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

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

EXECUTION: In compliance with this Request for BAFO, along with the terms and conditions in the original solicitation, as maybe modified herein, the undersigned offers and agrees to furnish any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS §143-54 and §143-59.2 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

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

VENDOR: **RSM US LLP**	EMAIL: **clara.ewing@rsmus.com**	
STREET ADDRESS: **5444 Wade Park Blvd Suite 350**	P.O. BOX:	ZIP:
CITY & STATE & ZIP: **Raleigh, NC 27607**	TELEPHONE NUMBER: **321-751.6239**	TOLL FREE TEL. NO:
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: **Clara Ewing**	FAX NUMBER: **321-751-1385**	
AUTHORIZED SIGNATURE:	DATE: **October 30, 2023**	

Offer valid for ninety (90) calendar days from date of opening unless otherwise stated here: _____ days.

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

FOR STATE USE ONLY: Offer accept and Contract awarded this 1st day of **November, 2023**, as indicated on the attached certification, by PandC - Melinda Tomlinson

(Authorized Representative of Division of Purchase and Contract)

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

REQUEST FOR BEST AND FINAL OFFER (BAFO):

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

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

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

The Parties agree to the following revisions of the North Carolina General Terms and Conditions. Any other proposed changes by the vendor in their proposal to DPC-646236801-MT- Supplemental Internal Audit, Assurance Accounting, Data Analytics and Managerial Advisory Services are hereby rejected and not accepted by the State.

1.0 Section 16. GENERAL INDEMNITY subsection (a) is revised and replaced in its entirety as follows:

a) The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses 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 that may be injured or damaged by the Vendor in the performance of the Contract that are attributable to the gross negligence or willful acts or omissions by the Vendor, provided that the Vendor is notified in writing within 30 days from the date that the State has knowledge of such claims.

In addition, the parties to the contract agree that total liability, except for indemnification obligations, be limited to an amount equal to two times the value of the contract.

2.0 Section 20. CARE OF STATE DATA AND PROPERTY is revised and replaced in its entirety as follows:

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

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

The Vendor shall notify the State of any security breaches within 24 hours as required by G.S. 143B1379. For further information, see, G.S. 75-60 et seq. Notice is given to the Vendor that the NC Department of Information Technology (DIT) has requirements relating to the security of the State network, and rules relating to the use of the State network, IT software and equipment, that the Vendor must comply with, as applicable. See, e.g., G.S. 143B-1376.

3.0 Section 28. FEDERAL FUNDS PROVISION subsection (d)(2) is revised to include the following language:

This section does not apply to unpaid wages which are outside of the Vendor's reasonable control.

4.0 Section 28. FEDERAL FUNDS PROVISION subsection (d)() is revised to include the following language:

This section does not apply to withheld or unpaid wages which are outside of the Vendor's reasonable control.

1.0 IT SECURITY SPECIFICATIONS

1.1 FOR SOLUTIONS HOSTED ON STATE INFRASTRUCTURE

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

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

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

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

1.2 FOR SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE

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

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

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

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

(i) Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, ISO 27001, or HITRUST are the preferred assessment reports for any Vendor solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted).

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

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

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

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

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

3.7

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: RSM US LLP		
STREET ADDRESS: 5444 Wade Park Boulevard, Suite 350	P.O. BOX:	ZIP:
CITY & STATE & ZIP: Raleigh, NC 27607	TELEPHONE NUMBER: 321.508.1895	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE (SEE INSTRUCTIONS TO VENDORS ITEM #21):		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF VENDOR: Jill Reyes	FAX NUMBER:	

VENDOR'S AUTHORIZED SIGNATURE*:	**DATE:**	EMAIL: jill.reyes@rsmus.com

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

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

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

The attached certification, by ____.

(Authorized Representative of Division of Purchase and Contract)

Contents

1.0 PURPOSE AND BACKGROUND

1.1 PURPOSE

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

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

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

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

1.2 BACKGROUND

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

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

1.3 CONTRACT TERM

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

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

1.4 ESTIMATED SPEND

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

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

2.0 GENERAL INFORMATION

2.1 REQUEST FOR PROPOSAL DOCUMENT

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

2.2 E-PROCUREMENT FEE

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

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

What is the Ariba Network?

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

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

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

2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS

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

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

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

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

2.4 RFP SCHEDULE

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

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

2.5 URGED AND CAUTIONED PRE-PROPOSAL CONFERENCE

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

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

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

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

2.6 PROPOSAL QUESTIONS

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

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

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

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

2.7 PROPOSAL SUBMITTAL

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

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

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

Tips for Using the Sourcing Tool

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

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

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

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

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

Example:

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

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

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

2.8 PROPOSAL CONTENTS

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

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

a) Title Page: Include the company name, address, phone number and authorized representative along with the Proposal Number.
b) Completed and signed version of all EXECUTION PAGES, along with the body of the RFP.
c) Signed receipt pages of any addenda released in conjunction with this RFP, if required to be returned.
d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.4, 5.5, 6.1
e) Completed version of ATTACHMENT A: COST PROPOSAL
f) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION
g) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM
h) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR
i) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL
j) Vendor's Response and Documentation for:
    a. Legal Right to practice in the State of North Carolina
    b. External Review and Regulatory Action

c. Financial Statements

2.9 ALTERNATE PROPOSALS

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

2.10 DEFINITIONS, ACRONYMS, AND ABBREVIATIONS

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

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

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

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

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

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

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

3.0 METHOD OF AWARD AND PROPOSAL EVALUATION PROCESS

3.1 METHOD OF AWARD

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

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

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

3.2 CONFIDENTIALITY AND PROHIBITED COMMUNICATIONS DURING EVALUATION

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

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

Any Vendor not in compliance with this provision shall be disqualified from evaluation and award. A Vendor's proposal may be disqualified if its subcontractor and/or supplier engage in any of the foregoing communications during the time that the procurement is active (*i.e.*, the issuance date of the procurement until the date of contract award or cancellation of the procurement). Only those discussions, communications or transmittals of information authorized or initiated by the issuing agency for this RFP or inquiries directed to the purchaser named in this RFP regarding requirements of the RFP (prior to proposal submission) or the status of the award (after submission) are excepted from this provision.

3.3 PROPOSAL EVALUATION PROCESS

Only responsive submissions will be evaluated.

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

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

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

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

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

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

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

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

3.4 EVALUATION CRITERIA

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

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

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

3.5 PERFORMANCE OUTSIDE THE UNITED STATES

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

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

3.6 INTERPRETATION OF TERMS AND PHRASES

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

4.0 REQUIREMENTS

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

4.1 PRICING

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

4.2 INVOICES

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

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

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

4.3 HUB PARTICIPATION

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

4.4 VENDOR EXPERIENCE

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

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

4.5 REFERENCES

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

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

4.6 LEGAL RIGHT TO PRACTICE IN NORTH CAROLINA

Proposal may be rejected solely on the basis of this information

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

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

4.7 EXTERNAL REVIEWS AND REGULATORY ACTION

Proposal may be rejected solely on the basis of this information

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

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

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

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

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

4.8 FINANCIAL STATEMENT

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

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

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

vendor's financial stability.

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

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

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

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

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

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

4.9 COST PROPOSAL

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

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

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

Assurance Services (audits)

a. Auditor

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

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

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

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

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

Accounting Services

a. Accounting Staff

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

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

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

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

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

Managerial Advisory Services

a. Advisory Staff

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

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

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

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

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

Data Analytics Service

a. Data Analytic Staff

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

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

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

b. Supervisor

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

c. Executive

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

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

4.10 ADDITIONAL REQUIREMENTS

a. Work Papers

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

b. Personnel Matters

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

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

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

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

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

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

c. <u>Confidentiality</u>

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

d. <u>Records Retention</u>

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

e. <u>Travel</u>

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

4.11 PERSONNEL

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

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

Should the Vendor's proposal result in an award, the Vendor shall be required to agree that it will not substitute key personnel assigned to the performance of the Contract without prior written approval by the Contract Lead. Vendor shall further agree that it will notify the Contract Lead of any desired substitution, including the name(s) and references of Vendor's recommended substitute personnel. The State will approve or disapprove the requested substitution in a timely manner. The State may, in its sole discretion, terminate the Services of any person providing Services under this Contract. Upon such termination, the State may request acceptable substitute personnel or terminate the contract Services provided by such personnel.

4.12 VENDOR'S REPRESENTATIONS

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

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

4.12 AGENCY INSURANCE REQUIREMENTS

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

☐ Small Purchases

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

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

5.0 SCOPE OF WORK

5.1 GENERAL

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

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

5.2 INTERNAL AUDIT ASSURANCE , ACCOUNTING & ADVISORY SERVICE CATEGORIES

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

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

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

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

An operational audit usually uncovers inefficient use of resources or wasted capital. Administrative departments may also be reviewed during the operational audit process. Administrative business processes may increase costs by employing too many individuals or having an improper workflow. Slow internal business processes can delay critical operations. Auditors often test cost allocation processes during operational audits to determine the strengths and weaknesses of this system.

b. *Investigative Audit*

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

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

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

c. *Compliance Audit*

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

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

d. *Information Systems Audits*

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

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

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

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

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

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

e. *Data Analytics/Continuous Monitoring*

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

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

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

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

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

f. *Risk Assessment and Audit Plan Development*

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

g. *Financial Audit*

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

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

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

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

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

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

5.3 VENDOR RESPONSIBILITIES

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

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

5.4 PROJECT STAFFING

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

5.5 TECHNICAL APPROACH

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

Key Personnel qualifications – Education/Background, experience

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

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

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

6.0 CONTRACT ADMINISTRATION

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

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

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

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

6.1 CONTRACT MANAGER AND CUSTOMER SERVICE

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

Contract Manager Point of Contact	
Name:	Clara Ewing
Office Phone #:	321.751.6239
Mobile Phone #:	321.698.8282
Email:	clara.ewing@rsmus.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:	Kristen Johnson
Office Phone #:	321.421.8127
Mobile Phone #:	407.310.9866
Email:	kristen.johnson@rsmus.com

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

6.2 POST AWARD PROJECT REVIEW MEETINGS

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

6.3 CONTINUOUS IMPROVEMENT

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

6.4 ANNUAL MANAGEMENT REPORTS

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

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

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

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

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

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

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

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

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

6.5 BUSINESS REVIEW MEETINGS

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

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

6. 6 DISPUTE RESOLUTION

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

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

6.7 ELECTRONIC CATALOG

Ordering Instructions Solution

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

6.8 CONTRACT CHANGES

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

6.9 ATTACHMENTS

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

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EXHIBIT 1: STATE AGENCY AND UNIVERSITY LOCATIONS

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

UNIVERSITY OF NORTH CAROLINA

- University of North Carolina – System Office, Raleigh

Campuses

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

EXHIBIT 2: EXAMPLE OF AUDITOR'S PROFESSIONAL QUALIFICATIONS

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

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

RSM

September 06, 2023

RSM US LLP

5444 Wade Park Blvd.
Suite 350
Raleigh, NC 27607

T +1 919 781 1055
www.rsmus.com

Melinda Y. Tomlinson
State Procurement Manager
North Carolina Department of Administration
Division of Purchase and Contract

Dear Melinda:

RSM US LLP (RSM) is pleased to present our proposal to provide Supplemental Internal Audit, Assurance, Accounting, Data Analytics and Managerial Advisory Services for the State of North Carolina (State) in accordance with your Request for Proposal (RFP) number DPC-646236801-MT, dated July 14, 2023. We understand that the contract is intended as a convenience contract for use by State departments and most State agencies, State higher education institutions and other eligible entities. The State's objective is to pre-qualify firms to provide various types of auditing services.

We are enthusiastic about the opportunity for RSM to get re-qualified as a state term vendor with the State. Risk is evolving daily, and departments need to re-evaluate audit strategies to stay current. Our team has advised a variety of public sector clients allowing us to bring valuable, relevant recommendations to the State. We appreciate your strategy and mission and want to be a key part in assisting the State agencies/universities in achieving those goals. We believe we provide a compelling choice to become your strategic partner as follows:

A unique, dedicated team to serve you with national firm resources/ local firm service philosophy: RSM is the leading provider of assurance, tax, and consulting services in the middle market with nearly 16,600 professionals in 81 U.S. cities - including offices in Charlotte, Greensboro and Raleigh. We offer you the best of both worlds – the breadth and depth of a national firm and the responsiveness of local offices and staff. RSM is committed to and deeply invested in serving the State.

The combination of local presence and national strength assures that you will receive constructive advice and prompt responses to your needs and questions, and access to a wide array of subject matter professionals. We routinely receive feedback from our public sector clients that RSM performs beyond their expectations, and highly encourage you to contact our references and let them tell you about their RSM experience.

Commitment to the industry and experience serving public sector: State and local government is one of RSM's top ten dedicated industries. Nationally, RSM serves more than 2,500 public sector clients, including nearly 500 government clients, being state-level agencies, counties, cities, colleges and universities, school boards, and other nonprofit organizations.

The services being requested are core to our public sector practice. Our team of seasoned professionals is ready for action with an enhanced appreciation for the need for expediency and timely delivery. This means our team can leverage our existing institutional knowledge and relationships and continue to build on our experience to deliver The Power of Being Understood® to the State of North Carolina.

RSM is pre-qualified in other states and public sector entities: RSM is currently pre-qualified by the State of North Carolina, has been pre-qualified by other states and large local governments or currently work with other states for similar services, such as: State of Florida, Georgia, Kansas, Iowa, Illinois, New Jersey; the Virginia Department of Transportation; and the Commonwealths of Virginia and Massachusetts.

Experience and qualifications of our professionals: The State deserves professionals with nationwide experience and expertise. In fact, members of our public sector practice spend 100% of their time serving large complex governmental organizations. Internal audit projects often require professionals with credentials beyond Certified Public Accountant (CPA). Our internal audit team also includes Certified Fraud Examiners (CFE), Certified Information Systems Auditors (CISA), Certified Information System Security Professionals (CISSP) and Certified Internal Auditors (CIA) that have been providing consulting, attest and auditing services in the government arena for many years. More importantly, members of the team selected to serve the State have extensive government audit experience.

In closing, we would like to emphasize one point: we sincerely wish to continue our successful collaboration with you. Our brand promise speaks directly to how we differentiate ourselves in the marketplace. The State's success is a key part of our success.

RSM agrees to provide the services as described in the RFP. We understand that we will work with each individual agency, university or office to finalize specific project scopes and terms and conditions.

We acknowledge and accept Addenda 1 and 2 and have returned Addendum 3 with required signature along with our separate attachments and Executed RFP.

We look forward to your review of our qualifications. Please contact Jill Reyes at 321.751.6228 or jill.reyes@rsmus.com for any additional information. Thank you for considering RSM for your internal audit supplemental staffing needs.

Sincerely,

Jill E Reyes

Clara M Ewing

Jill Reyes
Partner
+1 321 751 6228

Clara Ewing
Senior Director
+1 321 751 6239

PROPOSAL TO PROVIDE SUPPLEMENTAL INTERNAL AUDIT, ASSURANCE, ACCOUNTING, DATA ANALYTICS AND MANAGERIAL ADVISORY SERVICES

NORTH CAROLINA DEPARTMENT OF ADMINISTRATION

September 06, 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

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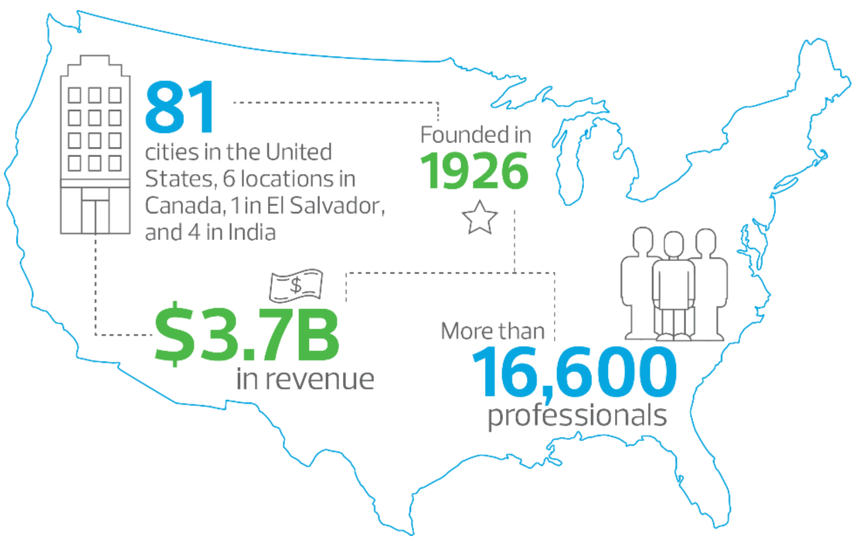
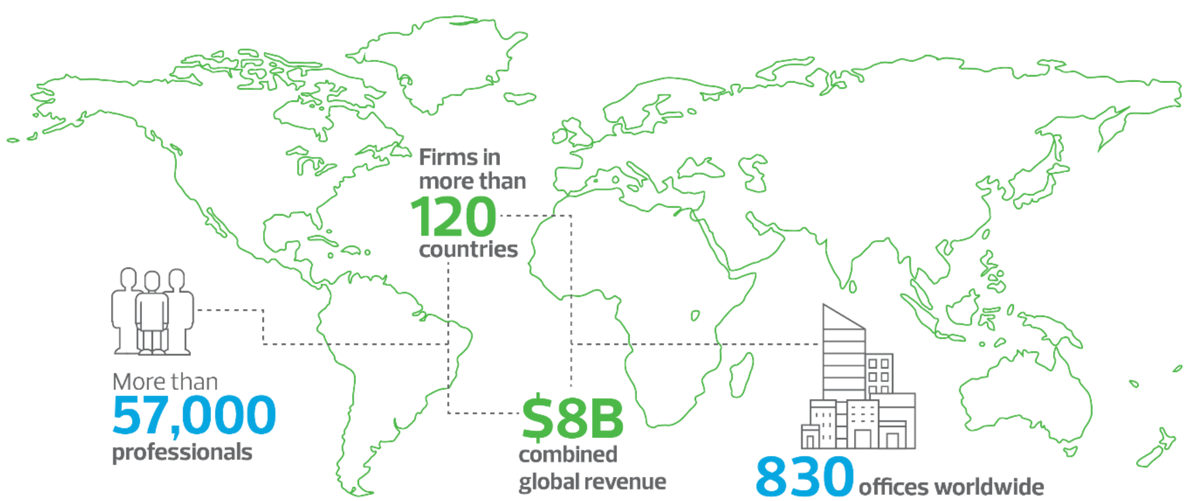
4.4 – VENDOR EXPERIENCE

RSM's purpose is to deliver the power of being understood to our clients, colleagues and communities through world-class assurance, tax and consulting services focused on middle market businesses. The clients we serve are the engine of global commerce and economic growth, and we are focused on developing leading professionals and services to meet their evolving needs in today's ever-changing business environment.

RSM is the leading provider of assurance, tax and consulting services focused on the middle market, with more than 16,600 professionals in 81 U.S. cities. It is a licensed CPA firm and the U.S. member of RSM International, a global network of independent assurance, tax and consulting firms with 57,000 people in 120 countries. RSM uses its deep understanding of the needs and aspirations of clients to help them succeed.



RSM International is a global network of independent assurance, tax and consulting firms.



Public sector focus

RSM's public sector practice has been designated by firm leadership as one of our top strategic industries. ***RSM serves more than 2,500 public sector clients, including nearly 500 government clients***. Our governmental clients include state agencies, universities, cities, counties, school districts, transportation authorities, port authorities, aviation authorities, utilities, and other agencies and authorities. This translates into considerable knowledge of the unique challenges faced by government organizations.

RSM has a large, significant governmental audit practice in the Southeast. The individuals in our public sector group spend 100 percent of their time serving large complex governments.

As a result, we have a wealth of experience with contracts similar to the services that you have requested. We have established a dedicated government practice team that includes hundreds of professionals. We provide services to public sector entities across the country assisting their performance through a comprehensive understanding of their business models, internal processes, objectives and daily realities. We ask the right questions, read between the lines, listen actively and think holistically—and we build relationships based on experience and trust.

Below is a listing of clients proposed team members serves or has recently served, the below is not an all-inclusive listing.

