract, changes to task/project timelines in the final SOW that shift the delivery of KPMG services beyond the established project scope may affect the project schedule and fees.

- Please note KPMG is a Delaware registered LLP as evidenced by our latest CPA Firm registration document from the NC Board of Accountancy posted below.

Performance Audit-related assumptions

- While KPMG follows the performance audit standards defined in GAGAS when conducting performance audits, KPMG is required to conduct all professional services in accordance with professional standards promulgated by the AICPA or a body designated by the AICPA. The AICPA does not recognize Government Accountability Office (GAO) as a standard-setting body and, therefore, performance audits must be paired with AICPA professional standards.
- In accordance with *Government Auditing Standards*, we will prepare a written report communicating the results of performance audit(s) completed including, relevant observations and recommendations. The report will include deficiencies in internal control that are significant within the context of the objectives of the audit, significant violations of provisions of contracts and grant agreements, and significant abuse that we may detect as a result of this engagement.
- In accordance with *Government Auditing Standards,* we may also issue a management letter to communicate insignificant violations of provisions of contracts and grant agreements or abuse or deficiencies in internal controls that comes to our attention unless clearly inconsequential.
- In accordance with G*overnment Auditing Standards*, we are also required in certain circumstances to report fraud, illegal acts, and violations of provisions of contracts or grant agreements, or abuse we may detect as a result of this engagement directly to parties outside the auditee.
- Management is also responsible for providing us with written responses in accordance with *Government Auditing Standards* to the findings included in our performance audit report within 5 days of being provided with draft findings.
- In accordance with *Government Auditing Standards*, we may issue the report without incorporating management's comments if management does not provide comments within a reasonable period of time.
- Management is responsible for the distribution of the reports issued by KPMG. In accordance with *Government Auditing Standard*s, the reports issued citing Government Auditing Standards are to be made available for public inspection. For reports with restricted distribution, we will document limitation on report distribution in the report.
- The workpapers for this engagement are the property of KPMG. Pursuant to Government Auditing Standards, and subject to applicable laws and regulations, we are required to make certain workpapers available in a timely manner to other auditors upon request. Access to the requested workpapers will be provided under supervision of KPMG personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to regulatory agencies. These regulatory agencies may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies. KPMG will retain a copy of these workpapers and deliverables for a period of seven (7) years starting with the date the final audit report is approved by the OSIG.
- KPMG has created, acquired, owns or otherwise has rights in, and may, in connection with the performance of services under this contract, use, provide, modify, create, acquire, or otherwise obtain rights in (i) concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and software and (ii) the general elements of style, design, art work and graphics, and content of general applicability included in KPMG's deliverables under this contract or work product not specific to the NC DOA/engaging state agency or the services provided by KPMG under this contract (collectively the "KPMG Property").
- KPMG retains all ownership and use rights in the KPMG Property. NC DOA/engaging state agency will acquire no rights or interest in the KPMG Property. Notwithstanding the foregoing, if any KPMG Property is contained in any of KPMG's deliverables under this contract, KPMG hereby grants the NC DOA/engaging state agency a royalty-free, paid-up, non-exclusive, perpetual license to use such KPMG Property solely in connection with the

use of KPMG's deliverables by the NC DOA/engaging state agency. KPMG acknowledges that KPMG Property shall not include any NC DOA/engaging state agency Confidential Information or NC DOA/engaging state agency tangible or intangible property, and KPMG shall have no ownership rights in such property.

NC DOA/engaging state agency agrees KPMG may list the organization as a customer in our marketing materials. In addition, NC DOA/engaging state agency gives KPMG the right to use the NC DOA/state agency's logo on documents prepared for the NC DOA/engaging state agency internally (e.g., internal presentations, etc.)

Management responsibilities related assumptions.

Management of the NC DOA/engaging state agency also agrees that all records, documentation, and information we request in connection with our performance audit will be made available to us, that all material information will be disclosed to us, and that we will have the full cooperation of the NC DOA/engaging state agency**'s** personnel. In completing the performance audit, we will make specific inquiries of management and request documentary evidence regarding the performance audit objectives and where appropriate the effectiveness of internal control and obtain a representation letter from management about these matters. The responses to our inquiries, the written representations, and the results of performance audit procedures, among other things, comprise the evidential matter we will rely upon in determining the appropriate findings, conclusions or recommendations to be reported in our performance audit report.

In accordance with *Government Auditing Standards*, as part of our planning of the performance audit we will consider the results of previous audits or studies. To assist us, management agrees to identify previous audits, attestation engagements, performance audits, or other studies related to the objectives of the performance audit being undertaken and to identify corrective actions taken to address significant findings and recommendations of these reports.