Public Sector Clients Served by Engagement Team		
Alachua County, FL	Florida – Dept of Transportation	School Board of Seminole County, FL
Arlington County, VA	Iowa – Dept of Administrative Services	School Board of Broward County, FL
Brevard County, FL	Jacksonville Aviation Authority	North Carolina – State Auditor
City of Charlotte, NC	Jacksonville Port Authority	Orange County, FL
City of Homestead, FL	Lee County Electric, FL	Orlando Utilities Commission
City of Miami Beach, FL	Loudon County, VA	Prince William County, VA
City of Orlando, FL	Maryland – Dept of IT	School Board of Brevard County, FL
District of Columbia Courts	Maryland – Housing Authority	School Board of Collier County, FL
DC Water	Massachusetts Gaming Commission	School Board of Palm Beach County, FL
Florida State University	New Jersey – Transit Authority	Spotsylvania County, VA
Florida Turnpike Enterprise	North Carolina – Office of Recovery and Resilience	St Lucie County, FL
Florida – Dept of Economic Recovery	North Carolina – Ports Authority	Virginia Department of Transportation
Florida – Dept of Emergency Management	School Board of Marion County, FL	Osceola County Clerk of the Circuit Court and Comptroller

Industry involvement

We are active members of the GFOA, the North Carolina Association of CPAs, the AGA, the AICPA's Government Audit Quality Center, the Comptroller General's Advisory Council, the Audit Quality Roundtable and the committees of the AICPA Task Force that recently revised the AICPA State and Local Government Audit Guide. In addition, we are also involved with the Association of College & University Auditors (ACUA), National Association of College and University Business Officers (NACUBO). Team members on the proposed engagement team serve as instructors at industry related conferences in various states.

RSM's National Professional Standards Group (NPSG) is responsible for monitoring changes in professional standards that could impact the firm's client base. The firm's National Director of Public Sector Services (NDPSS), Brian Schebler, who is a member of the NPSG, has over 30 years serving the audit, accounting, and reporting needs of state and local governments. Brian is a multi-term member of the AICPA State and Local Government Expert Panel, Government Audit Quality Center Executive Committee and the Controller General of the U.S. Government Auditing Standards Advisory Council. Brian is the current Chairman of the Governmental Audit Quality Center's Executive Committee. The firm is actively involved in the GASB standard setting process either through its participation in the AICPA SLGEP or through preparation of its own comment letters. Brian works with other members of the NPSG and client servers when the firm decides to respond directly to pronouncements of the GASB.

Based on our understanding of your expectations, we are confident that RSM has the right capabilities, qualifications and client-service culture to serve your internal audit supplemental staffing needs.

Focused on the State of North Carolina

The State of North Carolina needs to work with a respected national firm that you will not outgrow. You also deserve a professional services firm that is committed to serving you with its top people.

As the fifth largest U.S. provider of assurance, tax and consulting services, RSM is honored to serve a respected agency like the State of North Carolina—and we look forward to continuing to treat you as a valued client.

In working with RSM, the State of North Carolina will not compete with the world's largest corporations for partner-level time and attention. And, we have the resources, expertise, and staff to support your expanding needs.

RSM North Carolina offices	
Charlotte	300 South Tryon St. Suite 1500 Charlotte, NC 28202
Greensboro	230 North Elm St. Suite 1100 Greensboro, NC 27401
Raleigh	5444 Wade Park Blvd. Suite 350 Raleigh, NC 27607

Range of activities performed by the firm

RSM is a full-service assurance, tax and consulting firm. This enables us to have the ability to draw from subject matter professionals in all areas of our practice to support the project and any complex or emerging areas. In addition to tax and assurance, RSM offers cost-effective risk, financial, and technology and management advisory services. A detailed listing of our services is included as Appendix C—Range of activities performed by the firm.

4.5 – REFERENCES

RSM provides professional services for over 500 public sector entities. We have a wealth of substantial experience with contracts similar to those seven auditing categories listed in the RFP.

The following representative sample of such work was selected to illustrate our capacity to manage government engagements of varying complexity through a staffing methodology that deploys teams of the right size and experience levels.

We are proud of our client relationships and excellent service record. RSM is pleased to provide the requested five client references where we have provided various auditing services comparable to those requested in the RFP.

Entity and Project Detail

Prince William County, Virginia

Reference:

Michelle Attreed
CFO/Director of Finance
1 County Complex Court
Prince William, VA 22192
703.792.6752
mattreed@pwcgov.org

Duration of Contract:

Internal Audit

- 2012 to present

External Audit

- 2006 – 2010

Description of Work:

We have served as the County's outsourced internal audit function for the Board of County Supervisors since 2012. From 2006 through 2010 we were the county's external financial and compliance auditors. The County employs over 4,000 people and the annual budget is over $1 billion. We designed and re-implemented the internal audit function which included development of an independent reporting structure. We conduct an annual risk assessment and build our annual audit plan to present to the Audit Committee. We produce and report on average 8-10 audits annually to the Audit Committee. Types of audits have included:

- ***Operational/Performance Audit:*** Example Audits have included: Economic Development, Smart Device Management, Boards/Committees/Commissions, Social Services Homeless Division, Social Service Child Protective Services, County Transit, Police, Overtime, Golf Operations, Fire and Rescue Operations
- ***Investigative Audit:*** We have been called for numerous special reviews, and we assist in managing the fraud, waste and abuse hotline. Annually, we provide Fraud Awareness training workshops to all Senior Management.
- ***Compliance Audit:*** Example Audits have included: Fleet Management, Benefit Plan: Length of Service Award Program, Asset Management, Purchasing, Contract Compliance, Records Retention, Timekeeping and Payroll, Treasury Management, Funds Handling, New Hire On-Boarding and HR Out-Boarding
- ***Information Systems Audit:*** Example Audits have included: IT Governance, Business Continuity Planning, Internal Network Security Assessment, Web Application Penetration, Database Security Assessment, IT General Controls, Payment Card Industry Gap Review
- ***Construction Audit:*** Example Audits have included: Facilities Construction, Transportation Construction
- ***Risk Assessment and Audit Plan Development:*** We conduct an annual risk assessment and build our annual audit plan to present to the Audit Committee.
- ***Accounting Services:*** GASB 87, 94 and 96 technical accounting assistance.
- ***Financial Audit:*** RSM was engaged 2006 – 2010 to perform the external financial audit of Prince William County, VA.

Entity and Project Detail	
Iowa Workforce Development	
Reference: Victor Kennedy Chief Financial Officer 1000 E Grand Avenue Des Moines, IA 50319 515.725.3817 victor.kennedy@iwd.iowa.gov **Duration of Contract:** **Internal Audit** • 2020 to present	**Description of Work:** In 2020, RSM was awarded as a contractor to administer $80 million in grants for the Workforce Development Office of the State of Iowa.

Entity and Project Detail	
Florida Commerce	
Reference: Steve Weiland Bureau Chief 107 East Madison St. Tallahassee, FL, 32399 850.717.8961 steve.weiland@deo.myflorida.com **Duration of Contract:** **Internal Audit** • 2013 to present	**Description of Work:** RSM performs comprehensive grant management and non-attest performance audit services for the Florida Commerce's state tax incentive programs funded under State of Florida grant 17-00832, $50 million per year. Activities include: • Grants management • Non-attest performance audit • Federal reporting assistance

Entity and Project Detail	
Georgia Governor’s Office of Planning and Budget	
Reference: Jonna West Grants Division Manager 2 Capitol Square Atlanta, GA 30334 404.792.6700 jonna.west@opb.georgia.gov **Duration of Contract:** **Internal Audit** • 2020 to present	**Description of Work:** RSM was selected as a contractor to perform risk assessments and grant monitoring for $3.7 billion in American Rescue Plan Act SFRF Broadband and CPF funds, as well as water/sewer infrastructure, Negative Economic Impact (NEI), housing, GEER and other programs. The project team consists of more than 20 professional staff who have a range of experience with grant program compliance. Our project includes an assessment of risk across 12 different program areas, reviews of payment applications, and performance of monitoring procedures including but not limited to review of financial and single audit results, Uniform Guidance compliance tests, site validation visits, and other procedures. We are also providing technical assistance to OPB in providing project manuals, guidance memos and other information to be posted to the grants database, as well as providing training, preparing an FAQ document and responding directly to subrecipient inquiries.

Entity and Project Detail	
North Carolina HOPE	
Reference: Amanda Stapleton Compliance Director 512 N Salisbury Street Raleigh, NC 27604 919.418.0554 Amanda.stapleton@ncdps.gov **Duration of Contract:** • 2020 to December 2021	**Description of Work:** During 2021, RSM provided HOPE Program compliance and investigative auditing services to the North Carolina Office of Recovery and Resiliency (NCORR) for projects funded through the Community Development Block Grant—Coronavirus (CDBG-CV and CDBG-DR), Coronavirus Relief Fund (CRF) and Emergency Rental Assistance Program (ERAP.) Types of audits have included: This included reviewing documentation for program compliance and performing investigative services on any cases assigned through the Compliance Triage team.

Other North Carolina Public Sector Engagements

The following is a cross-section of other engagements in North Carolina. We have provided a description of the services, audit category, project cost and duration of contract to provide the State with comparable information.

Entity and Project Detail
City of Charlotte, NC
Description of Work: Since 2013, we have worked with the City of Charlotte, including CLT, providing consulting services. ***Charlotte Douglas International Airport (CLT):*** • ***Operational/Performance Audit:*** **Parking revenue:** The objective included evaluating the adequacy of the internal controls over parking fee collections and revenue recognition. **Purchasing:** The objective included an evaluation of CLT's compliance with city and state purchasing policies. • ***Compliance Audit: Revenue:*** Objectives included a review of CLT's leases to 1) determine whether leases were accurately and timely remitted, including compliance with contractual or lease requirements and 2) Determine whether revenues earned from other on-site and off-site concessionaires were accurately and timely remitted to the Airport; and whether any contractual compliance issues exist for this revenue source. **FAA regulatory requirements**: Objective included reviewing for compliance with FAA financial reporting requirements. **Contract facility charge:** Objectives included 1) a review of CFC payments made by the rental car companies into CLT trust accounts, and 2) determined whether any contractual compliance issues exist, including accuracy of monthly activity reports received. • ***Construction Audit:*** **IC and project and capital asset accounting, including grant budgeting and accounting:** Objectives included 1) determine if construction project contracts were properly executed; 2) determine if pay applications existed and if they were properly supported with documentation, approvals, and if schedule of values were accurate; and 3) determine whether associated change orders included proper approval, were accurate and supported, in compliance with contract terms and if the change orders were properly reflected in pay applications. • ***Financial Audit:*** **Reconciliation with CAFR**: Objective included performing a comparison of CLT's enterprise fund financial statements as compared to the CAFR. **Cost allocation plan reimbursement to the city:** Objectives included gaining an understanding of the city's CAP process and reasonableness of the methodology used for the allocation of the CAP. ***City of Charlotte*** • ***Information Systems Audit:*** **IT Risks Assessment:** This project focused on evaluating the city's current IT risks against various industry standards and guidelines. Areas covered included applications, communications and logical systems, access to equipment and physical security as part of the assessment. • ***Construction Audit***: For various projects at the city, including CLT and transportation construction projects, we performed a current state assessment of the processes and controls to facilitate successful delivery of major construction using the construction manager at risk construction contract delivery method. We inspected construction contracts, procurement documentation, guaranteed maximum price (GMP) schedules, and invoices to further develop our understanding of how each department intended on administering these contracts for upcoming major construction. • ***Financial Audit:*** **Financial Model Analysis:** The objective of this project was to provide assistance in performing a review of certain aspects of the financial model utilized in the projected cash flow for the extension of the city's light rail service, with focus on identifying and evaluating possible gaps between assumed and actual realization of the assumptions.

Other Notable Public Sector Engagements Nationwide

The following is a cross-section of our recent public sector engagements across the country. We have provided a description of the services, audit category, project cost and duration of contract to provide the State with comparable information.

Entity and Project Detail
District of Columbia Water and Sewer Authority (DC Water)
Description of Work: DC Water provides drinking water and wastewater treatment for the District of Columbia and wastewater treatment for the surrounding Maryland and Virginia suburbs. DC Water has more than 1,000 employees and an operating budget of over $550 million. In 2014, RSM was awarded the outsourced internal audit contract. Types of audits have included: • ***Operational/Performance Audit:*** Example audits have included: Intellectual Property Program analysis, Blue Horizons 2020 Strategic Plan Monitoring • ***Investigative Audit:*** We have been called for numerous special reviews. • ***Compliance Audit:*** Example audits have included: Contract Compliance audits of multiple vendors, including general service purchases and construction contractors. Also reviewed the Business Development Plan for program compliance, evaluating the Authority's use of local, small and disadvantaged business entities in the procurement of contracts. • ***Information Systems Audit:*** Example audits have included: Overall Governance Review, Incident Response, Vendor Management, Network Penetration Testing and Vulnerability Scans. • ***Investigative Audit:*** We have been called for numerous special reviews, and we assist in managing the fraud, waste and abuse hotline. During 2016, we were involved in a bifurcated investigation that was led by the Authority's Office of General Counsel, which has led to numerous process improvements. • ***Construction Audit:*** Example audits have included: Engineering – Contractor Management • ***Risk Assessment and Audit Plan Development:*** We conduct an annual risk assessment and build our annual audit plan to present to the Audit Committee.

Entity, Project Detail and Description
Brevard Public Schools

We have served as the lead audit firm for the outsourced internal audit function for the School Board of Brevard County since 1999. We conduct an annual risk assessment and build our annual audit plan to present to the Audit Committee. We manage the internal audit function and produce and report eight to ten audits annually to the Audit Committee.

Types of audits have included:

- ***Operational/Performance Audit:*** We have performed various operational/performance audits. An example resulted in recommended changes in bank structure that resulted in increased interest earnings.
- ***Investigative Audit:*** We have been called for numerous special reviews. We have worked with the District's legal counsel, delivered reports and served as expert witness in legal proceedings.
- ***Compliance Audit:*** Example Audits have included: Grant Compliance and Monitoring, Accounts Payable, Accounts Receivable, Asset Management, Financial Position Review, Human Resources, Purchasing Card, Purchasing
- ***Information Systems Audit:*** Example Audits have included: Auditor General Follow-Up, Internal and External Network Penetration Testing, Database Security Assessment, IT General Controls
- ***Construction Audit:*** We performed operational review consisting of internal controls review and compliance testing with District policies and procedures and Florida statutes for following areas:
    - Architect contract development
    - Design oversight
    - Contractor contract development
    - GMP development process/construction budget
    - Owner project management
    - Pay application review and approval
    - Change order review and approval
    - Project closeout benchmarking
    - Cost avoidance identification and recommendations
    - Project scheduling, including critical path
- ***Risk Assessment and Audit Plan Development:*** We conduct an annual risk assessment and build our annual audit plan to present to the Audit Committee

Entity and Project Detail
Virginia Department of Transportation (VDOT)

Description of Work:

RSM was pre-qualified in 2014, through a competitive process, to consulting services for the Virginia Department of Transportation. The audit services included the following:

- ***Compliance Audit:*** Performance of a full external quality assessment review of VDOT's internal audit function, in accordance with standards established by the Institute of Internal Auditors.
- ***Information Systems Audit:*** Report on the effectiveness of system controls and the Information Security attributes of the VDOT Information Technology application systems assigned to satisfy the requirements of the applicable statutes of the Code of Virginia and guidance provided by the Commonwealth's Chief Information Officer and Chief Information Security Officer.

4.6 – LEGAL RIGHT TO PRACTICE IN NORTH CAROLINA

NORTH CAROLINA
Department of the Secretary of State

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

RSM US LLP

as a Registered Limited Liability Partnership was duly filed in this Office pursuant to Section 59-84-2 of the North Carolina General Statutes, effective as of the 6th day of February, 1996.

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

Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 15th day of August, 2023.

Elaine F. Marshall

Secretary of State

Certification# 117475218-1 Reference# 20366637- Page: 1 of 1
Verify this certificate online at https://www.sosnc.gov/verification

4.7 – EXTERNAL REVIEWS AND REGULATORY ACTION

Our non-SEC audit practice is subject to the triennial peer review requirements of the American Institute of Certified Public Accountants.

The RSM system of quality control for the accounting and auditing practice applicable to non-SEC issuers in effect for the year ended April 30, 2022, was subject to peer review by the firm of FORVIS, LLP, a Government Audit Quality Center (GAQC) member firm. That review included a representative sample of university, government and nonprofit engagements. Under the peer review standards, firms can receive a rating of pass, pass with deficiency(ies), or fail. RSM received a peer review rating of pass.

We have provided the summary letter from RSM’s most recent peer review on the following page.

FORV/S

910 E. St. Louis Street, Suite 200 / Springfield, MO 65806
P 417.865.8701 / **F** 417.865.0682
forvis.com

Report on the Firm's System of Quality Control

December 5, 2022

To the Partners of RSM US LLP and the National Peer Review Committee,

We have reviewed the system of quality control for the accounting and auditing practice of RSM US LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2022. 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 on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm's system of quality control 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; 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 RSM US LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2022, 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.* RSM US LLP has received a peer review rating of *pass*.

FORVIS, LLP

FORVIS, LLP

Regulatory Sanctions

RSM does not routinely disclose this information to third parties due to confidentiality and professional concerns, however, we can state definitively that, during the past three years no regulatory sanctions been levied against the RSM partners and staff proposed on this engagement.

Also, RSM has not been debarred from contracting with any governmental agency or had any professional license discipline taken against the firm or any disciplinary action taken or pending with state regulatory bodies or professional organizations, bankruptcy or criminal felony convictions.

In summary, there are no actions related to RSM’s government audit services and there are no matters that would prevent the Firm from providing the requested auditing services to the State.

Regulatory investigations

RSM has no regulatory investigations pending against our firm or any of our partners, Board of Director officers or employees, by any state or federal regulatory agencies.

RSM US LLP is a national provider of accounting, tax and consulting services. Like other professional services firms, we engage in matters with legal and regulatory implications as a part of doing business. At any given time, most public accounting firms will have ongoing legal activity.

Outstanding liabilities

The firm's financial position is strong. In addition to cash and short-term investments, RSM maintains a revolving credit facility for operational and other borrowing needs. Outside of the revolving credit facility and current liabilities, the firm has no significant debt.

RSM has no outstanding liabilities to the Internal Revenue Service, other government entities or unpaid final judgments.

4.8 – FINANCIAL STATEMENT

As a limited liability partnership, RSM US has no requirement to prepare financial statements for external release. We affirm, however, that RSM has the capacity—both in size and financial strength—to serve our clients, as illustrated by the following:

- Founded in 1926, today RSM US is the fifth largest accounting, tax and consulting firm in the United States, as ranked in Accounting Today's 2023 Top 100 Report.
- RSM US and RSM Canada go to market together and together have 16,600 professionals in 81 cities and six locations in Canada.
- For the most recent fiscal year ended April 30, 2023, RSM reported revenue of $3.7 billion, an increase of 12% in comparison to the prior year. The average of our last three fiscal years of revenue is $3.3 billion.
- In addition to cash and short-term investments, RSM US maintains a revolving credit facility for operational and other borrowing needs, and on June 1, 2022, the firm issued $150 million in senior notes which are due in seven, ten and twelve years.
- The firm is also very well capitalized, with significant partner and principal investment by its 1,150 partners and principals. All partners and principals are individuals, and no one partner or principal has more than 1% of the total capital investment in the firm.
- A bank reference is as follows:
  US Bank
  Linda J. Perlick, Private Banking Associate
  800 Nicollet Mall, Minneapolis, MN 55402
  Phone: 612 303 3191
  Email: Linda.Perlick@usbank.com
- As of May 1, 2022, RSM US LLP was assigned a low-risk viability rating by Dun & Bradstreet (D&B). An independent D&B comprehensive credit report for RSM US LLP (DUNS # 07-348-2424) can be ordered via the D&B website.
- RSM US and RSM Canada are member firms of RSM International, a global network of independent audit, tax and consulting firms with 57,000 people across 120 countries.
  RSM International's combined global fee income was US$8.0 billion in calendar year 2023.

US Private Wealth Management
U.S. Bank

June 5, 2023

Re: RSM US LLP Account confirmation

Dear To Whom it May Concern:

Please accept this letter as confirmation that RSM US LLP has had a relationship with US Bank for over 10 years, they are in good standing with the bank and have handled things as agreed.

Should you require anything further, please contact me at the information provided below.

Sincerely,

Jennifer Ash
Vice President
612-303-3322
U.S. Bank Private Wealth Management

4.9 – COST PROPOSAL

Submitted as a separate file, Attachment A.

5.4 – PROJECT STAFFING

Our key project leaders identified to serve the State of North Carolina are shown below. We take a customized approach to our engagements to bring the State of North Carolina together with professionals who can provide a better vantage point on their respective business. This means handpicking teams with strong experience in the respective State of North Carolina operations that reflect their needs – a combination designed to yield real results.