Appendix D: Exceptions and additional terms

KPMG LLP has proposed the following exceptions and additional terms to RFP No. DPC-646236801-MT for the State's consideration. Our Firm has a successful history of negotiations with the State and thus have taken the approach of proposing substantially similar language that has already been agreed to by the State for other engagements. We look forward to discussing any questions the State may have regarding these proposed changes.

RFP Section Reference	**Proposed Exception/Additional Term**	**Explanation for Change**
Title Page (Form)	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, except as otherwise noted in Vendor's proposal**.	KPMG LLP has proposed limited exceptions below to the State's RFP and associated General Terms and Conditions.
Title Page (Form)	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, except as otherwise negotiated between the parties. Depending upon the Goods or Services being offered, other terms and conditions may apply, as mutually agreed.	KPMG LLP has proposed limited exceptions below to the State's RFP and associated General Terms and Conditions.
RFP Section 2.7 Proposal Submittal	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.	Our business team has marked any Firm confidential information within the response in accordance with the State's instructions to submit a redacted proposal.
RFP Section 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~~ To the extent a Scope of Work identifies work papers as a deliverable, such work papers shall be provided to the agency, provided that the Vendor may retain a copy of information, including a copy of work papers, to the extent necessary to comply with AICPA and other applicable professional standards. ~~and when the soliciting agencies agrees, in writing, to waive this requirement~~.	This paragraph appears to contradict the ownership rights contained in the North Carolina Terms and Conditions. Additionally, we request the ability to retain work papers in order to comply with professional standards.
RFP Section 4.10 Additional Requirements, c. Confidentiality	Except as set forth herein, a~~A~~ny 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~~.~~	Please refer to our changes in the North Carolina Terms and Conditions related to confidentiality. We have requested some limited permissions to the access of State Data.

General Terms and Conditions (version 11/2021), 1. Performance	b) Except as provided herein, and unless otherwise mutually agreed in writing prior to award, any deliverables not subject to an agreed Vendor license and provided by Vendor in performance of this Contract shall be and remain property of the State. During performance, Vendor may provide P~~p~~roprietary C~~c~~omponents as part of the deliverables ~~that are identified in this Contract~~. Vendor grants the State a personal, permanent, non-exclusive, non-transferable, non-sublicensable license to use such P~~p~~roprietary C~~c~~omponents ~~of the deliverables and other functionalities,~~ solely in connection with the State's internal use of deliverables as provided under this Contract. "Proprietary Components" shall mean all Vendor intellectual property, technology, know-how, methodologies, works of authorship, and other materials pre-existing the Contract or created, acquired, or licensed separately from the Contract, or created in performance of the Contract which are not specific to the State, including any modifications, enhancements, improvements, or derivative works. Notwithstanding anything herein that may be construed to the contrary, State agrees that nothing in this Agreement prevents Vendor from using Residual Knowledge, which includes generalized knowledge, experience, know-how, or any of the ideas, concepts, methodologies, tools or techniques derived from or discovered during the provision of the Services performed under the Agreement. Vendor may also use materials pre-existing the Agreement or created, acquired, or licensed separately from the Agreement, or created in performance of the Agreement which are not specific to the State, including any modifications, enhancements, improvements, or derivative works. Any technical and business information owned by Vendor or its suppliers or licensors made accessible or furnished to the State shall be and remain the property of the Vendor or such other party, respectively. Vendor agrees to perform under the Contract in at least the same or similar manner provided to comparable users and customers.	We have proposed language to clarify what constitutes our Firm's intellectual property under the agreement. Additionally, we have proposed Residual Knowledge language that is consistent with other recently negotiated agreements with the State.
General Terms and Conditions (version 11/2021), 2. Default and Termination	a) In the event of a default by the Vendor which is not cured within thirty (30) days of the State's written notice thereof, the State may, as provided by NC law, procure goods and services necessary to complete performance hereunder from other sources and hold the Vendor responsible for any excess cost occasioned thereby.	We respectfully request the opportunity to cure deficiencies prior to the State exercising its right to terminate for default.
General Terms and Conditions (version 11/2021), 20. Care of State Data and Property	20. CARE OF STATE DATA AND PROPERTY: Any State property, information, data, instruments, documents, studies or reports given to or prepared or assembled by or provided to the Vendor under the Contract ("State Data") shall be kept as confidential, used only for the purpose(s) required to perform the Contract and not divulged or made available to any individual or organization without the prior written approval of the State, except to its partners, principals, employees, vendors, and subcontractors.	Like many large professional services firms, KPMG uses third party vendors to perform a variety of administrative, clerical, and IT-related tasks. Please see as well our proposed additional language in the North Carolina General Terms and Conditions