Within RSM's public sector practice, we have more than 800 professionals who are committed to serving state and local governments. Our practitioners leverage their experience to create meaningful value for clients through a strong knowledge base and efficient processes.

The personnel identified below are available to lead and direct projects and allocate appropriate resources to execute services under SOWs awarded to us. The below team listing and resumes provided in Appendix A is not an all-inclusive listing of resources available to serve the State of North Carolina.

Core Team	
Jill Reyes, CPA, CFE, CIA **Partner, Risk Consulting** jill.reyes@rsmus.com	Jill will focus on facilitating that the State of North Carolina continues to experience the power of being understood, with the right team of professionals. Jill is a CPA who brings over 20 years of experience providing professional consulting, financial and compliance services to a variety of public-sector entities. She will provide you with direct access to subject matter professionals and will work with you to facilitate that we are consistently providing the appropriate nature, level and quality of service.
Clara Ewing, CIA **Senior Director, Risk Consulting** clara.ewing@rsmus.com	Clara is a Certified Internal Auditor with over 20 years if experience serving clients in financial reporting, internal controls and process improvements. For the past 12 years, Clara has spent 100% of her time serving clients in the public sector, and now leads RSM's efforts providing internal audit related services to government entities. She will work with the respective service category teams to facilitate the State of North Carolina receives the highest level of continuity, knowledge, and expertise.

Operational Performance, Compliance, and Risk Assessment and Internal Audit Plan Development Service Category Lead	
Clara Ewing, CIA **Senior Director, Risk Consulting** clara.ewing@rsmus.com	See above in Core Team
Matthew Blondell, CPA **Director, Risk Consulting** matthew.blondell@rsmus.com	Matthew as over 13 years of experience providing risk advisory, internal audit, and assurance services. This experience includes operational/performance, investigative, construction and compliance audits, traditional external financial statement audit services, internal controls assessments, investigations, and process improvement projects. In his current role, Matthew works with public sector organizations to assess the adequacy and effectiveness of their control environment and specific internal controls, providing recommendations to improve internal processes and alignment with organizational goals and objectives.
Weiss Campbell, CIA **Manager, Risk Consulting** weiss.campbell@rsmus.com	Weiss has over eight years of experience providing operational/performance, internal and compliance audits to a variety of public sector clients focusing primarily on local governments. His experience includes identifying and researching current accounting, auditing, and regulatory issues, as well as documenting and assessing process flow and control, developing audit programs, identifying key risks and controls, testing controls, and evaluating overall operational effectiveness and contract compliance.

Investigative Audit Service Category Lead	
Chris Ekimoff, CPA, CFE **Director, Financial Investigations & Dispute Advisory Services** chris.ekimoff@rsmus.com	Chris has significant experience providing litigation consulting and forensic accounting services —including as an expert witness on behalf of his clients— performing internal investigations, applying and evaluating financial reporting methods, responding to allegations of accounting and auditing malpractice, asset tracing engagements, and other complex financial and accounting issues.
Emily Prevost, CPA, CFE **Manager, Financial Investigations & Dispute Advisory Services** emily.prevost@rsmus.com	Emily provides forensic accounting and litigation support services to clients and counsel in a variety of dispute settings and industries. This includes matters involving complex commercial disputes and forensic investigations related to accounting issues, financial misconduct, and allegations of fraud. She has reconstructed and analyzed business and financial records and created financial databases and models to assess allegations of fraud, accounting errors, and irregularities.
Information Systems Service Category Lead	
Ryan Moore, CIA, CISA, CISM **Director, Technology Risk Consulting** ryan.moore@rsmus.com	Ryan has over 20 years of experience leading information technology risk consulting projects across a range of industries including the public sector, financial services, consumer products, manufacturing, specialty finance, fintech, and healthcare for global Fortune 500 companies and middle market organizations.
Dashaun Chester, CISA **Manager, Technology Risk Consulting** dashaun.chester@rsmus.com	Dashaun has over 12 years of experience in consulting, including approximately eight years in the Big Four. He has executed projects within a variety of industries including public sector, manufacturing/consumer products, financial services, retail, power & utilities, technology, media, and travel & hospitality. His consultative and auditory capacity has included public, private and governmental entities.
Construction Audit Service Category Lead	
Matthew Blondell, CPA **Director, Risk Consulting** matthew.blondell@rsmus.com	See above
Chris Gums, CIA **Manager, Risk Consulting** chris.gums@rsmus.com	Chris specializes in statistical sampling methodologies and advanced data analytics, contractor job cost analysis, detail testing of construction labor, general conditions, general requirements, and subcontractor costs, and payment application and change order review. Since joining RSM, Chris has dedicated his career to serving large governments, including medium and large municipalities.
Financial Audit Service Category Lead	
Valerie Colimon, CPA **Partner, Audit Services** valerie.colimon@rsmus.com	Valerie is a CPA with over 17 years of experience working with a variety of public sector and private partnership entities. Valerie's extensive experience enables her to provide timely feedback and best practice recommendations relating to various accounting practices and internal control improvements. Valerie serves some of the firm's highest risk and highest-profile clients.
Brett Friedman, CPA **Partner, Audit Services** brett.friedman@rsmus.com	Brett is the Florida public sector leader and a CPA with more than 29 years of experience providing audit and consulting services to government and nonprofit clients. His experience includes leading large government audits and performing audits in accordance with *Government Auditing Standards, the Uniform Guidance, Federal Single Audit Act, Florida Single Audit Act and the Rules of the Auditor General of the State of Florida.*
Chantelle Knowles, CPA **Senior Manager, Audit Services** chantelle.knowles@rsmus.com	Chantelle is a CPA with over 18 years of government auditing experience. Her experience includes performing audits in accordance with Government Auditing Standards, Uniform Guidance, Federal Single Audit Act and the Rules of the Auditor General of the State of Florida.

Data Analytic and Managerial Advisory Services Category Lead	
Alex Kotsopoulos **Partner, Economics and ESG Strategy Advisory** alex.kotsopoulos@rsmus.com	Alex is a partner in RSM's consulting group and leads the economics and ESG strategy advisory practice. He advises companies, governments, regulators and national and international institutions on a broad set of topics related to ESG, economics and sustainability on a macro and/or industry basis, helping them assess, evaluate and prioritize investments, initiatives and strategies.
Ajay Punyapu **Director, Business Intelligence and Data Analytics** ajay.punyapu@rsmus.com	Ajay is a Director for RSM's Data Analytics Business Intelligence practice. He has over 19 years of experience leading, developing, managing, and supporting Data Warehouse/Data Mart implementations that include requirements gathering, ETL, data modeling, security, data governance, architecting solutions in Azure, AWS, Snowflake, on-premises etc. In his current role, Ajay works as a Lead Data Modeler and Azure architect designing and implementing Data Warehousing solutions in Azure that includes Storage, ETL, Database management, Security, Dimensional modeling, Networking and building Semantic Layers for end user reporting using Power BI.
Robbie Beyer **Director, Data Analytics Advanced Analytics** robbie.beyer@rsmus.com	As part of the Advanced Analytics team at RSM, Robbie Beyer helps clients deploy artificial intelligence (AI), machine learning (ML), and reporting/analytics solutions. With over ten years of project and leadership experience at RSM, Robbie has demonstrated the ability to help clients leverage data and technology to enable business and digital transformation in alignment with their strategic business objectives.
Dena Wilson **Manager, Business Intelligence and Data Analytics** dena.wilson@rsmus.com	Dena has over 20 years of experience specializing in data warehouse, data modeling/ architecture, data integrity, data integration and reporting analytics while utilizing best practice data management. In her current role, Dena delivers strategy, advice, technical acumen, solution architecture and consultation regarding business intelligence and enterprise data strategies through for various industries. Her experience crosses multiple industries with a strong background in the Microsoft Azure platform, which include SQL DB, Synapse, Data Factory, Analysis Services and Power BI.

Accounting Services Category Lead	
Katie Barry, CPA **Director, Technical Accounting Consulting** katie.barry@rsmus.com	Katie is a CPA with over 18 years of experience serving clients in the public sector. She is responsible for overseeing RSM's resources, as well as the quality and timeliness of deliverables. Since the beginning of her career, her focus has been on units of local governments, particularly school districts and municipalities. Her passion and expertise in the government arena led to her involvement in state agencies, county, and special purpose districts.
Richard F. Haul, CPA **Director, Technical Accounting Consulting** rich.gaul@rsmus.com	Rich is a CPA and has practiced public accounting for more than 30 years, over 20 of which have been involved with local governments. In his current role, Rich delivers advice and consultation regarding complex financial reporting matters, assists governments with the preparation of their annual financial reports, assists engagement teams in audit matters related to financial reporting, and assists units of state and local governments with the implementation of various GASB statements.
Artur Miller, CPA **Manager, Technical Accounting Consulting** artur.miller@rsmus.com	Artur is a CPA who provides consulting and advisory services to units of local government with a focus on finance and accounting optimization. In addition to the accounting services provided for local governments, he has experience helping local governments with Treasurer's reports, Grant Accountability and Transparency Act (GATA) reporting, Tax Increment Financing reporting, continuing disclosures, and other related reporting.

5.5 – TECHNICAL APPROACH

Overview

Regardless of the audit service category, RSM's goal is to provide the State with hands-on client service that is driven by the following core audit tenets:

- Auditor-auditee relationship built on mutually understood expectations
- Technical competency and experience of our professionals
- Active listening to facilitate addressing your concerns and questions
- Responsiveness to emerging issues critical to you
- Meeting all required deadlines and deliverables
- Year-round availability and involvement of the relationship lead
- Overall ability to deliver on your expectations

Philosophy, Approach and Planning Process

Realizing that each client has unique challenges and needs, we developed a methodology that allows us to tailor and scale our approach to what is beneficial for the state agency or university. This customization gives us a deeper understanding of your issues and a more responsive approach as to how to address them.

Philosophy. We are more than just control testers. Our auditors do not simply execute against a script and tell you in a binary manner whether a control is working or not. Our professionals go beyond the basics and determine the reasons why controls are not working and provide insights to enhance your control environment and process efficiencies. We will identify process and control improvement opportunities by establishing a deep understanding of the respective state agency or university's objectives and the processes designed to meet them. Your team will find the root cause of issues through our thorough understanding of your business and by leveraging what we have learned through our higher education and healthcare industry experience. Our resulting recommendations for improvement will consider the state agency or university's particular circumstances with a goal of reducing risk and improving performance.

Additionally, through our extensive experience serving clients similar to the state agencies or universities, we have the qualifications and means to provide meaningful analysis of your business metrics, assess your IT control environment and help ensure compliance with pertinent regulatory requirements.

As one of a handful of firms inspected annually by the Public Company Accounting Oversight Board (PCAOB), we are able to shape our audit methodology to allow us to understand where your external auditors will be focused. We know what the government and regulatory agencies expect of your auditors, and by extension, your organization, and this is reflected in our service approach.

However, great advice alone does not necessarily translate to value. You can measure the difference by the number of improvements that we recommend and suggest, and that you choose to implement. In the long-term, you can measure the improvements in contribution to the overall health of your organization.

Approach. RSM's qualified team of audit advisors is uniquely equipped to develop and execute an effective strategy to address your specific risk challenges and enhance business performance. Through decades of successful audit experience, our advisors understand your business needs and objectives, and take a holistic perspective to address your immediate and underlying concerns. Our people, depth of resources, differentiated methodology and experience in your industry combine to provide comprehensive and effective solutions for your internal audit needs.

We continuously invest in technical training for our audit and advisory practitioners, ensuring that they are applying leading practices, emerging technological advancements and internal controls process improvements to internal audit engagements. In addition, we also make ongoing investments in refining our methodologies and introducing innovative process enablers, such as our proprietary Auditor Assistant audit management platform.

Ultimately, our practice and service offerings have supported continued client satisfaction. In our 2017 Client Loyalty Study, nearly 100 percent of risk advisory respondents rated their client service team's technical knowledge as excellent or very good. We attribute our success to our approach:

- We continually add experienced advisors and enhance service capabilities to stay ahead of risk trends and issues and protect your business interests.
- You can measure the difference in our methodology by the number of improvements that we recommend and suggest, which ones you choose to implement, and, in the long-term, you can measure the improvements contribution to the overall health of your organization.

As you will have noted from your proposed staffing profile, we are prepared to provide state agencies and universities with a customized approach, experienced professionals and unique insights, to find the most effective solutions for you.

Our focus as a firm is to deliver high-quality, responsive service to every client. Our delivery model is built to reinforce this commitment.

In accordance with best practices promulgated by professional guiding standards, our consulting/internal audit engagements are properly supervised to ensure objectives are achieved, quality is assured and staff is developed.

Operational / performance audit

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

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

An operational audit usually uncovers inefficient use of resources or wasted capital. Administrative departments may also be reviewed during the operational audit process. Administrative business processes may increase costs by employing too many individuals or having an improper workflow. Slow internal business processes can delay critical operations. Auditors often test cost allocation processes during operational audits to determine the strengths and weaknesses of this system.

Investigative audit

RSM has a Financial Investigations and Dispute Advisory Services group which has extensive experience providing investigative audits, forensic accounting, financial investigations, fraud detection and analysis, and dispute resolution services. This experience includes performing fraud and forensic accounting investigations, as well as serving as an expert witness in complex litigation matters involving fraud and other types of white-collar crime. Our investigative audit experience includes the following areas:

- Forensic accounting
- Reconstruction of books and records
- Fraud detection, analysis and documentation
- Documentation in proof of concealment
- Determination of financial and economic damages
- Discovery and document management
- Deposition preparation, participation, and analysis
- Expert testimony supporting all analyses and conclusions

RSM has specialists who perform our forensic accounting and investigative consulting services. These individuals hold a variety of professional designations, including Certified Fraud Examiner (CFE) and Certified Internal Auditor (CIA). This group provides analytical and investigative services to entities involved in complex financial issues. The team's professionals are skilled in performing intricate investigations and providing in-depth analysis of financial transactions and economic impact of high-stakes issues ranging from internal matters to litigation. In addition, they can provide comprehensive reports and recommendations for improvements and support legal proceedings with expert testimony. Our Investigative Audit services may provide these tangible benefits:

- Protect the State's or agency/university's reputation and taxpayer confidence
- Avoid costly litigation
- Minimize financial loss

- Reduce disruption to daily operations, programs and service delivery
- Prevent insurance coverage loss or increase in premiums

Proactive fraud prevention and planning services

We can assist the State with identifying, assessing, measuring, mitigating and reporting risks.

- Fraud response planning
- Fraud risk assessments
- Due diligence
- Corporate governance assessments
- Internal control review and assessment
- Identification and measurement of fraud risks
- Mitigation of fraud risks
- Implementation of preventive, deterrent and detective measures
- Enterprise risk assessments
- Fraud prevention and ethics training
- Oversight and compliance process development

Reactive forensic accounting and investigative service

RSM's forensics accounting and investigative consulting professionals are specialists in the investigation and analysis of complex issues. We have experience with:

- Financial fraud investigations
- Quantification of fraud damages
- Reconstruction or restatement of financial records
- Asset misappropriation and employee embezzlement
- Policy non-compliance issues
- Conflict of interest cases
- Investigatory data analysis and extraction
- Regulatory non-compliance issues
- Fidelity bond investigations and claims

Methodology and approach

Although each forensic assignment is unique, we apply the following approach to all our forensic accounting and fraud analysis assignments.

- Identification of underlying problem or issue
- Preliminary assessment available records
- Determination of relevant documents and records
- Detailed review and analysis of relevant documents and records
- Development of project plan and underlying processes
- Presentation, discussion and approval of preliminary project plan and processes
- Testing of project plan and analysis processes
- Presentation and discussion of sample analysis results (with client if practical)
- Adjustment or modification to project plan and analysis processes, based upon test results

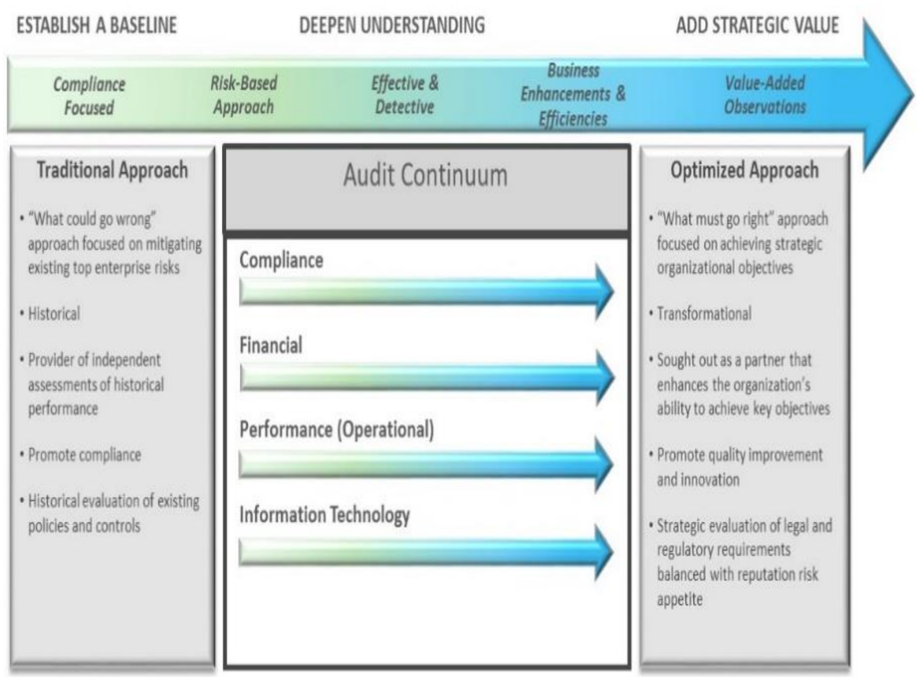
- Execution of project plan and analysis processes
- Presentation and discussion of results of analysis
- Determination of report format (agreement by client)
- Completion of report
- Presentation of results and support documentation
- Assistance and Support with civil or criminal efforts

Our fraud detection and analysis services are commonly applied various acts of fraud and concealment applicable to:

- Diversion and misappropriation of assets
- Billing and reimbursement fraud schemes
- Embezzlement
- Bribery and collusion
- Procurement fraud and bid rigging
- Fictitious vendors, employees and payroll schemes
- Expense fraud
- Materials Theft
- Inventory theft
- Larceny
- Forgery
- Bank fraud

Compliance audit

RSM has a deep history of providing a variety of audit services. Your selected engagement team has conducted audits in all of the categories below (performance/operational, compliance, financial, information technology) at various clients. We have found a 'hybrid' approach to audit optimizes the value of the audit. The hybrid audit takes operational/ performance, compliance, information technology, and financial components/factors all into consideration in planning and scoping the audit. Audit services generally include process understanding and documentation, control design assessment and gap analysis, performance of control effectiveness testing, relevant benchmarking, reporting and process improvements.

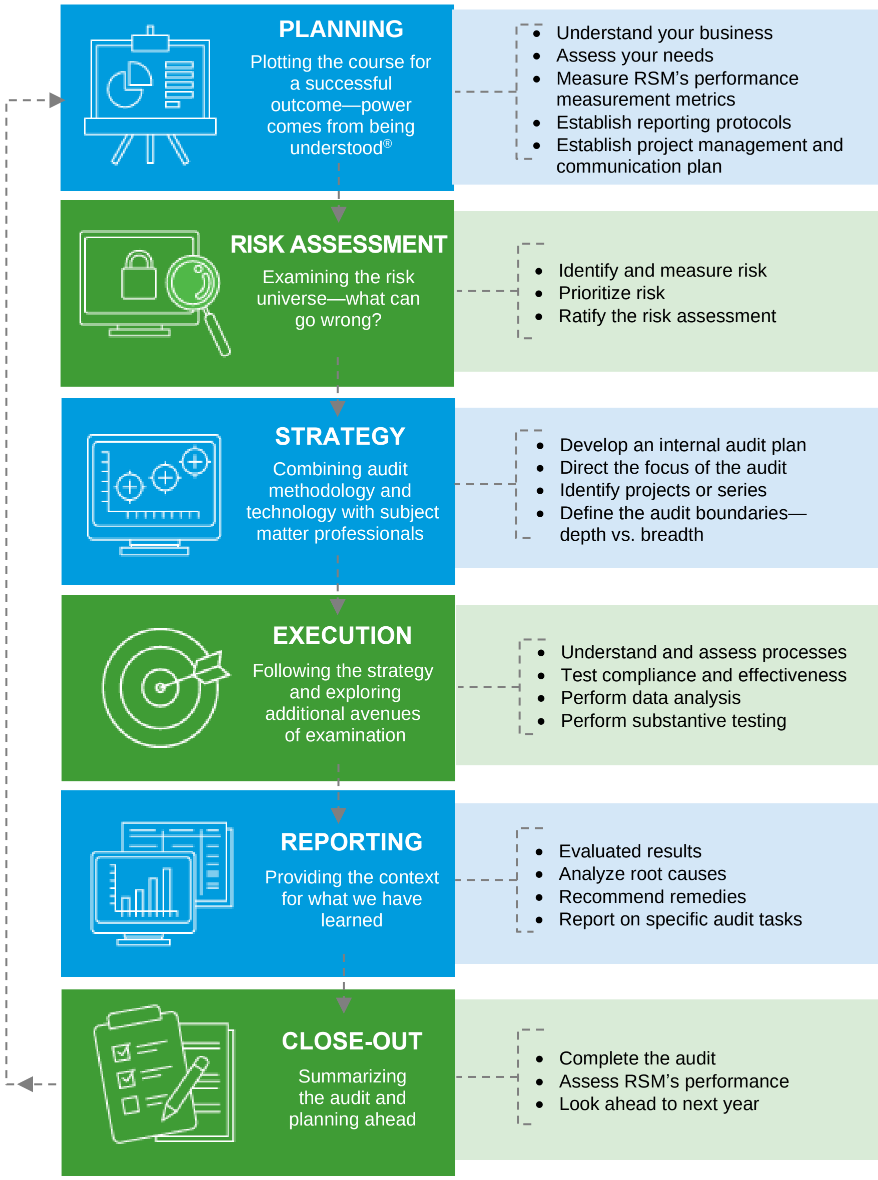


As you will have noted from your proposed staffing profile, we are prepared to provide the state agencies and universities with a customized approach, experienced professionals and unique insights, to find the most effective solutions for you.

Approach and methodology

RSM has a comprehensive audit methodology with a holistic approach to assessing your most critical risks. We understand that there is no one-size-fits-all audit project; therefore, we have a flexible methodology that helps audit evolve from a necessary process to assume a more strategic role within your organization.

We leverage proven processes and advanced technology to help you mitigate risk, monitor compliance and add value to your organization. Our methodology is grounded in understanding your needs and working with you to develop a responsive approach to meet and exceed your expectations. In addition, we integrate powerful quality assurance and project management resources to increase visibility into your audit project, providing real-time results and insight into progress.



This methodology is applied operational/performance, compliance, information systems, and construction audits.

The following sample projects demonstrate our capacity to manage similar engagements of varying complexity by deploying teams of the right size and experience levels. This is not a comprehensive listing but is meant to show highlight relevant examples.

Operational/performance, compliance and financial audits	
Policies and Procedures	Each of our audits starts with a review of existing policies and procedures, and generally ends with recommendations for improvement of same. Specific examples of our experience include: grant compliance, new hire onboarding, employee outboarding, performance management, contract management and compliance, personal tangible personal property, purchasing, payroll/timekeeping, travel reimbursement policy, cell phone policy, mileage, employee handbook, treasury management and information technology, to name a few.
Contract Management and Compliance	Contract compliance encompasses all contractual agreements including, but not limited to, vendor agreements. Although certain aspects of the purchasing function are centralized within purchasing, many of the high-risk areas like contract administration and monitoring are decentralized to the individual departments. The contract administration and management function is an important part of the overall procurement process. We have guided clients through development and implementation of formal contract administration procedures. This has included developing training to support a strong and consistent contract administration function throughout the client's various departments.
Asset Management	Property control, inventory and asset management across multiple buildings creates high levels of risk and challenges. We have performed audits in these areas to include actual observation and "vouching" of assets from sheet-to-floor and floor-to-sheet, as well as evaluating the process for identifying, tagging and tracking assets, testing the controls over the disposal of assets, reviewing capitalization policies and assisting with Asset Management system selection. Similar to Purchasing Card audits, the risks for Fixed Assets lend themselves to a cycle audit annually or bi-annually.
Outboarding	Out-boarding refers to procedures taken when an employee separates from employment with an entity. The process of outboarding employees is as important as onboarding, and all organizations need to transition separated employees out of the workforce as quickly and efficiently as possible. The information technology systems, applications, and confidential data stored can prove to be at risk during the out-boarding process. The process tends to be decentralized in nature and involves the separating employee and respective department, as well as departments administering the action, such as HR, Information Technology, and the Payroll Office. Procedures can vary depending on the department and type of appointment; and the reason for separating.
Overtime Review and Benchmarking	Many of our clients incur significant personnel costs to provide overtime pay to address emergency situations, meet the public's (parents/students) expectations for service delivery and quality, and comply with staffing requirements. We have experience in analyzing overtime pay and hours down to the department, function and employee. Through this strategy, we focus on benchmarking overtime expenditures against best practice guidance, identifying areas for improved staffing strategies and overtime allocation practices.

Operational/performance, compliance and financial audits	
Professional Service Billings, Audit and Review Services	RSM performs reviews of vendor adherence to billings and compliance terms and conditions of engineering, architectural and other professional services agreements. As part of our process, not only do we verify billings pursuant to the terms of the underlying agreement, we also assess the adequacy of controls incorporated into vendor time and billing systems and the degree of reliance that can be placed on them. RSM has reviewed hundreds of agreements including agreements for development, program management, construction management, general contracting, property advisory, professional services, supply, material, operational, maintenance and various others.
Federal Funds and Compliance Understanding	A large number of our state and local government clients receive federal funds. Our success in effectively serving these entities is based, in part, on our significant knowledge and experience with U.S. Office of Management and Budget (OMB) Uniform Guidance, audits of states, local governments, and nonprofit organizations. Our firm performs over 400 single audits annually. Access to our subject matter experts in these areas gives the State more value for its internal audit dollar.
Lease Audit, Review and Administration Services	These compliance audits help ensure proper adherence and accountability to the terms and conditions of leases. Our lease review and audit services include lease abstraction, due diligence, administration, auditing and general lease accounting services. RSM also provides outsourced lease administration services for clients in connection with administering and monitoring their leased portfolios. Our lease administration professionals include accountants, attorneys, paralegals and real estate professionals with extensive expertise and experience. Irrespective of whether our work is revenue or expense-centric, our focus on helping our clients obtain the full benefit, or incur the proper cost, based on the terms of the lease agreements they have entered.
Change Transition Assessments	We look at significant changes at our clients as opportunities to improve their operations and efficiency and to help ensure that the chosen response to change gets the client off to the best start looking forward. Our team has conducted audits of newly integrated departments and divisions to assess current performance and compliance with the client’s guiding policies and procedures. Our goal is to present recommendations to align the newly restructured or integrated division with the client’s goals and highlight opportunities for improved efficiency and service quality.

Information systems audits

RSM has substantial depth providing technology audit services across all segments of the government and education sectors. We can deploy dedicated technology risk management professionals who are experienced in evaluating and testing controls, technology implementation, assessments and developing strategic alignment.

A cornerstone to our approach to delivering internal audit services and supporting selective projects is the utilization of multidisciplinary IT professionals. We employ a focused mix of experienced IT auditors, IT consultants, industry and specialists with a broad range of skills and experience. Our information resource team members collectively bring deep expertise in a broad range of IT risk, audit and consulting services including: project management, system integration, IT strategy, enterprise IT management, IT privacy and security, and application and functionality. We have experience in benchmarking, assessing and designing well controlled and efficient IT functions from IT planning to back-office system support. Additionally, we bring deep experience in IT strategy, sourcing, information systems governance, Identity and access management, IT security services, business resumption planning and disaster recovery and a suite of enterprise resource management system services from running project management offices to implementing packages.

RSM understands the reliance upon and use of various technology systems at government entities. We can perform standalone IT audits, look at individual components of technology systems, or include testing as part of a financial statement audit.

Our IT risk advisory professionals work closely with our clients to determine the scope of IT control assessment areas. The assessment of IT controls performed by RSM would follow the guidelines of Committee of Sponsoring Organizations (COSO), Control Objectives for Information and Related Technologies (COBIT), and other industry standards, such as ISO Standards (issued by the International Organization for Standardization), IT Infrastructure Library (ITIL), and National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). While an entity's audit plan may include individually scoped audits that are specifically technology related, we recognize that most audits will have some relation to your technology platforms and will require specific expertise.

Specific to this RFP, our experience includes assessments over the following areas:

General controls review

Logical security

- The information security policy is reviewed annually and communicated to relevant users.
- Access granted to privileged-level shared, generic, service and/or vendor accounts is appropriately secured, and password to such accounts are modified on a periodic basis.
- Access is authenticated through unique user IDs and passwords to validate that users are authorized to gain access. Password parameters meet the entity's information security policies and standards.
- Privileged-level access is authorized and appropriately restricted.
- Logging of privileged-level activity is enabled, and logs are monitored on a regular basis to detect unauthorized activity.
- Physical access to data center is authorized and appropriately restricted.

- Access to modify financial data through means other than application access is authorized and appropriately restricted.

Security administration

- Management approves access requests for new and modified user access.
- Access for terminated users is removed in a timely manner in accordance with the information security policy.
- User access is reviewed periodically in accordance with the Information Security policy.
- Management approves access requests for new and modified access to profiles/roles.

Computer operations

- Financial data is backed up on a regular basis according to an established schedule.
- Backup restore testing is performed on a regular basis according to an established schedule.
- Backups are monitored for successful execution, and failures are corrected and resolved.
- Application and system processing are monitored for successful completion, and errors are corrected and resolved.
- Access to update and modify application and system processing is authorized and appropriately restricted.

Change management

- The system development life cycle (SDLC) and change management policy is reviewed annually and communicated to relevant users.
- Users are appropriately involved in the selection and/or implementation of new software solutions.
- Application, database, operating system and network changes are approved and tested prior to being moved into the production environment.
- Back out plans are developed and approved for application, database, operating system, and network changes prior to being moved into the production environment.
- Version control software and automated deployment software are used to implement changes as approved and tested.
- Access to implement changes in the production environment is appropriately restricted and segregated from the development environment.
- Production changes are reviewed on a regular basis to determine that they are appropriate and approved.
- Software versions are current and supported by the vendor.

System and applications

In connection with application controls for key applications specified by the state agency or university, we may analyze the following considerations:

- Input validation controls
- Completeness and accuracy of interfaces
- Periodic user access reviews
- Application administration
- Segregation of duties

- Physical access and security
- Secure application and system development
- Administrative and elevated user access

System development

A detailed review of system implementation and program development procedures may be performed for any new or ongoing changes to key applications systems, including the review of the following areas:

- Change management standards and methodologies
- Change documentation, testing and approvals
- Segregation of development and production
- Patch management controls and procedures
- Pre- and post-implementation reviews

Client / Server

The review of server and network administration practices assesses the network technology foundation and the following network security and related access provisioning practices:

- Asset management and system diagrams, including network topology
- Network documentation
- Endpoint connections, i.e., servers, workstations
- Network authentication controls
- System access administration
- System access monitoring
- Physical access and security
- Job processing and monitoring
- Administrative and elevated user access
- Remote access
- Network device security, including but not limited to switches, routers, firewalls and wireless access points

We provide information technology and security assessment services to clients in a variety of organizational sizes and structures. As a national leader in this area with information assurance professionals nationwide, RSM has professionals that exclusively serve client technology security and risk-related needs. Our professionals carry a multitude of industry-recognized certifications; several of our members are recognized thought leaders within the security industry.

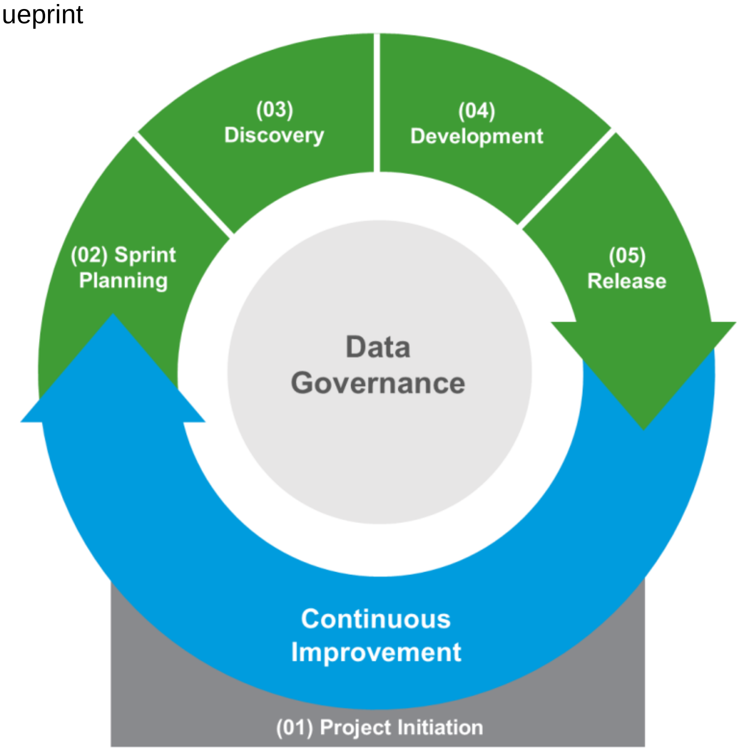
Information technology audits	
Compliance and Governance	No matter the capability and extent of the state agency or university's security technologies, if the processes and methods used to control the technology are weak, the security posture will never reach its full potential, and will likely degrade over time. By partnering with RSM for an assessment of your current compliance and governance state, developing a completely new governance model, or helping you monitor the effectiveness of your current model, ***the state agency or university will have access to some of the best information technology professionals in the country.***
IT Security Testing	Contrary to what many believe, security testing is not a commodity service. Real differences exist in capabilities and depth of testing, but the most drastic differences do not stem from purely technical factors. RSM's testing teams differentiate themselves by focusing on: (1) systematic issues, (2) multifactor risks, (3) consistent frameworks, and (4) controls assessments. Whether through our external penetration testing or our social engineering testing, the state agency or university will have access to leading professionals in the industry, as well as RMS's proprietary testing tools like our Nomad Security Testing Appliances. Our professionals carry a multitude of industry-recognized certifications and several of our team members are recognized thought leaders within the security industry.
Digital Forensics and Incident Response	Our team has more than a decade of experience in all aspects of forensics and response, including investigative support, evidence collection and analysis, post-event vulnerability assessment and remediation, expert witness testimony and law enforcement liaison activities. When a crisis hits, identifying and attempting to retrieve possible evidence from computers and related systems calls for a series of careful steps.
Security Architecture	Security testing, risk assessments, governance reviews and other such services are often viewed as having the primary goal of identifying weaknesses within an organization. RSM is purposeful within each of our assessment areas in going another level deeper and pairing our findings with pragmatic recommendations meant to address those issues. Our Security and Privacy Risk Consulting group contains a service network meant to deliver extensive solutions to many of the challenges you encounter. This architecture offering focuses on providing the infrastructure necessary for you to effectively manage your risks.

Data analytics / continuous monitoring

There are six phases to the RSM data & analytics delivery lifecycle: project initiation, sprint planning, discovery, development and release, followed by a phase of continuous improvement. Each phase is broken down further below:

01 – Project Initiation

- Project kickoff and executive communication
- High-level project objective planning
- Initial outline of sprint requirements
- Schedule recurring sprint meetings
- Team access and document reviews
- Architecture diagram, environment blueprint



02 – Sprint Planning

- Refresh on priorities
- Backlog grooming
- Work sizing
- Task assignment and scheduling

03 – Discovery

- Stakeholder interviews and discovery
- Process walkthroughs
- Review existing systems environment including data sources and flows
- Document end user requirements as features and stories, including security

04 – Development

- Data security and role definition
- Data architecture design and build
- Analytics orchestration
- User acceptance testing and validation
- Stand-up meetings and peer review

05 – Release

- User onboarding and training
- Solution deployment
- Post-release access testing
- Handoff to end users

06 – Continuous Improvement

- Retrospective meetings

- Re-evaluation of progress against high-level project objectives
- Delivery refinement
- User feedback intake and prioritization

Data and analytics markets, sells, designs, advises and implements systems and platforms related to an organization's data. The RSM team works with organizations to help them address their data challenges, derive insights from their data, and integrate data, across the landscape of the enterprise, into a common, single source of trust. Common projects include data strategy assessments, data migrations, data warehouse implementations, data governance and data quality. Additionally, revenue is generated through software and PaaS resale, as well as managed services.

RSM's Data & Analytics team provides the following services:

Data Engineering

DE

Data Engineering

Data Engineering (DIMS)

- ERP & System Migration
- Master Data Management
- Data Quality
- Data Integration
- Alteryx Enablement
- Extract Transform Load (ETL)
- Analytics Process Automation

Key Benefits

- ✓ Operational efficiency through repeatable workflows
- ✓ Cleansed and controlled data to improve analytical insight

Advanced Analytics

AA

Advanced Analytics

ADVANCED ANALYTICS

- Exploratory Data Analysis
- Data Science
- Machine Learning
- Artificial Intelligence
- Customer Segmentation
- Predictive Analytics
- Advanced Forecasting
- Prescriptive Analytics
- Cognitive Services
- R & Python Scripting

Key Benefits

- ✓ Use data as an asset to improve decision making
- ✓ Identify patterns that humans cannot

Business Intelligence

BI

Business Intelligence

BUSINESS INTELLIGENCE

- Data Warehousing / Lakehouse
- Data Architecture & Design
- Dashboards & Reporting
- Operational / Descriptive Analytics
- Data Modeling
- Big Data / IoT
- Data Solution Architecture
- Training and End User Adoption
- Managed Services

DATA STRATEGY & GOVERNANCE

- Data Strategy
- CDO Strategy
- Data Governance
- Management Controls
- Management of Data and Data-Related Assets
- Process Mining
- Master Data Management (MDM)
- Process Mining

Key Benefits

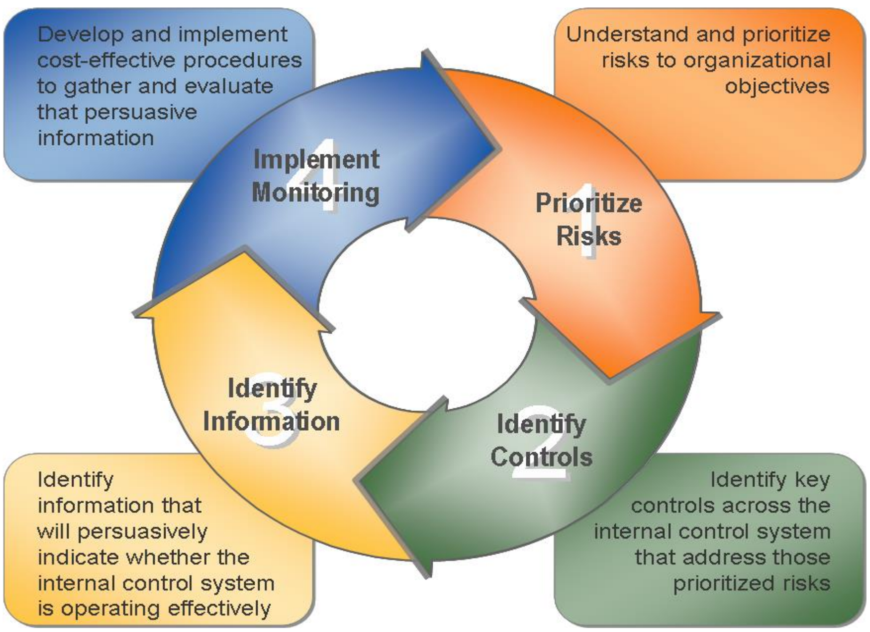
- ✓ Enhanced information access with a single source of truth
- ✓ Enterprise view of the organization
- ✓ Understand your customer base to enhance the customer experience and sales
- ✓ Empowers end users through self-service BI
- ✓ Align data strategy to support the business strategy

Risk assessment and audit plan development

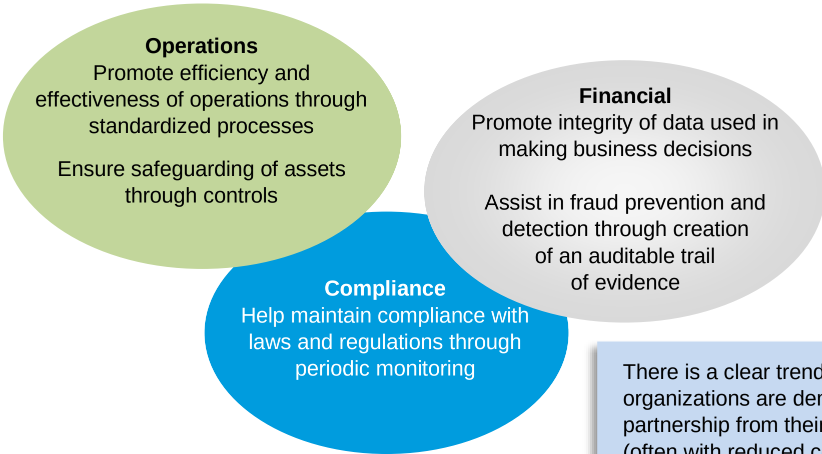
When it comes to providing internal audit services through our risk consulting services methodology, we do not subscribe to the “one size fits all” doctrine. Our approach for each engagement is to get to know our client to fully understand their needs and then work with them to custom-design solutions that are responsive to those specific needs and objectives. Our experience conducting risks assessment for the development of an internal audit plan for various other government entities gives us a leg up in potentially providing this service for the State.