		regarding use of offshore resources.
General Terms and Conditions (version 11/2021), 16. General Indemnity, para (a)	a) The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from third party liability of any kind, including all claims and losses 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, and also from any and all claims and losses accruing or resulting~~ to any person, firm, or corporation for death, bodily injury, or damage to tangible property ~~that may be~~ to the extent injured or damaged by the Vendor in the performance of the Contract that are attributable to the negligence or intentionally tortious acts of the Vendor, provided that the Vendor is notified in writing within 30 days from the date that the State has knowledge of such claims.	We respectfully request the State reasonably limit the indemnification obligation to be more in line with industry standards.
General Terms and Conditions (version 11/2021), 29. Limitation of Liability (newly proposed provision)	29. LIMITATION OF LIABILITY a. Notwithstanding anything else in this Agreement to the contrary, the total liability of the Contractor on account of any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the Contract, a Task Order, or the services performed shall be limited to two (2) times the amount of fees paid to KPMG under the relevant Task Order. The Contractor will not be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, rule, regulation or tort (including but not limited to negligence) or otherwise. b. The foregoing limitation of liability shall not apply to claims for injury to persons or damage to tangible personal property, gross negligence or willful or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. 1B-1 et seq., the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on the Agreement.	KPMG has proposed the inclusion of a limitation of liability that is similar to language agreed upon by the State in other agreements. Due to the structure of our organization and the Firm's critical role in the capital markets as a public accounting firm, an unlimited liability agreement presents a significant amount of risk for our organization and therefore we respectfully request to limit such exposure via the negotiation of a mutually agreeable LOL.
General Terms and Conditions (version 11/2021), 30. Authorized Third Parties (newly proposed provision)	30. AUTHORIZED THIRD PARTIES a. The Vendor may engage member firms of the KPMG network of independent firms and/or affiliated third-party providers ("Contractor Resources"), which may be in or outside the United States, to assist in the performance of the services. The Vendor remains responsible to the State for the performance of such Services, and adherence to obligations of confidentiality, by any Contractor Resources to the same extent the Vendor is obligated under the terms	Subject to the State's approval, KPMG has proposed the option of leveraging offshore resources to be utilized under specific Statements of Work as they are released. Additionally, our Firm uses a variety of third-party vendors to perform

	of this Contract. With the understanding that the Vendor will remain responsible to the State for the Contractor Resources, the State acknowledges and agrees that the Contractor Resources will not be subject to flow-down terms set forth in the Contract. b. The State acknowledges and agrees that Vendor-controlled parties, member Firms of KPMG International, and other third party service providers (collectively, "Service Providers") may have access to Confidential Information from offshore locations, and that the Vendor uses Service Providers within and outside of the United States to provide at the Vendor's direction administrative or clerical services to the Vendor. These Service Providers may in the performance of such services have access to the State Data. The Vendor represents to the State that with respect to each Service Provider, the Vendor has technical, legal and/or other safeguards, measures and controls in place to protect State Data from unauthorized disclosure or use. The Vendor shall be responsible to the State for Vendor-controlled, Member Firms, or Service Providers' failure to comply.	clerical, administrative, and IT-related tasks and we therefore request these limited number of parties obtain permission to view State Data from offshore locations. In viewing State Data, we may implement reasonable controls and safeguards to prevent these vendors from downloading and/or storing State Data.

Contact us

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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

Services Category	Staff Base Rate	Staff Upper Rate	Supervisor	Executive	Off-shore support*	Subject Matter Professional*
Operational/Performance Audit	$140	$210	$300	$365	$85	$355
Investigative Audit	$160	$230	$320	$390	$90	$380
Compliance Audit (includes Construction)	$160	$230	$320	$390	$90	$380
Information System Audit	$180	$250	$340	$420	$95	$410
Risk Assessment and Audit Plan Development	$140	$210	$300	$365	$85	$355
Financial Audit	$140	$210	$300	$365	$85	$355
Data Analytic Services	$180	$250	$340	$420	$95	$410
Managerial Advisory Services	$190	$260	$350	$420	$95	$410
Accounting Services	$220	$290	$380	$475	$95	$465