The objective of a risk assessment should be to provide an entity with a proposed internal audit plan that has sufficient and continuous internal audit coverage of those areas evaluated as having a relatively high-risk profile or that otherwise require internal audit attention for various reasons at that point in time.

Our approach is based on the widely accepted Committee of Sponsoring Organizations (COSO) guidance on monitoring Internal Control Systems as shown below:



COSO is the standard of internal control. This is an integral component of our integrated risk advisory audit approach, and it is built into both our methodology and our risk advisory software platform, Auditor Assistant™. This framework allows us to focus our internal audit approach on the relatively higher-risk activities and the related control structure. It also results in value-added insights to your organization, including operational improvements that reduce cost, enhance revenue and improve client service.



> There is a clear trend in auditing—organizations are demanding value and partnership from their internal audit team (often with reduced cost), together with a greater contribution to the organization's strategic objectives. As a result, RSM professionals increasingly focus on improving and supporting the business, not just playing the role of "compliance auditor".

This philosophy and methodology apply to all of our audits, regardless of type. We assess the risk that errors or fraud may cause a material misstatement of financial statements, regulatory non-compliance and/or operational breakdowns. We then determine which of the identified risks of material misstatement are significant risks that require special audit consideration. We also identify internal control deficiencies as part of our risk assessment process.

We design our risk assessments to facilitate determination of a proposed internal audit work plan. A risk assessment is the identification and analysis of relevant risks to the achievement of an organization's objectives, for the purpose of determining how those risks should be managed.

- Initial determination of operating objectives
- A systematic identification of those things that could prevent each objective from being attained
- Forms a basis for how risks can be managed

The risk assessment identifies the audit universe and measures the impact and likelihood of key risks to those areas to ensure that the proposed audit plan focuses the internal audit resources efficiently and effectively. Our process combines various methods of information gathering and concludes with a collaborative session to ensure that we are all on the same page. The objective of the risk assessment is to ensure that the organization has sufficient and continuous internal audit coverage of those areas judged as having a relatively high-risk profile considering both impact and likelihood.

As part of the risk assessment process, we conduct interviews and surveys (using Survey Monkey), gather data, review laws and regulations, review Board meetings, and other information as deemed necessary to better understand an organization's current environment. Via interviews and/or surveys we typically meet with board members, audit committee members, agency head, agency attorney, senior leadership, department heads and others deemed necessary. Once the interviews/surveys are completed, the identified risks are summarized and rated as high, moderate or low based on the likelihood of the risk occurring and the potential impact.

- Impact should be evaluated both quantitatively and qualitatively.
- This risk prioritization process drives future allocation of resources.

- Other factors to consider may include speed of onset, vulnerability, etc.

The risk profile of the organization is developed based upon these factors, taking into consideration the following key risk areas:

Financial - measures the financial significance of the account balances included on the statement of revenue, expenses and changes in net assets, statement of net assets or statement of cash flows specific to the business area under consideration.

Operational - addresses the ability of the business area to manage its internal/external processes and/or deliver its core product/service offerings in an efficient and effective manner.

Compliance - considers the degree to which the business area may not be in compliance with laws and regulations, contractual agreements, organizational policies and procedures, commitments, etc., increasing the company's exposure to fines, penalties, and/or sanctions.

Public perception - considers the impact of a control deficiency on the public trust. This factor is generally considered a magnifier in the presence of one of the other factors.

Using this information and input, the above factors allow us to evaluate the level of risk present in each area/function, across a standard spectrum of industry accepted risk categories as follows:

Control environment	Describes the overall tone and control consciousness of the sub-entity/function. It involves the integrity, ethical values and competence of personnel as well as management philosophy and operating style.
Change	Addresses the extent to which change has impacted or is expected (in the near term) to impact the sub-entity/function, including changes in key personnel, statutes, the organization, its products, services, systems or processes.
Process risk	Addresses the inherent risk of the activities performed by the sub-entity/function, including the assets managed or in the custody of the sub-entity/function. Process risk addresses the extent of support the sub-entity/function provides to vital business functions, including the threat to continuity of the business caused by failures or errors; the probability of failure due to the amount of judgment, academic or technical skill required to manage the unit or perform key activities.
External factors	Describes the environment in which the sub-entity operates, and the type and amount of external interaction in which the sub-entity engages. Factors to consider include overall organization and regulatory environment, the level of interaction with users and success in satisfying user requirements, the financial reporting environment and results of regulatory compliance audits.
Revenue source / materiality	Describes resources available to the sub-entity/function. Factors to consider include maximizing revenues and obtaining additional revenue sources.

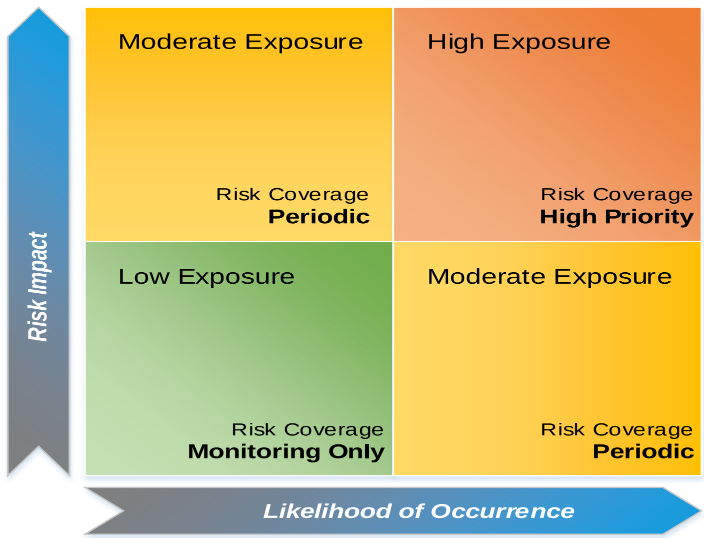
Preparing the proposed internal audit plan from the risk assessment will ensure that resources are focused on areas of most concern to the organization. The chart below illustrates the exposure environment for positioning an organization's risks and evaluating the desired response based upon the likelihood of occurrence and priority of risk concerns. The audit plan focuses on areas or functions that are high exposure and high priority (the upper right quadrant).

Inherent risk

- Risk of an occurrence before the effect of any existing controls
- If you were building this process, what would you be concerned about?
- What can we not prevent?

Residual risk

- Risk remaining after the application of controls
- Potentially reduced impact or likelihood
- The proposed annual internal audit plan is based on the results of the risk assessment



Financial audit

There is substantial guidance provided to auditors of government organizations as to how these audits should be conducted. Much of this guidance is in the form of mandatory professional standards, which establish the minimum standards regarding techniques, issues, training, etc.

The underlying reason for audit standards is to provide uniformity and credibility to the audit process. At RSM, we are aware of these standards and their importance to the audit process, which is why they form the foundation for our governmental audit approach. As a CPA firm performing a government audit, our first responsibility is to the public for which the state agency or university serves.

Because the state agency or university's management has primary responsibility for the custody and proper use of public funds, and, in this regard, must report on its own activities, our role is to authenticate that reporting. The auditor has a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. To perform this role, we must understand your organization's control environment in which financial decisions are made and executed, as well as understand pertinent laws and regulations.

Much of what is involved in an audit is a learning exercise for the auditor to independently reach the right conclusion. This learning exercise gives us valuable insight into an organization's operations. One of our missions is to use this insight to make meaningful recommendations for improvement to management and those charged with governance.

Audit methodology and process

Designed for organizations like state agencies or universities, the RSM audit methodology allows your engagement team to use professional judgment in planning an overall audit strategy.

Key steps in the RSM audit process

UNDERSTAND THE CLIENT	RISK ASSESSMENT	FURTHER AUDIT PROCEDURES	EVALUATION	DELIVERY
· Business objectives · Financial performance · Accounting policies · Internal control	· Risks of material misstatement (error or fraud) · Significant risks · Control deficiencies	· Tests of controls · Substantive analytical procedures · Substantive tests of details	· Audit evidence · Uncorrected misstatements	· Issue reports

Understand the client. We learn as much as possible about your business up front to properly understand the account balances, classes of transactions and disclosures relevant to your activities.

Risk assessment. We assess the risk that errors or fraud may cause a material misstatement of financial statements. We next decide whether the identified risks relate to specific relevant assertions related to significant account balances, classes of transactions, or disclosures, or whether they relate to the financial statements taken as a whole and potentially affect many relevant assertions. We then determine which of the identified risks of material misstatement are significant risks that require special audit consideration. We also identify internal control deficiencies as part of our risk assessment process.

Further audit procedures. We next determine the nature, timing and extent of tests of controls and substantive procedures necessary to address the risks identified. We select transactions for testing using various approaches, which may include specific identification of transactions or may involve sampling. When audit evidence obtained from the audit procedures results in identification of previously unidentified risks of material misstatement or contradicts planned risk assessment procedures, we revise the assessment and plan and perform additional audit procedures to reduce risk of material misstatement related to those assertions to an acceptably low level.

Evaluation. At the conclusion of the audit, we evaluate the sufficiency and appropriateness of the audit evidence obtained and whether the assessments of the risks of material misstatement at the relevant assertion level remain appropriate. We may redesign planned audit procedures based on our evaluation. We also evaluate the effects, both individually and in the aggregate, of factual, judgmental, and projected misstatements that are not corrected by the organization. We communicate all misstatements identified during the audit, other than those we believe to be trivial, to management, or others on a timely basis.

Delivery. Our audit culminates with the issuance of a report on the financial statements, report on compliance internal control over financial reporting, report on federal and state single audit major programs, AU-C 260 required communications to the state agencies and universities and, if applicable, additional communications of internal control deficiencies.

Potential audit issues

Our audit approach is based on early audit planning and preliminary fieldwork, ongoing and straightforward communications with management, and a high level of involvement by team leadership in all phases of the audit.

In serving the state agency or university, we will work with you throughout the year to address and resolve issues, new accounting standards and changes in your business. We find that regular communication regarding such matters is the best way to achieve a no-surprises audit.

Preparation of management letter

At the conclusion of our work, we will prepare a written report of significant findings from the audit. As required by professional standards, this report will be shared with those charged with governance. We will also communicate to management and those charged with governance any control deficiencies identified during the audit that, upon evaluation, are considered significant deficiencies or material weaknesses.

In the course of the engagement, our professionals may also observe opportunities for the state agency or university to modify or improve your practices or procedures. We will communicate those suggestions in a management letter that will be issued at the conclusion of the audit. We will be happy to assist you in addressing or implementing any of the suggestions that are communicated in our management letter. If a management letter is issued, it will be intended solely for the information and use of the board of directors, management and others within the company and should not be used by anyone other than these specified parties.

Communicating with the governing body

RSM will issue an engagement letter, no later than the required date of each fiscal year. We also will communicate in writing to the audit committee certain matters related to the planned scope and timing of our audit. This communication will explain the importance of timely and pertinent communication with the governing body regarding significant matters, re-confirm our independence, provide a brief description of our planning process, discuss planning materiality and how it is incorporated into our audit process, and the overall timing of the audit.

We will communicate the state agency or university in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, we will communicate to the governing board and/or audit committee (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations or abuse that we become aware of during the audit (unless they are clearly inconsequential).

We will plan to present our audit report(s) to the governing body no later than the required date following the end of each fiscal year.

Audit innovation for all types of audits

We continually invest in audit innovation because audit quality is paramount to what we do, and we want to perform audits in the most productive manner possible. Technology automates certain audit procedures and the flow of audit documentation; this automation, in turn, enables our auditors to focus more intently on what really matters—the design and results of audit procedures related to the areas with the highest risk.

Computer-assisted audit tools we use to achieve a more effective and efficient audit are summarized below:

CaseWare, for sharing and managing workpapers via the cloud. We use CaseWare software to share and manage workpapers and audit programs through an online cloud database, which results in increased audit productivity. This tool streamlines audit work by enabling more efficient documentation and review of a comprehensive, standardized audit file. As part of building our knowledge of your business, we focus on obtaining an understanding of the internal control over financial reporting that is sufficient to identify and assess the risks of material misstatement. We then develop an audit plan that is responsive to those risks. CaseWare efficiently facilitates our documentation of:

- Your financial processes and internal control procedures
- Our testing for an understanding of the actual operation of these processes and controls

IDEA®, for digging deep into big data. We use IDEA as our data mining and extraction tool to analyze big data and gain audit insights from that underlying data. IDEA improves audit efficiency in many functions, such as: (a) sampling, including selection and evaluation for systematic, random, stratified random, monetary unit and attribute sampling; (b) field manipulation that allows fields to be appended for calculations and computations, facilitates account reconciliations and analyzes the population for major or unusual transactions; and (c) field statistics that display and print statistics about transactions. IDEA also can:

- Search complete data sets, such as when probing for fraudulent journal entry characteristics during journal entry testing
- Perform data combinations, such as when pulling general ledger information into one file or comparing accounts payable to disbursements

RSM Collaborate, to connect teams and simplify workflow. Our proprietary RSM Collaborate tool—a secure, internet-based platform designed to optimize engagement management and accountability—enables RSM and client teams to stay in touch and simplify the work-flow process. The state agency's or university's stakeholders can leverage Collaborate to stay in touch with your engagement team from any location. Collaborate enables us to collect, organize and track your documents. The impact: Collaborate drives efficiencies and enhances productivity in the timing of our audit of those documents. The state agency or university and RSM will benefit through an efficient exchange of files and a reduced risk of unauthorized access to data. Other Collaborate features include:

- Engagement calendars to track milestones
- Functionality to assign tasks and due dates and track related progress
- Protocols to manage document iterations, assisting with version control
- Safeguards to enable secure transfer of files, centralization of data and protection of confidential and sensitive information
- Ability to control information access with respect to distinct tasks
- Capability of issuing updates, alerts and notifications of pending deadlines

Data visualization, to see the big picture. Data visualization converts complex raw data into a visual form, reducing the volume of data to a manageable size and allowing auditors to focus on crucial data points. Visual elements help auditors better analyze complex information because they can see connections that would be more difficult to notice using text alone. Our engagement teams use charts and graphs in Excel spreadsheets in many areas of audit testing to help gain insights, draw conclusions and convey information gained to stakeholders. Some examples of the use of data visualization include:

- Time series visual of sales trends by department
- Scatter plots to identify outliers in a particular data set, such as claims and payments
- A bar graph of monthly payment trends by major customer
- Color correlation graphs of shipping costs with related sales

Accounting & financial services

Accounting can be complex and often requires the focused attention of professionals with significant expertise and seasoned judgment. In addition to the day-to-day demands on accounting and finance personnel, there can be a steady cadence of challenges, including:

- Analyzing and assessing the impact of standard-setter activity
- Undertaking securities offerings
- Managing a growing and evolving business
- Planning for and executing significant transactions and reorganizations
- Assessing the impact of events

The Technical Accounting Consulting (TAC) team of experienced professionals specializes in helping organizations meet their ongoing technical accounting and financial reporting requirements. Members of the TAC practice collaborate alongside all consulting, audit and tax service lines as integrated team members to provide a team of accounting and subject matter experts who can help the client identify issues and suggest possible solutions—all with minimal disruption to an organization's daily business operations.

By combining a deep understanding of accounting standards with a full range of advisory services, our TAC team will use their industry experience and public and private company finance experience to create dynamic and holistic solutions in response to the organization's needs.

RSM offers overall broad-based TAC services including:

Financial advisory

- Financial reporting optimization and audit readiness
- Complex accounting analysis and consultation
- Emerging accounting standards
- Global accounting assistance

Accounting and financial reporting assistance

- Finance team augmentation
- On-call technical accounting assistance
- SEC and financial reporting
- Revenue policies and accounting
- Lease administration and accounting

Transformative events

- Capital market transactions
- Carve-outs
- Bankruptcy and fresh start accounting
- Restatement services
- Acquisitions and divestitures
- Joint ventures

This specialty practice provides high quality technical services to public and private companies; enabling RSM to act as a "second service provider" of accounting and related services that are not permissible for an external auditor to deliver, due to independence restrictions.

Dedicated TAC service-line personnel are comprised of experienced accounting professionals with a mix of public accounting (RSM and Big Four) and corporate accounting experience. This profile is critical as client responsiveness and unpredictability of service needs are an inherent part of the practice. Our experienced team's skillset can be augmented with the firm's industry and cross line of business subject matter experts, particularly when implementing new standards, evaluating technology or entering new industries.

TAC targets clients aligned with the firm's industry focus including technology, media and telecommunications, life sciences, technology, manufacturing and distribution, construction, consumer products, real estate, retail, professional services and financial services, etc. and provides them with ongoing technical accounting, financial reporting and transaction support.

Government entity support

The RSM TAC team also serves government entities and offers the following services to help ensure your organization has the tools necessary for meeting federal requirements:

Audit Readiness

Preparing for the audit takes away from the day-to-day operations of governments. We have the expertise to take this need off their plate. The level of effort can differ greatly for audit readiness preparation. Based on our experience, common areas include, receivables, payables, capital assets, debt, risk management, pensions, and other post-employment benefits.

Financial Statement Preparation (FS prep)

We work with numerous governments with varying methodologies to prepare their financial report or Annual Comprehensive Financial Report (ACFR). The level of effort required to prepare government financial statements is extensive. Because there are so many moving parts and sources associated with the preparation of the financial report/ACFR, timely communication, project management and collaborative relationships are keys to our success.

Managed Monthly Services

Outside the year-end audit readiness and financial statement preparation, we can assist with monthly accounting services. These services include assistance with monthly bank reconciliations and other monthly account reconciliations, preparing monthly or bi-weekly reports for board presentations, annual budgetary analysis and preparation, assistance with financial reporting requirements associated with applicable oversight agencies, and other finance-based projects.

Managerial advisory services

Even though the stimulus programs are relatively new and often yet evolving, the RSM team is prepared to deliver impactful results utilizing proven methodologies from similar large complex engagements in the public and private sectors. Our effort will be led by a highly experienced team focused on delivery excellence with in-depth program and project management experience. We understand this program requires comprehensive project controls so that we can provide the level of transparency, progress reporting, and results you and North Carolina's residents expect. The RSM team's experience working with state agencies has provided valuable insight into delivering a project of this size, including how to be agile to the state's needs, changing policies, and scalable yet responsible staffing requirements.

As such, we will leverage RSM's program management approach, methodology and tools to confirm consistent, high-quality delivery, communication and risk mitigation for your organization. This project management is an overarching function that drives the delivery of the entire program.

Six key project management activities span all phases of the engagement covering all teams and project parties, to keep the project on schedule and provide quality assurance. Our seasoned program/project management consultants provide significant value in helping to ensure that engagements run smoothly on time and within budget.

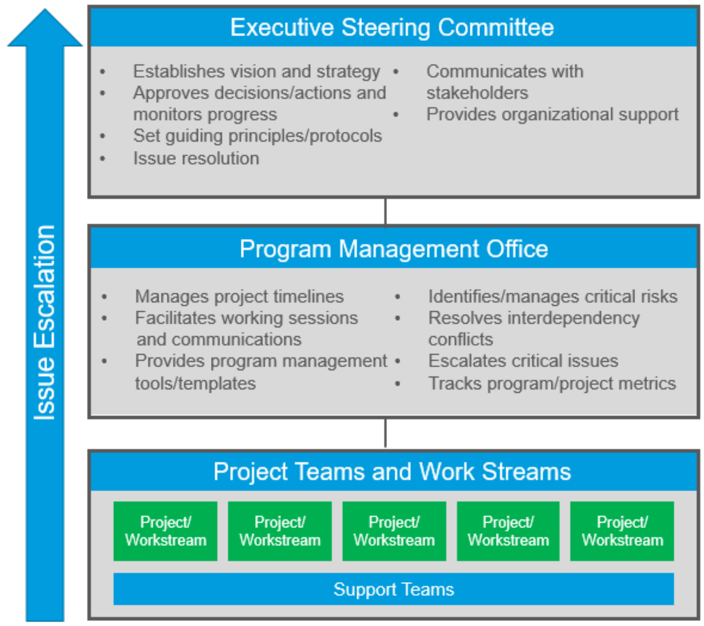
Throughout the project life cycle, RSM's project management approach, methodology and tools confirm consistent, high-quality delivery, communication and risk mitigation for the program. We properly structure the engagement from the outset, identify and manage the project goals and objectives, and successfully manage each phase of the application from intake to post payment compliance.

Keeping projects on time and within budget are often where organizations fall short when driving new initiatives. Our project management audit and review processes and structures ensure consistent, high-quality delivery, communication and risk mitigation throughout the project lifecycle.

The following functional areas comprise the RSM program management framework.

Program Management Office (PMO)

RSM will establish the Program Management Office (PMO) to act as a central hub for tracking and coordinating across the State of North Carolina delivery team. PMO is a full-time, centralized resource of an experienced program team led by certified Project Management Professionals (PMPs) and highly skilled complex delivery leaders. It is critical to establish a proper governance structure to manage and monitor all project activities, establish appropriate communication and decision making mechanisms and identify potential risks in a timely manner to reduce risk to the overall project.



For all our client programs and projects, we:

- Establish a Steering Committee and a Program Management Office as part of the program
- Identify a meeting cadence that will allow the project team to successfully meet its objectives while respecting normal business activities required to operate

Deliverables management

We assure the organization is positioned for success after the RSM NC team leaves the project. This calls for compiling project documentation—and for writing and providing any final project analysis or handoff documentation. Also, while knowledge transfer will occur throughout the engagement, formal steps during assure that the project team has completed all such efforts, and that the organization is prepared for assuming responsibility for the program.

Our project management deliverables are tailored for each client's needs but regularly include the following:

- Project charters, project plans, timelines, risk registers, change control logs, responsibility matrices, communication plans
- Recurring project status reports, with executive and detailed versions as needed
- Recurring project control reports (hours, budget, deliverable status, etc.)
- Quality assurance notes and risk management documentation
- Creation of Steering Committee agendas, minutes and action items
- Deliverable acceptance forms

Engagement performance and documentation

We track our engagements against our internal quality standards and regulatory requirements through electronic manuals, software tools, and subject-matter guidance materials dealing with our methodologies, documentation of work performed and processes for identifying matters for consultation by subject-matter authorities within the firm.

As part of our internal audit methodology, project deliverables go through a detailed review process which includes several internal layers of management review. This allows us to effectively review each deliverable for high quality that will meet and/or exceed our clients' expectations.

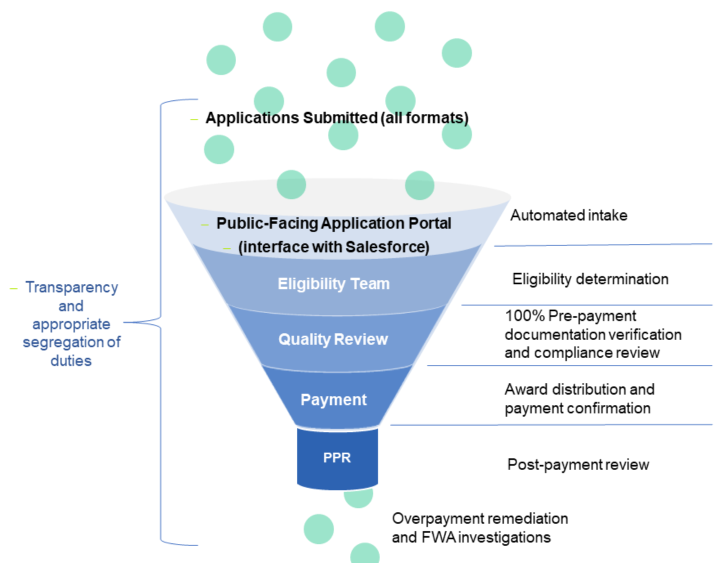
Project cost management

While the management of cost on a project varies by organization, it typically includes several key disciplines including scope management, time, and budget (or cost). As part of managing projects, we use the triple constraint framework to prioritize constraints against our client's priorities.

These three constraints continuously compete with one another. If one constraint cannot be changed, then the other two must be flexible in order to meet the needs of the highest priority constraint. We will work with the State of North Carolina to continually understand the key priorities of timeline, cost, and scope to deliver project success.

Quality assurance and control

Our focus as a team is to deliver high-quality, responsive service to every applicant. Every phase of the applicant's journey is performed in a manner that drives project integrity and quality control. This is at the heart of our multipronged approach to quality assurance and is a rigorous process that should minimize errors and/or overpayments. Our teaming arrangements with members of the RSM North Carolina team provides the state with a robust program that will be supported by certified public accountants, certified internal auditors, certified fraud examiners, certified information systems auditors, among other credentials. The program quality funnel is illustrated here.



Quality control and data analysis techniques are employed throughout the lifecycle of the application management process. At various steps in the process, quality control reviews would be performed to evaluate whether supporting documentation was provided, award amounts are calculated accurately and properly, and that awards do not exceed unmet needs. These quality control measures include, but are not limited to:

- For segregation of duties among teams, the eligibility team and the quality review analysts perform quality control for their respective activities:
- The eligibility team processes applications for completeness and accuracy, but does not authorize payment

- The quality review team reviews 100% of applications for completeness and compliance with State of North Carolina determined requirements and advances application to payment stage
- The Salesforce case management solution should include built-in quality control processes, such as:
  - Monitoring successful completion of each workflow step in the application intake process prior to the applicant moving to subsequent phases in the process
  - Developing triggers for additional reviews if certain gateways in the process are not met
- We will work to establish connection to all probable entities that will receive funds on behalf of the homeowners, including mortgage servicers, taxing authorities, insurance companies, utilities, etc. It will be improbable to establish immediate connections with all entities, but we will begin making connections with known service providers within the State.
- Periodic review of performance reports generated by the case management software in preparation for status meetings with the program and project managers
- If irregularities, inconsistencies, or other findings are observed, follow up with the appropriate individuals (e.g., eligibility and quality review analysts) to resolve the observations

Points of Contact

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APPENDICES

Appendix A—Engagement team biographies

Jill Reyes

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jill.reyes@rsmus.com

Summary of experience

Jill is responsible for leading client engagements, which includes planning, executing, quality review assurance, completion and proactively interacting with engagement leadership, senior level management and external auditors. Jill meets with board and audit committee members regularly and monitors ongoing activities to effectively manage the project work plan and frequently communicate relevant information. In her current role, Jill delivers advice and consultation regarding the adequacy and operating effectiveness of the control environment and specific internal controls, business process improvement, compliance matters, and financial reporting matters.

Jill provides consulting, financial and compliance audit services to a variety of public sector entities, with a focus on grants management and compliance. Her hands-on experience working with state and local government and other auditors has given her the skills necessary to consult, assess and implement practical business solutions in an ever-changing environment. She has been in public accounting since 2001, and is dedicated to the public sector industry, focusing primarily on state agencies, cities, counties, and school districts. She has also performed external audit services in accordance with G*overnment Accounting Standards*, Uniform Guidance and various OMB Circulars. Jill participates on RSM's national public sector leadership team as a trainer, strategic thinker and thought content developer.

Jill is a frequent speaker at conferences and events on federal procurement regulations, compliance, risk assessment, fraud awareness, and hot topics in internal audit.

Professional affiliations and credentials

- Certified public accountant, Florida and Georgia
- Certified fraud examiner
- Certified internal auditor
- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Florida Institute of CPAs
- Florida Govern
- Institute of Internal Auditors

Education

- Master of Business Administration, Florida Institute of Technology

- Bachelor of science, accounting, Florida International University

Clara Ewing

Senior Director, Risk Consulting
clara.ewing@rsmus.com

Summary of experience

Clara has over 20 years of experience serving clients in financial reporting, internal controls, and process improvement. For the past 12 years, Clara has spent 100% of her time serving clients in the public sector, and now leads RSM's efforts providing internal audit related services to government entities. She started her risk management/auditing experience with Big Four accounting firms and has spent the breadth of her public accounting career working with organizations in auditing and assessing controls in internal and external audit. She is success and teamwork driven, which determines her ability to collaborate with management to find the best solutions to help her clients succeed. Clara's ability to effectively work with senior management, boards of directors, audit committee members and other auditors has given her the skills necessary to partner, consult, assess and implement practical business solutions in an ever-changing environment in private and public sector. She is a regular presenter of internal audit related topics at various local, regional, and internal public sector events. Her experience includes:

- Responsible for the overall risk assessment and audit plan, determination of the design analysis, remediation implementation, analysis of operating effectiveness, reporting and presentations to audit committees and management.
- Process assessments for private and public sector, to provide best practices from a variety of organizations and industries.
- Implementation successful process re-engineering and implementation of remediation plans, including documentation of processes, policies and procedures across organizations and numerous government entities.
- Serves as the quality assurance senior director on several high-profile engagements and has performed quality assurance reviews for numerous public sector entities.

Representative clients include Counties of Arlington, Loudoun, Prince William, and Spotsylvania VA; Counties of Brevard, Osceola and St Lucie, FL; City of Charlotte, NC; Cities of Orlando and Homestead, FL; School Districts of Brevard, Collier, Lee, Osceola, Seminole and Volusia, FL; Orlando Utilities Commission; Lee County Electric Cooperative; and Jacksonville Port Authority.

Professional affiliations and credentials

- Certified internal auditor
- Institute of Internal Auditors
- Frequent speaker at conferences and events on internal audit related topics

Education

- Bachelor of Science, accounting and general business, Louisiana State University

- Bachelor of Science, general business, Louisiana State University

Alex Aronshteyn

Director, Risk Consulting
alex.aronshteyn@rsmus.com

Summary of experience

Alex is a certified business continuity professional, with more than 19 years of experience in business continuity, disaster recovery, incident management, crisis communication, and IT governance, risk, and compliance (GRC), for enterprise and mid-market companies in numerous industries including energy/power/utilities, health care, life-sciences, logistics, consumer products, industrial products, telecommunications, and public sector. In this capacity, Alex has held numerous roles ranging from business development, consulting and recovery system management to contingency planning, program implementation, exercise facilitation and audit. He hassuccessfully initiated, implemented, and maintained numerous multimillion-dollar risk management efforts, including vulnerability assessments, compliance mock audits, risk mitigation plans, technology recovery capabilities for large ERP systems (SAP, Oracle, JDE), contingency plans for call centers, resumption plans for manufacturing plants, and crisis communications processes for international distribution channels—all based on business requirements. Alex's focus includes the following:

- Assessment and scoping of business-driven recovery requirements via business impact analysis (BIA) planning and execution
- Alignment and coordination of business continuity (people/process) and disaster recovery (technology) principles and methodologies
- Development of an assessment methodology for identification of gaps between expected (requirements) and actual (current) recovery capabilities
- North American Electric Reliability Corporation's (NERC) and Critical Information Protection (CIP) Standards, including cyber vulnerability assessments, mock audits, and gap analysis
- HIPAA as it applies to protection and contingency planning for ePHI
- Crisis/incident response (IR) management process design, documentation, and testing
- Business impact analysis (BIA), Incident management, Crisis communication, BC/DR program initiation and development, Exercise planning and facilitation, Disaster management (actual), Pandemic planning

Professional affiliations and credentials

- Certified business continuity professional
- Living Disaster Recovery Planning System
- Lean Six Sigma White Belt
- Recovery documentation and document management
- Certified in Foundations of ITIL in information technology service management

Education

- Medical Doctorate program, Medical College of Ohio

RSM

Jaime Bardee

Manager, Risk Consulting
jaime.bardee@rsmus.com

Summary of experience

Jaime Bardee is a Manager within RSM's risk consulting practice. Jaime has over six years of experience assessing risks and controls over business processes, contract compliance services, and risk management. Her experience includes planning and performing detailed quality assurance programs and designing optimal future states to aid in growth management. She has extensive experience in detailed testing, initial quality reviews, communicating audit progress with client leadership, and reporting audit findings. Prior to her role at RSM, Jaime served 20 years in the U.S. Navy on active duty working in various roles in naval aviation.

Jaime specializes in assisting local governments and school districts with managing operational, financial and technology risks, as well as designing and implementing client process improvements that strengthen internal controls and improve business processes. Jaime is primarily dedicated to providing risk consulting services for public sector clients, including state agencies, local governments, and school districts.

Representative clients include Lee County Electric Cooperative; Prince William County, VA; Brevard County, FL; City of Charlotte, NC; School Districts of Brevard, Collier, Lee, Osceola, Seminole and Volusia, FL; and Jacksonville Port Authority.

Professional affiliations and credentials

- Certified public accountant
- Certified internal auditor
- Certified fraud examiner
- Association of Certified Fraud Examiners
- Institute of Internal Auditors

Education

- Bachelor of Business Administration, accounting, University of North Florida
- Master of Business Administration, University of Florida
- Master of Accountancy, University of North Florida

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Katie Barry

Director, Technical Accounting Consulting
katie.barry@rsmus.com

Summary of experience

Katie is the TAC government services leader and serves a variety of public sector entities. Katie has over 18 years of experience serving clients in the public sector. Since the beginning of her career, her focus has been on units of local governments, particularly school districts and municipalities. Her passion and expertise in the government arena led to her involvement in State agencies, County, and special purpose districts. She is responsible for overseeing RSM's resources, as well as the quality and timeliness of deliverables. She also has extensive knowledge with various federally assisted programs and compliance with those programs.

In addition to serving her clients, Katie also facilitates and develops training at a national level.

Professional affiliations and credentials

- Certified Public Accountant – Iowa and Illinois
- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Government Finance Officers Association – Special Review Committee
- Illinois Association of School Business Officials
- Illinois CPA Society

Education

- Bachelor of Science, Accounting, University of Northern Iowa

Robbie Beyer

Director – Data Analytics | Advanced Analytics
robbie.beyer@rsmus.com

Summary of experience

As part of the Advanced Analytics team at RSM, Robbie Beyer helps clients deploy artificial intelligence (AI), machine learning (ML), and reporting/analytics solutions. With over a decade of project and leadership experience at RSM, Robbie has demonstrated the ability to help clients leverage data and technology to enable business and digital transformation in alignment with their strategic business objectives.

In his current role, Robbie provides advanced analytics solutions for clients looking to build a competitive advantage in their respective marketplace. Using a combination of solution architecting and technical execution, Robbie has been able to identify business opportunities and create value for clients. Robbie routinely leads enterprise data and AI projects that align with clients' success metrics and are designed to grow and scale with the business. He has also led initiatives helping clients assess and implement generative AI capabilities, enabling higher productivity and new opportunities. Robbie is on RSM's National AI Committee and provides thought leadership to clients and RSM leadership.

In a recent notable project in the Public Sector industry, Robbie led a successful AI deployment for a government client, helping the client move from experimenting to a proof of value production deployment of two foundational business use cases with generative AI.

Robbie was named to the San Diego Business Journal's Top 40 Under 40 Next Business Leaders and served as the Commencement Speaker at his graduate school commencement ceremony.

Professional affiliations and credentials

- Advanced Analytics and Statistical Modeling – R and Python
- Data Visualization – Tableau, Power BI, and Azure Analysis Services
- Cloud Computing, Data Warehousing, and ETL – Azure
- Tableau: Certified Associate Consultant

Education

- Master of Science in Business Analytics – Rady School of Management, UC San Diego
- Bachelor of Business Administration in Finance – University of San Diego

Matthew Blondell

Director, Risk Consulting
matthew.blondell@rsmus.com

Summary of experience

Matthew is a construction specialist in RSM’s construction risk consulting practice where he is responsible for the execution of projects and supervision of staff, risks and controls, contract compliance services, risk management, business process analysis and forensic investigations. He has been in public accounting for over ten years. His experience includes planning, supervising and executing contract compliance engagements including ongoing monthly compliance monitoring and invoice review, closeout audits, contract compliance engagements, facilities and construction internal audits, and other consulting services for public sector entities including state authorities, counties, cities, school districts, local and tribal governments, publicly traded entities, construction contractors and private equity clients throughout the country. Prior to joining RSM, Matt worked as an external auditor at a regional accounting firm in Florida.

At RSM, Matt is focused on providing risk consulting services within the construction industry, and services as a subject matter expert in the Southeast region. Matt’s experience includes:

- Currently serving NJ TRANSIT as a construction auditor for four IOM projects, which includes extensive testing related to compliance with prevailing wage and Davis-Bacon Act
- Recently managed interna; audit and contract administration reviews as part of a three-year, phased governmental audit initiative, including extensive audit and compliance work pursuant to a federal consent decree. Audits within this program included compliance with federal wage compliance, as well as local wage and workforce requirements
- Recently managed a team performing ongoing (monthly) compliance monitoring activities for a federally assisted FL county infrastructure project, which included testing of labor transactions for compliance with prevailing wage requirements
- Currently serving as the manger on a five-year, $900 million construction program audit and assessment engagement
- Managed a team responsible for ongoing interim construction audits of a $1 billion mixed-use development, located in the heart of downtown Miami
- Led a team conducting audits of CMAR contracts totaling over $160 million for a university, including both a major stadium renovation and a new residential housing unit
- Supervised or performed multiple construction audits for both minor and major projects at a large university, and assisted negotiations of multiple contractor proposals, helped to develop and/or revise numerous contracts, and participated in the negotiation process helping to facilitate cost saving, cost avoidance and cost recovery

- Assisted/managed construction focused forensic investigations for tribal governments, school districts, construction contractors and private equity

Professional affiliations and credentials

- Certified public accountant, Florida
- American Institute of Certified Public Accountants
- Florida Institute of CPAs
- Institute of Internal Auditors

Education

- Master of Accounting, Florida State University
- Bachelor of Science, accounting, Florida State University

Weiss Campbell

Manager, Risk Consulting
William.Campbell@rsmus.com

Summary of experience

Weiss Campbell is a Manager within RSM's risk consulting group. Weiss has over seven years of experience providing financial, compliance audit and risk management services to a variety of public sector clients focusing primarily on local governments and school districts. Weiss' primary experience includes identifying and researching current accounting, auditing, and regulatory issues, as well as, documenting and assessing process flow and control, developing audit programs, identifying key risks and controls, testing controls, and evaluating overall operational effectiveness and contract compliance.

Weiss specializes in assisting local governments and school districts with managing operational, financial and technology risks, as well as designing and implementing client process improvements that strengthen internal controls and improve business processes. Weiss is primarily dedicated to providing risk consulting services for public sector clients, including local governments and school districts.

Representative clients include: Counties of Prince William and Spotsylvania VA; Counties of Brevard and St Lucie, FL; and the School Districts of Brevard, Collier, Lee, Osceola, Seminole and Volusia, FL.

Professional affiliations and credentials

- Certified internal auditor
- Institute of Internal Auditors

Education

- Master of Business Administration, University of South Florida
- Bachelor of Science, finance, University of Florida

Dashaun Chester

Manager, Technology Risk Consulting
dashaun.chester@rsmus.com

Summary of experience

Dashaun is a manager with an extensive level of experience leading the preparation, execution and completion of risk advisory and IT audit engagements for numerous organizations in the large and middle markets. With over 12 years' experience in consulting, including approximately 8 years in the Big 4, he has executed projects within a variety of industries including manufacturing/consumer products, financial services, retail, power & utilities, technology, media, and travel & hospitality. His consultative and auditory capacity has included public, private and governmental entities.

Dashaun has significant experience providing IT Audit and Advisory services to the marketplace; including but not limited to risk assessments and evaluations, internal process design, cybersecurity readiness, and cloud computing analysis. In addition, he has experience tailoring Sarbanes-Oxley and regulatory compliance initiatives to align with client needs.