**Supplemental columns for roles and rate added per the RFP Q&A issued on August 23, 2023.*

KPMG

Proposal to serve

North Carolina Department of Administration Division of Purchase and Contract

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

RFP Number:
DPC-646236801-MT

Response to Request for Clarification of September 29, 2023

Submitted by: KPMG LLP

Contents

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October 3, 2023

Melinda Tomlinson, State Procurement Manager
Division of Purchase and Contract
801 Ruggles Drive
Raleigh, NC 27603
Proposal Number: **DPC-646236801-MT**

Dear Melinda,

We at KPMG LLP (KPMG) thank you for the opportunity to provide further clarification to our proposal of September 6, 2023, to the North Carolina (the State) Department of Administration (NCDOA) Division of Purchase and Contract (DPC) for Supplemental Internal Audit, Assurance, Accounting, Data Analytics, and Managerial Advisory Services. We acknowledge receipt of your correspondence dated September 28, 2023, and are pleased to offer the enclosed response.

KPMG remains committed to serving the State and we continue to be invested in your success. Should you need any additional information or have any questions regarding this response, please do not hesitate to contact at 615-248-5626 or jerodholloway@kpmg.com.

Very truly yours,

KPMG LLP

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Reponses to Request for Clarification

KPMG is pleased to offer the following response to your recent inquiries. (Please find a signed copy of the clarification form attached in the appendix.)

Item #1: Attachment F: Location of Workers Utilized by Vendor Your responses indicated some work under this Contract may be done outside of the US. Will any State data be stored outside of the US?

☐ YES ☒ NO

Response: KPMG confirms that no state data will be stored outside of the United States. Any offshore resources performing services would be restricted to 'view only' access to state data as KPMG will put safeguards and controls in place to prevent the downloading and/or storing of any state data. This approach to keeping state data stored within the U.S. at all times is consistent with other recently negotiated State of North Carolina contracts.

Item #2: Proposal Will any NC data be provided to subcontractors?

☐ YES ☒ NO

Response: While we anticipate our proposed subcontractor when serving as part of project delivery team, may, on occasion, require access to NC data, we do not intend to directly share any NC data we receive with our subcontractor firm. Our Indelible colleagues will be issued KPMG laptop computers configured with the same requisite safeguards as those afforded our core KPMG employees as part of our standard support arrangements. In the event we are awarded a project to assist under the provisions of the final contract that will involve the support of Indelible personnel, we will employ like safeguarding measures across the entire team irrespective of its composition. Indelible employees on our teams will operate under the same information protection provisions (as will our own organic employees) in the course of service delivery. Our preventive measures will seek to ensure that we do not come into any direct possession of any state data in course of our support efforts.

Item #3: Proposal: Please clarify if KPMG will be providing the work to complete an agency's solicitation (engagement), or will Indelible Solution be responsible for performing all the work related to the engagement?

☐ YES ☒ NO

If Indelible Solutions is not responsible for completing all the engagement work, please explain how they will be involved in an engagement.

Response: KPMG will be the delivery firm for work performed under this contract. We included Indelible Solutions as a team subcontractor to help augment our staffing complement available to serve the state as well as to demonstrate our commitment to advancing the use of small businesses through NC state government. (Indelible Solutions is now in the process of pursuing qualification as a NC HUB vendor.) Despite the absence of an express requirement for HUB contractor participation on this solicitation, KPMG routinely seeks to involve small and/ or disadvantaged businesses on as many of our contractual pursuits as possible to help increase their presence in the marketplace.

We wish to reiterate that as the prime contractor under any resulting award, we acknowledge that we are responsible for the work performed by our subcontractor personnel in the course of any delivery. We will outline and install the necessary project management provisions to maintain the required supervisory oversight to help ensure that the quality of Indelible's delivery remains consistent with that of our own firm standards. We wish to note that have successfully implemented such a model working with Indelible serving other state government clients previously and are confident in or ability to do so for the State of North Carolina.

REQUEST FOR CLARIFICATION

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

I. INSTRUCTIONS

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

II. ITEMS REQUIRING CLARIFICATION

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

Clarification #	Response Section/Item	Clarification	Vendor Explanation
3	Proposal	Please clarify if KPMG will be providing the work to complete an agency's solicitation (engagement), or will Indelible Solution be responsible for performing all the work related to the engagement? ☐ YES ☐ NO If Indelible Solutions is not responsible for completing all the engagement work, please explain how they will be involved in an engagement.	See main document

III. VENDOR'S AUTHORIZED SIGNATURE

Vendor Name:	KPMG LLP
Authorized Signature:	
Name & Title:	Jerod Holloway, Managing Director
Date:	October 3, 2023

Contact us

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