Professional affiliations and credentials

- Information Systems Audit and Controls Association (ISACA)
- Certified Information Systems Auditor (CISA)
- CPA eligible

Education

- Bachelor of Science, Accounting & Computer Information Systems (dual-degree), Virginia State University
- Master of Science, Accounting w/Concentration in Information Systems, University of Akron

Valerie Colimon

Partner, Audit Services
valerie.colimon@rsmus.com

Summary of experience

Valerie started her career at RSM as an intern in January 2006. Since her commencement, she has served a variety of public sector and private partnership entities. During her first year with RSM, Valerie began to focus solely on providing audit services to governmental and nonprofit organizations; specifically, those subject to Uniform Grant Guidance audits and those subject to government auditing standard reporting requirements. Valerie performs a full spectrum of assurance operations such as plan, execute and supervise engagements. Valerie's extensive experience enables her to provide timely feedback and best practice recommendations relating to various accounting practices and internal control improvements. Valerie serves some of the firm's highest risk and highest-profile clients. She also serves on a number of national public sector industry committees and leadership teams.

Valerie has worked on several public sector clients nationally:

- Commonwealth of Massachusetts
- Commonwealth of Virginia
- Connecticut
- Florida
- Maine
- Maryland
- New York
- North Carolina
- Texas
- Vermont
- Washington State
- Washington, D.C.

Industry focus includes public sector – governmental and nonprofit and for-profit federal grant compliance audits.

Diversity and inclusion affiliations and credentials include:

- RSM US LLP National Multicultural Employee Network Group Leader 2016-2020
- RSM US LLP Cultural Diversity Inclusion Council Member 2020 - 2021
- RSM US LLP Middle Market Collaborative Member – Membership Division 2021
- Active participant in various National Diverse Professional Organization conventions for ALPFA, NABA, ASCEND, AICPA, and Interfaith

Professional affiliations and credentials

- Certified Public Accountant, Virginia, Massachusetts, and Florida
- American Institute of Certified Public Accountants
- Association of Government Accountants

- Greater Washington Society of CPAs
- Government Financial Officers Association, Certificate of Achievement for Excellence in Financial Reporting, Special Review Committee

Education

- Master of Accounting, Florida International University
- Bachelor of Accounting, Florida International University

Ava Doraisamy

Supervisor, Risk Consulting
ava.doraisamy@rsmus.com

Summary of experience

Ava joined RSM in 2019 and has dedicated her career to working within the public sector in the Southeast region. Her experience includes assessing the design and operating effectiveness of internal controls, leading operational, performance, and compliance focused internal audit engagements, planning, and executing detailed quality assurance programs, and designing optimal future states to aid in growth management. Ava is responsible for the day-to-day operations of her engagements, including performing quality reviews, communicating audit progress with stakeholders, and reporting audit findings.

Prior to her role at RSM, Ava worked as a data analyst for a global information technology company.

Representative clients include Prince William County, VA; Counties of Brevard and St Lucie, FL; Cities of Orlando and Homestead, FL; School Districts of Brevard, Collier, Lee, Osceola, Seminole and Volusia, FL.

Professional affiliations and credentials

- Institute of Internal Auditors

Education

- Master of International Business, University of Florida
- Bachelor of Arts, business, University of Florida

Chris Ekimoff

Director | Financial Investigations and Dispute Services
chris.ekimoff@rsmus.com

Summary of experience

Chris Ekimoff is a Director in the Financial Investigations & Dispute Services ("FIDS") based out of the Washington DC and New York City offices of RSM. Chris has significant experience providing litigation consulting and forensic accounting services—including as an expert witness on behalf of his clients—performing internal investigations, applying and evaluating financial reporting methods, responding to allegations of accounting and auditing malpractice, asset tracing engagements, and other complex financial and accounting issues. He is a co-host of the inSecurities Podcast from the Practising Law Institute, and an Adjunct Professor at the Antonin Scalia School of Law at George Mason University. Chris also heads the FIDS Blockchain and Crypto Solutions Incubator at RSM.

Chris leads engagements regarding SEC financial reporting matters, public company restatements, Foreign Corrupt Practices Act (FCPA) investigations and corporate compliance. Additionally, he has overseen the development and implementation of fraud risk management programs, as well as the performance of internal investigations at companies in the financial services, construction, hospitality, manufacturing, and technology industries. Chris has contributed to matters including revenue recognition issues, audit malpractice claims, alleged SEC reporting violations, complex GAAP & GAAS accounting policy issues, whistleblower allegations, and mortgage-backed securities litigation.

Professional affiliations and credentials

- AICPA - Certified Public Accountant / Certified in Financial Forensics
- ACFE - Certified Fraud Examiner
- AICPA - Chartered Global Management Accountant

Education

- Master of Business Administration, accounting, St. Bonaventure University
- Bachelor of Business Administration, accounting, St. Bonaventure University

Brett Friedman

Florida Public Sector Leader
Partner, Audit Services
brett.friedman@rsmus.com

Summary of experience

Brett is the Florida public sector leader and has more than 29 years of experience providing audit and consulting services to government and nonprofit clients. His experience includes leading large government audits and performing audits in accordance with *Government Auditing Standards, the Uniform Guidance, Federal Single Audit Act, Florida Single Audit Act and the Rules of the Auditor General of the State of Florida.* Brett is also very active in our CDI efforts and currently serves as the National Leader for our HOLA ENG.

Representative list of government audit clients served include:

Cities

- Miramar
- Boca Raton
- Coral Gables
- Coral Springs
- Deerfield Beach
- Fort Lauderdale
- Hollywood
- Miami
- Miami Beach
- North Miami
- Pembroke Pines
- Pompano Beach
- Tamarac
- Tampa
- West Palm Beach

Counties

- Broward
- Hillsborough
- Miami-Dade
- Palm Beach
- Hillsborough County Aviation Authority
- School Board of Miami-Dade County
- Broward County School Board
- School District of Palm Beach County

Authorities

- Canaveral Port Authority
- Jacksonville Aviation Authority
- Jacksonville Port Authority
- South Florida Water Management District
- Washington Metro Area Transit Authority

Professional affiliations and credentials

- Certified Public Accountant, Florida
- American Institute of Certified Public Accountants
- Florida Institute of CPAs
- FICPA State and Local Government Section
- Florida International University School of Accounting Corporate Advisory Board
- Government Finance Officers Association Special Review Committee
- University of Miami School of Accounting Corporate Advisory Council, Chair

- Florida Government Finance Officers Association

Education

- Master of Business Administration, University of Miami
- Bachelor of Science, accounting and economics, State University of New York at Albany

Richard F. Gaul

Director, Technical Accounting Consulting
rich.gaul@rsmus.com

Summary of experience

Rich provides financial reporting, audit and consultation services to a variety of public sector entities. He focuses primarily on cities, counties and school districts. Rich has practiced public accounting for more than 30 years, over 20 of which has been involved with local governments. He has worked with local governments of various sizes. He is involved with the Government Report Review Committee of the Illinois CPA Society; a task force charged with reviewing reports of Illinois local governments to determine that they are complying with industry standards of presentation.

In his current role, Rich delivers advice and consultation regarding complex financial reporting matters, assists governments with the preparation of their annual financial reports, assists engagement teams in audit matters related to financial reporting, and assists units of state and local governments with implementation of various GASB statements.

Professional affiliations and credentials

- Certified Public Accountant – Illinois
- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Illinois Society of Certified Public Accountants
- Illinois Society of Certified Public Accountants – Government Report Review Committee

Education

- Master of Science, Finance, University of Illinois
- Bachelor of Arts, Finance, University of Illinois

Christopher Gums

Manager, Risk Consulting
chris.gums@rsmus.com

Summary of experience

Chris is a Manager in RSM's risk consulting group where he is responsible for planning, executing, and closing internal audits, including, but not limited to, facilities and construction, contract compliance, and construction closeout engagements. Chris specializes in statistical sampling methodologies and advanced data analytics, contractor job cost analysis, detail testing of construction labor, general conditions, general requirements, and subcontractor costs, and payment application and change order review. Since joining RSM, Chris has dedicated his career to serving large governments, medium and large municipalities, and school districts. Chris's experience includes:

- Currently serves as a lead auditor on a seven-year, $900MM+ bond-funded construction program, performing internal audits related to: Program manager contract compliance and oversight; Cost and program controls manager contract compliance and oversight; Procurement of construction and design vendors; Invoice and change order processing; and Contract closeout
- Currently serves as the lead auditor and project manager for a $550MM+ surtax-funded construction program, performing bi-yearly cycle audits related to program expenditures, procurement, and revenue recognition.
- Recently served as the lead auditor on a $124MM+ construction project risk assessment, contract compliance review, and capital invoicing internal audit.
- Recently served as the lead auditor on a $78MM+ construction contract compliance internal audit, performing detailed testing procedures related to contractual compliance of billings and cost of work.
- Recently completed an assessment of the system of internal controls over contract administration for a large electric cooperative, including analysis of the contract execution, contract administration processes and procedures, vendor performance monitoring, and risk assessment for existing contracts
- Performed an assessment of the design of internal controls over construction planning, procurement, pay application and change order reviews, and closeout procedures for multiple governmental entities.

Professional affiliations and credentials

- Certified internal auditor

Education

- Bachelor of Science, finance, University of Central Florida

John Hughes

Senior Associate, Risk Consulting
john.hughes@rsmus.com

Summary of experience

John Hughes is Senior Associate within RSM's Risk Consulting public sector practice. John has over three years of experience providing financial, compliance audit and risk management services to public sector clients, focusing primarily on local governments and school districts. John's primary experience includes auditing compliance and identifying and researching current regulatory and auditing standards. John has additional experience documenting and assessing process flow and control structures, developing audit programs, identifying key risks and controls, testing controls and control environments, and evaluating overall operational effectiveness and compliance.

John has experience in drafting internal audit project deliverables, creating process flow charts, creating visual representation or aids as part of project deliverables, and presenting formalized testing observations and recommendations to clients.

John specializes in assisting local governments and school districts with testing operational, financial and compliance controls, identifying compliance and operational risks, as well as assisting in designing and implementing client process improvements that strengthen internal controls and improve business processes.

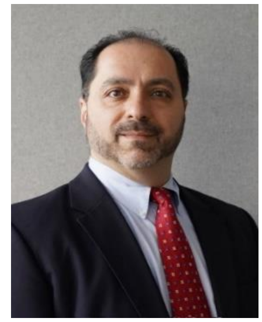
Relevant public sector clients include Counties of Alachua, Brevard, and St Lucie County, FL; School Districts of Brevard, Collier, Lee, Osceola, and Seminole, FL; Florida Department of Emergency; Jacksonville Port Authority.

Professional affiliations and credentials

- Institute of Internal Auditors

Education

- Bachelor of Science, finance, University of Florida
- Bachelor of Arts, economics, University of Florida



Sebouh Karakashian

Managing Director, Risk Consulting
sebouh.karakashian@rsmus.com

Summary of experience

Sebouh has over 30 years of experience providing IT security and controls assessments, and regulatory compliance consulting services for a broad range of consumer products, banking, finance, and high technology entities. Sebouh is the national operations leader for RSM's Payment Card Industry (PCI) practices servicing and assisting our local, national and global clients with their payment card security and compliance needs. He is also RSM's chair at the PCI council's global executive assessor roundtable (GEAR), an executive-committee-level advisory board composed of senior executives from PCI assessor companies. The GEAR serves as a direct channel for communication between senior leadership of payment security assessors and PCI Security Standards Council (SSC) senior leadership. Sebouh has conducted PCI Data Security Standard (DSS) readiness and Report on Compliance (ROC) assessments and has a primary role in the PCI quality assurance process.

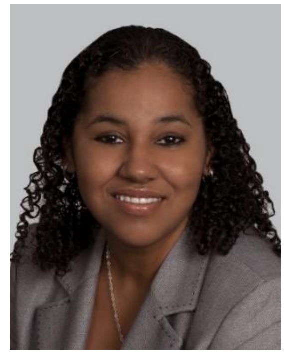
Additionally, Sebouh supports other cyber strategy and governance projects, including National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) and International Organization for Standardization (ISO) 2700x security assessments. Prior to joining RSM, Sebouh provided security, technical advisory and risk assessment services to a publicly traded insurance company and was the director of IT security for a large division of a major publicly traded defense contractor. Sebouh brings an extensive background in IT operations, compliance, and audit from the client perspective to every engagement on which he works.

Professional affiliations and credentials

- Certified information systems security professional
- Certified information security manager
- Certified information systems auditor
- PCI qualified security assessor
- RSM US representative with PCI SSC GEAR
- Information Systems Audit and Control Association
- International Information Systems Security Certification Consortium $(ISC)^2$
- Institute of Internal Auditors
- New Jersey InfraGard Chapter

Education

- Master of Science, computer science, Stevens Institute of Technology
- Bachelor of Engineering, computer engineering, Stevens Institute of Technology



Chantelle Knowles

Senior Manager, Audit Services
chantelle.knowles@rsmus.com

Summary of experience

Chantelle has over 18 years of government auditing experience. Her experience includes performing audits in accordance with *Government Auditing Standards, Uniform Guidance, Federal Single Audit Act and the Rules of the Auditor General of the State of Florida*.

Representative clients include:

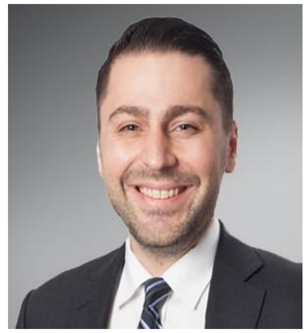
- Broward County
- Martin County
- Miami-Dade County
- Palm Beach County
- City of Aventura
- City of Cape Coral
- City of Coral Gables
- City of Coral Springs
- City of Deerfield Beach
- City of Hallandale Beach
- City of Miami Beach
- City of West Palm Beach
- Miami-Dade Transit
- Seminole Tribe of Florida
- South Florida Water Management District
- Aventura City of Excellence Charter School
- Broward County School Board

Professional affiliations and credentials

- Certified public accountant
- American Institute of Certified Public Accountants
- Florida Government Finance Officers Association.
- Florida Institute of CPAs
- Government Finance Officers Association

Education

- Master of Accounting, University of Georgia
- Bachelor of Business Administration, accounting, University of Georgia



Alex Kotsopoulos

Partner
alex.kotsopoulos@rsmcanada.com

Summary of experience

Alex Kotsopoulos is a partner in RSM's consulting group and leads the economics and ESG strategy advisory practice. He advises companies, governments, regulators and national and international institutions on a broad set of topics related to ESG, economics and sustainability on a macro and/or industry basis, helping them assess, evaluate and prioritize investments, initiatives and strategies. Alex specializes in cost-benefit assessments and project evaluation, economic impact assessments, market and industry analysis, demand and revenue forecasting and strategic planning. He has worked across a wide range of industries and across a variety of jurisdictions in Canada, the United States, Mexico and South America and is often called on to help enhance a client's request for government funding through independent and objective economics analysis and/or assess the effectiveness of a government program or funding.

Alex is also heavily involved in the firms ESG/sustainability practice and specializes in helping companies and public sector organization better integrate sustainability into their strategy, business model, operations and risk management practices to address regulatory requirements and increasing stakeholder expectations and to

In addition to degrees in Economics and Finance, Alex has completed the globally recognized and rigorous CFA® Program.

Professional affiliations and credentials

- Chartered Financial Analyst (CFA®) Charterholder, CFA Institute
- Certificate in ESG Investing, CFA Institute

Education

- Bachelor of Arts, Economics and Financial Management, Wilfrid Laurier University (Waterloo)
- Master of Arts, Business Economics, Wilfrid Laurier University (Waterloo)
- New York University Stern Business School Corporate Sustainability (New York)
- Massachusetts Institute of Technology, Quantify Environmental Impact: Life Cycle Analysis (Cambridge)

RSM

Vince Masson

Senior Director, Risk Consulting
vince.masson@rsmus.com

Summary of experience

Vince provides complex global and domestic: risk management; program and project management; independent validation and verification (IV&V); and strategic management advisory services. His industry experience includes federal/state/local government, telecommunications, health care, M&A, global investment banking, global automotive OEM's and Tier 1 suppliers, global construction materials, insurance, steel, retail banking, distribution and logistics, household goods moving and international forwarding. Vince has provided management consulting services for over 30 years managing and promoting cross-functional and cross-cultural team diversity in various countries.

Vince leads the C-Band transition relocation coordinator team for this $100 billion program in the continental United States (CONUS). Coordinating with satellite operators from Belgium, Brazil, Canada, France, and the United States, clearing C-band spectrum for 5G broadband services expansion in CONUS by Federal Communications Commission (FCC) clearing deadlines of 12/5/2021 and 12/5/2023, while preserving existing radio and television broadcasting services includes: reprogramming 26 orbiting satellites; building and launching 10 new satellites; installing 30,000 satellite receivers, 20,000 filters; consolidating 14 satellite Telemetry, Tracking and Command (TT&C) sites into 4 sites; installing 500 new antennas, across 15,000 incumbent earth station locations operated by 3,000 organizations; teaming with 5 satellite operators, 21 5G operators and the FCC.

Vince is recognized nationally within RSM as a subject matter professional in program and risk management, broadband and 5G. He assists and advises our state broadband grant monitoring teams.

Vince is also a senior member of RSM's delivery assurance team responsible for providing advice, consultation, and oversight to RSM client serving teams to structure, plan and successfully implement complex business and technology changes to achieve their goals and objectives. He advises teams on program planning and delivery, quality assurance, risk management, staffing, and is responsible for ensuring contracted services comply with firm, professional and regulatory standards.

Prior to joining RSM, Vince provided contract CIO, CTO, CIO advisory, management consulting and large-scale program management services to state and local.

Professional affiliations and credentials

- Project Management Institute
- Institute for Certified Computing Professionals
- National Association of Chief Information Officers

Education

- Bachelor of Science, computer science for business, DeVry Institute of Technology

Sardou Mertilus

Senior Manager, Audit Services
sardou.mertilus@rsmus.com

Summary of experience

Sardou has over 11 years of government auditing experience. His experience includes performing audits in accordance with *Generally Accepted Auditing Standards, Government Auditing Standards, Uniform Guidance, Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida*. He has managed and led the audits of numerous public sector, nonprofit and higher education organizations throughout Florida. Sardou's primary focus is working on municipal/local governments and nonprofit entities within the South Florida region. Sardou is active in our CDI efforts and currently serves as the Florida AACE Employee Network Group leader. He is also our FIU recruiting campus champion helping to identify and develop young talent.

Representative list of government audit clients served include:

- City of Miramar
- City of Coral Springs
- City of Coral Gables
- City of Lake Worth Beach
- City of Miami
- City of North Miami Alachua County
- City of Pompano Beach
- City of Tampa
- Broward Alliance
- Broward County
- Miami-Dade County
- Greater Miami Visitors' and Convention Center
- John S. & James L. Knight Foundation

Professional affiliations and credentials

- Certified public accountant, Florida
- American Institute of Certified Public Accountants
- Florida Institute of CPAs
- Florida Government Finance Officers Association, Associate Member
- Broward League of Cities
- Beacon Council, New Leadership Task Force

Education

- Bachelor of Science, accounting, Florida International University

Artur Miller

Manager, Technical Accounting Consulting
artur.miller@rsmus.com

Summary of experience

Artur provides consulting and advisory services to units of local government with a focus on finance and accounting optimization. In addition to the accounting services provided for local governments, he has experience helping local governments with Treasurer's reports, Grant Accountability and Transparency Act (GATA) reporting, Tax Increment Financing reporting, continuing disclosures, and other related reporting. His experience also includes reviews, compilations, and financial accounting services. Artur has practiced public accounting since 2015.

Professional affiliations and credentials

- Certified Public Accountant – Illinois
- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Illinois CPA Society

Education

- Bachelor of Science, Accounting, DePaul University

Ryan Moore

Director, Technology Risk Consulting Services
ryan.moore@rsmus.com

Summary of experience

Ryan has over 20 years of experience leading information technology risk consulting projects across a range of industries including the public sector, financial services, consumer products, manufacturing, specialty finance, fintech, and healthcare for global Fortune 500 companies and middle market organizations. He has extensive experience in the area of Sarbanes-Oxley (SOX) 404, FDICIA, FFIEC IT Examination Handbook, Service and Organization Controls (SOC) reports, internal/external audit methodologies, and payment card industry (PCI) compliance.

Prior to joining RSM, Ryan led IT control audits for two separate Fortune 500 companies spanning six continents for over eight years. Prior to that, Ryan was a senior technology risk consultant for an international consulting firm and performed IT and financial statement audits for a regional accounting firm.

Ryan has led engagements that included services such as:

- IT general control and application control design and testing, IT risk assessments, data analytics, separation of duties, SDLC and project management, GLBA, and PCI compliance
- Assessing many IT environments, including PeopleSoft, SAP, Microsoft Dynamics AX, NetSuite, Workday, Oracle E-Business Suite, Hyperion, Oracle database, SQL Server, Windows Network, UNIX, AS400 and many other custom developed applications and commercial off the shelf solutions

Professional affiliations and credentials

- Certified Information Systems Auditor (CISA)
- Certified Information Security Manager (CISM)
- Certified Internal Auditor (CIA)
- ITIL foundations Certified

Education

- Master of Science, information systems management, Robert Morris University
- Bachelor of Arts, accounting, Washington & Jefferson College

Liz Norton

Director, Risk Consulting
liz.norton@rsmus.com

Summary of experience

As a leader of audit and consulting teams, Liz serves multi-million-dollar organizations with a focus on publicly traded regulated utilities and financial institutions. She demonstrates a developed understanding of business processes and an ability to synthesize that knowledge into value added insight. Liz has technical expertise in both information systems and financial processes, gained through 12 years of experience in a variety of operational audits and attest engagements. Her key experience includes:

- IT consulting engagements including: IT governance, cloud governance and security, data governance and privacy, network security, vulnerability management, incident response, systems development including ERP and CRM implementations and integrations, identify and access management, IT asset management, and third-party risk management assessments.
- SOX readiness and 404 compliance: Year 0/Year 1 scoping, rationalizations, and annual testing of internal controls around each of the critical business processes, including automated/configuration controls, data interfaces, data outputs (key reports), and IT controls at the application, database, operating system, and network layers. Performed analysis of design, development of test plans, and consulting on new and existing control frameworks. Served as the project manager for an SEC client with an international presence, leading the project work across all of the in-scope markets. SOX controls experience as an Internal Audit leader, as well as from the external audit perspective where a controls opinion was required. Experience in PCAOB inspections. Proven track record of maximizing IA reliance by Big 4 external auditors.
- Led multiple Enterprise Risk Management projects – identifying, analyzing, and prioritizing cross-functional risks and presenting final deliverable to executive leadership.
- Have led co-sourced and completely outsourced internal audit teams, including presenting to the board and audit committee.
- Process and operational audits which required the development of audit programs and test steps, and data flow diagrams.

Professional affiliations and credentials

- Certified public accountant
- Certified information systems auditor
- Institute of Internal Auditors and Information Systems Audit and Control Association
- USF Accounting Circle Board (Past Chair)

Education

- Master of Business Administration, University of Tampa
- Bachelor of Science, accountancy, University of South Florida

Joseph Olalusi Jr.

Senior Associate, Risk Consulting
joseph.olalusi@rsmus.com

Summary of experience

Joseph is a senior associate that has provided internal audit and Sarbanes-Oxley (SOX) services to clients in government, commercial and financial institutions sectors at RSM for almost three years. In his current role, Joseph performs various government focused engagements, including contract compliance, trust compliance, SOX ICFR, and operational audits. Joseph has technical experience in data analytics, data software and various ERP systems such as PeopleSoft, Workday, Ariba, Auditboard, Auditor Assistant, QuickBooks, ACL and Tableau. Joseph has also received the Yellow Book designation necessary for government client services. Joseph is responsible for overseeing and executing all phases of consulting engagements, including in-depth assessment of business processes, planning, fieldwork, and reporting.

Before RSM, Joseph worked at Chicago Housing Authority, Cornell University's Internal Audit Department and as a staff account within the investment banking and film & entertainment space. Tasks included bank reconciliation, expenditure upload, internal control operation, financial reporting, and ledger entry validation.

Joseph uses his financial industry knowledge and experience to deliver relevant and practical solutions to the firm's government institutions and contract service clients.

Professional affiliations and credentials

- Institute of Internal Auditors

Education

- Bachelor of Science, applied economics and management, Cornell University

Dilara Ozkan

Supervisor, Technology Risk Consulting
Dilara.ozkan@rsmus.com

Summary of Experience

Dilara Ozkan is a Supervisor with RSM's Technology Risk Consulting practice primarily focused on Life Science and Consumer Products clients. Dilara has extensive experience in the areas of Internal Audit, SOX testing, IT risk assessments, and assurance engagements. Prior to joining RSM, Dilara worked as a senior associate for large multi-national professional services network, assisting with external audit, internal audit, and IT operational audit services both in the U.S. and Turkey.

Dilara has the following representative experience:

- Performed and reviewed IT-related audit procedures in support of financial statement audits and reporting on internal control over financial reporting.
- Performed and reviewed IT General Controls testing; Logical (and physical) Access, Security Administration, IT Operations, Change Management and SDLC domains, application/IT dependent manual (ITDM) control testing and Information produced by the entity testing.
- Performed and reviewed journal entry tests on large, medium and small sized banks as a part of Audit process.
- Assisted in Advisory and Audit services in the context of IFRS 9 Impairment Standards for banks and IFRS 17 Insurance Contracts.
- Involved in a foreign exchange risk project for Central Bank of the Republic of Turkey.

Professional affiliations and credentials

- Information System Audit and Control Association (ISACA)

Education

- Bachelor of Business Finance, Minor in Economics, Montana State University (Bozeman, MT)

Danny Parets

Supervisor, Technical Accounting Consulting
danny.parets@rsmus.com

Summary of experience

Danny provides consulting and advisory services to units of local government with a focus on finance and accounting optimization. In addition to the accounting services provided for local governments, he has experience helping local governments with Tax Increment Finance reporting and the Schedule of Expenditures of Federal Awards (SEFA). His experience includes reviews, compilations, financial audits, and single audits. Danny has practiced public accounting since 2017.

Professional affiliations and credentials

- American Institute of Certified Public Accountants

Education

- Master of Professional Accounting, Florida Atlantic University
- Bachelor of Science, accounting, Florida International University

Danny Pereira

Senior Associate, Financial Investigations & Dispute Advisory Services
danny.pereira@rsmus.com

Summary of Experience

Danny is a Senior Associate in RSM’s Financial Investigations and Dispute Advisory Services practice. He provides forensic accounting and litigation support services to clients and counsel in a variety of dispute settings and industries. This includes matters involving complex commercial disputes and forensic investigations related to accounting issues, financial misconduct, and allegations of fraud. He has experience in reconstructing and analyzing business and financial records and creating financial databases and models to assess allegations of fraud, accounting errors, and irregularities.

Prior to joining the FIDS practice at RSM in the summer of 2022, Danny previously served as an Associate in the firm’s Process Risk & Controls group within the Risk Consulting service line. He provided Sarbanes-Oxley and internal audit services to clients in a wide range of industries including manufacturing, technology, and life sciences. Danny has worked on teams that identified key operating risks and recommended internal control processes. Danny joined the firm full-time in July 2020 following his graduation from the Meehan School of Business at Stonehill College.

Professional affiliations and credentials

- Member of the Institute of Internal Auditors Greater Boston Chapter
- Member of the Association of Certified Fraud Examiners
- Member of the American Institute of Certified Public Accountants
- Pursuing CPA designation (Passed all 4 sections of the CPA Exam)

Education

- B.S.B.A., Accounting, Stonehill College

RSM

Megan Powers

Manager, Risk Consulting
megan.powers@rsmus.com

Summary of experience

Megan has over eight years of public accounting experience, providing professional services to a wide range of public sector entities. She has substantial experience providing co-sourced and outsourced internal audit services. Her background also includes providing regulatory compliance, business process improvement and subrecipient monitoring services for entities with programs from agencies and federal laws, rules, and regulations, including those shown below.

Megan has planned and conducted internal audits and performed control testing for several public sector clients across southeast. Activities included: risk assessment assistance and ongoing compliance efforts, documentation of business processes and identifying key controls, developing and implementing test of operating effectiveness for transaction level and entity level controls, developing remediation plans to address control gaps, coordinating with internal/external auditors on the assessment of controls and testing, and performing project administration activities.

- Florida Department of Emergency Management (FDEM): technical reviewer for FEMA PA Grants Management services provided to FDEM. Coordinating work assignments and reviews the work of staff; communicates with program applicants to provide policy and technical support; provide information and project status, quality control initiatives.
- North Carolina Office of Recovery and Resiliency's HOPE Program: This required reviewing over 3,000 applications/awards for recipients of emergency rental and utility assistance to determine compliance with program guidelines. In this role, Megan was responsible for quality control and routinely interacted with NCORR leadership to provide project status updates and communicate findings noted as part of the compliance reviews.
- State of Iowa Local Government Relief Fund: This project includes validation of eligible costs and documentation for labor, materials and equipment (as applicable) as it relates to the state program guidelines and the US Treasury CARES Act requirements.

Representative clients include Prince William County, FL; State of Florida; States of Florida, Georgia, Iowa, and North Carolina.

Professional affiliations and credentials

- Certified public accountant
- American Institute of Certified Public Accountants

Education

- Master of Science, accounting and tax, James Madison University
- Bachelor of Business Administration, accounting, James Madison University

Emily Prevost

Manager, Financial Investigations & Dispute Advisory Services
Emily.prevost@rsmus.com

Summary of Experience

Emily Prevost is a Manager in RSM’s Financial Investigations and Dispute Advisory Services practice. She provides forensic accounting and litigation support services to clients and counsel in a variety of dispute settings and industries. This includes matters involving complex commercial disputes and forensic investigations related to accounting issues, financial misconduct, and allegations of fraud. She has reconstructed and analyzed business and financial records and created financial databases and models to assess allegations of fraud, accounting errors, and irregularities.

Prior to joining the Financial Investigations and Dispute Advisory Services practice, Emily worked at RSM for approximately three years as a member of the assurance practice. She has experience performing financial statement audits for both public and private companies, which includes coordinating the auditing of all required financial statements, related disclosures, and other client deliverables. During her time in assurance, she primarily focused on serving clients within the non-profit and government and consumer products industries.

Professional affiliations and credentials

- Certified Public Accountant, Massachusetts
- Certified Fraud Examiner
- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Contributing author, “Regulators Reinforce Focus on Prosecuting Corporations.” December 2021

Education

- Bachelor of Science, Accountancy, Bentley University

Ajay Punyapu

Director, Data Analytics Business Intelligence
ajay.punyapu@rsmus.com

Summary of experience

Ajay is a Director in RSM’s technology consulting practice. He specializes in:

Business Intelligence

  - ETL/Data Modeling
- Azure
  - Database management
- Security
  - Reporting
  - Data quality and governance

Ajay has over 19 years of experience leading, developing, managing, and supporting Data Warehouse/Data Mart implementations that include requirements gathering, ETL, data modeling, security, data governance, architecting solutions in Azure, AWS, Snowflake, on-premises etc. Ajay has worked with a variety of reporting tools including Power BI, SSRS, Cognos, SAP Business Objects, SAP BPC, PeopleSoft nVision, Tableau etc. Ajay also has great hands-on experience using Azure Data Factory, Synapse, Databricks and SSIS, Data Stage, FiveTran, Matillion and integrating them with 3rd party add-ons to build data integration framework using several different data sources. Has several years of experience working with Financial, Budgeting, Planning, HR, Operational data.

Prior to RSM, Ajay has worked for several years at Bank of America, Countrywide Home Loans and J G Wentworth Home Lending managing the Data Warehouse and reporting requirements for Corporate Accounting, Banking, Mortgage, Capital Markets, and Insurance Business Units besides others.

In his current role, Ajay works as a Lead Data Modeler and Azure architect designing and implementing Data Warehousing solutions in Azure that includes Storage, ETL, Database management, Security, Dimensional modeling, Networking, building Semantic Layers for end user reporting using Power BI etc.

Professional affiliations and credentials

- Azure Administrator
- Azure Data Engineer

Education:

- Master of Science, Electrical Engineering, University of Texas, Arlington

Elizabeth Watts

Manager, Risk Consulting
elizabeth.watts@rsmus.com

Summary of experience

Elizabeth has over 13 years of professional experience providing risk and contract compliance consulting services for public and private sector clients, which includes:

- Coordinating royalty investigations to ensure compliance of contract terms in the agriculture, animal health, food, consumer products, electronics, software licenses, pharmaceuticals, and medical supplies industries.
- Managing the execution of consulting projects, including the planning, fieldwork and reporting phases and the implementation of recommended changes.
- Designing royalty investigation procedures to help licensors of intellectual property, copyrights or trademarks identify significant dollars in unpaid royalties caused by clerical errors, unidentified licensed products, misinterpreted license agreement language or intentional misstatement.
- Supervising contract compliance reviews to evaluate and report the results of financial and non-financial contractual obligations through written reports and schedules and facilitating client communications and understating of identified issues.
- Understanding and interpreting complex contracts and agreements to identify ambiguity and limitations of current accounting contract language and suggest modifications and improvements for future agreements.
- Examining revenues and expenses associated with profit sharing agreements to determine the accuracy of amounts reported pursuant to contract terms.
- Analyzing financial data to discover and investigate unusual balances and trends.
- Creating and reviewing accounting policies and procedures in accordance with applicable laws and regulations, as well as federal program standards for use by accounting and financial departments, as well as internal and external auditors.

Professional affiliations and credentials

- Certified fraud examiner
- Association of Certified Fraud Examiners
- Institute of Internal Auditors

Education

- Bachelor of Science, business with concentrations in finance, business economics consulting and international business, Indiana University

Dena Wilson

Manager, Business Intelligence and Data Analytics
dena.wilson@rsmus.com

Summary of experience

As a part of the National Data Analytics team for RSM, Dena provides data analytics and reporting, strategy, and business intelligence expertise to a variety of enterprise entities. Her experience crosses multiple industries with a strong background in the Microsoft Azure platform, which include SQL DB, Synapse, Data Factory, Analysis Services and Power BI. Dena has 20+ years of experience specializing in data warehouse, data modeling/architecture, data integrity, data integration and reporting analytics while utilizing best practice data management.

In her current role, Dena delivers strategy, advice, technical acumen, solution architecture and consultation regarding business intelligence and enterprise data strategies through for various industries. With her experience in end-to-end analytics, Dena can design, build and streamline an efficient and easily supported data infrastructure.

Prior to joining RSM, Dena was lead data analytics and strategy for Pacers Sports and Entertainment. In this role, Dena developed a data analytics platform that provided integrations across all business units, including social media data to gain a Fan 360 view. Dena also developed several working partnerships including Microsoft, Salesforce and Ticketmaster. These partnerships and data platform helped PSE become a leader within the NBA for data analytics. Dena was also a leader for the NBA (Star) analytics initiative, providing mentoring to college graduates.

Professional affiliations and credentials

- Microsoft Certified – Microsoft Azure Developer, Microsoft Azure Infrastructure Solutions, Microsoft Power BI for Analysts certified
- NBA Analytics Team, Pacers Sports and Entertainment, Ticketmaster, Salesforce, Microsoft, Mizuho, US Department of Education
- Professional evaluator to Butler University Data Analytics Bootcamp

Education

- Bachelor of Science in Accounting – Indiana Wesleyan University
- Bachelor of Science in Psychology – Indiana Wesleyan University
- Master's Degree in Data Analytics – Georgia Tech (anticipated graduation 2024)

State of North Carolina – Division of Purchase and Contract
Request for Proposal No. DPC-646236801-MT
Requested Modifications and Clarifications

We ("Vendor") have reviewed the State of North Carolina Division of Purchasing and Contract ("State") Request for Proposal DPC-646236801-MT ("RFP") for Audit Services, including North Carolina General Terms and Conditions, which contains the general terms and conditions ("Terms and Conditions") expected to be incorporated into a negotiated contract ("Agreement").

Except as indicated below, we are prepared to accept such Terms and Conditions. If the State selects us based upon our response to the RFP, we would seek to negotiate in good faith modifications, additions, or clarifications of the Terms and Conditions of the Agreement in the areas discussed below and other potential areas, provided that such revisions are consistent with the requested modificationsnoted herein, are in accordance with standard industry practices, and are allowable under industry professional standards. Given our extensive experience in contracting with entities similar to the State, we are confident that we can reach an agreement with you on these issues. Notwithstanding anything to the contrary contained in the RFP or this response thereto, our obligation to perform any services shall follow the execution by both parties of a mutually agreed upon definitive agreement.

***

RFP

4.10 Additional Requirements:

4.10(a) Work Papers: We request the State agree to clarify the language that this section is not intended to impact the ownership rights of our existing intellectual property or administrative records, or any intellectual property developed outside of the scope of our services.

4.10(d) Records Retention: We request the State agree to a modification to the records retention requirement to address typical issues associated with information stored electronically and for compliance with applicable professional standards.

North Carolina General Terms and Conditions

2. Default and Termination: We request the State consider industry standard modifications for the services contemplated such as language disclaiming further responsibility for work product delivered which is designated as incomplete as of the date of termination and that the State's remedy against Vendor for any default shall be the return of any fees paid to Vendor for such nonconforming deliverables or services.

Additionally, we request the State accept additional language providing that the Vendor may terminate the Agreement upon written notice to the State, if the Vendor determines continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or Vendor's client acceptance or retention standards.

13. Access to Persons and Records: We request the State accept language clarifying that these rights are limited solely to our time, billing and reimbursable expense records for services performed under the Agreement.

16. General Indemnity:
16(a): We request the State consider industry standard modification to this provision to limit our obligations to claims brought by third parties that arise from the gross negligence or willful acts or omissions by Vendor during the performance of its services.

Additionally, we request the State accept the addition of language providing that our total liability, except for our indemnification obligations, be limited to an amount equal to the fees we receive under the Agreement, and exclude indirect, consequential, exemplary or similar such damages.

Page 1 of 2

20. Care of State Data and Property:
Paragraph 2, Sentence 2: We request the State consider adding the following language to the beginning of the second sentence in the second paragraph "Subject to the limitations of liability in the Agreement,..."?

28. Federal Funds Provisions:

28(d)(2) and (3): We request the State accept our proposed modification to delete the liquidated damages provision, or substantive modifications to address failures to deliver which are outside of the Vendor's reasonable control.

28(i) Access to Records: Please see our requested modification in *13. Access to Persons and Records.*

28(k) Records Retention: Please see our requested modification in *20. Care of State Data and Property.*

Appendix C—Range of activities performed by the firm

Financial Advisory Services	Technology Management Consulting	Risk Advisory Services
Transaction Advisory Services • Buy-side diligence • Sell-side diligence • Working capital assistance • Merger integration and optimization • Divestitures and carve-outs • M&A Valuations • Due diligence for lenders	**Management Consulting** • Rapids Assessment ® • Business process improvement • Business transformation • Project and program management • Business analytics • Software selection and optimization • HR advisory & compliance consulting • Compensation/Benefits plans & review	**Internal Audit/Sarbanes-Oxley** • Internal audit consulting • Outsourcing • Co-sourcing/partnering • Staff Augmentation/Loaned Staff • Quality assurance reviews • SOX implementation (IPO readiness) • SOX optimization/sustainability • Loan review (financial institutions)
Valuation • Fair value reporting • Tax and advisory • Valuation disputes • Complex financial instruments • Impairment testing • Estate and gift tax	**Infrastructure** • Network design, implementation and support • Managed services – RSM IT-Vision • Storage and recovery • Server virtualization • Desktop/application delivery • Unified communications and mobile computing	**Information Technology Audit** • External financial audit IT support • IT support of internal audit • IT general controls • FDICIA external financial IT support • FDICIA IT testing • SOX IT General controls
Litigation and dispute advisory • Damages assessment • Arbitration and mediation • Expert witness testimony • Complex commercial litigation support • Intellectual property • Corporate restructuring • Bankruptcy litigation support	**ERP and CRM** • Design, implementation and support • Optimization • Upgrades • Customization • Integration	**Security and Privacy** • IT security testing • IT security compliance and governance • Payment Card Industry (PCI) reviews • Digital forensics and incident response • Privacy, security compliance and governance • Security architecture and implementation
IPO Readiness • IPO guidelines and best practices • Financial reporting and GAAP compliance • Financial process and controls	**Business process outsourcing** • IT outsourcing/CIO advisory • Application, infrastructure and security outsourcing • Finance and accounting outsourcing	**Regulatory Compliance** • Compliance assessments • BSA/AML • BSA system validations
Real estate lease consulting • Lease abstraction and analysis • ARGUS and cash-flow modeling • Financial due diligence and consulting procedures • Landlord operating expenses/recovery reconciliations • Tenant lease audits • Estoppel Certificate preparation and review • Corporate and retail lease administration	**RSM Cloud Portfolio** • Private cloud services • Rapid Assessment™ Cloud computing • Intacct • RSM IaaS	**Governance, risk and compliance and enterprise risk management (ERM)** • Business continuity and disaster recovery planning • ERM implementation and optimization • Board evaluation • Governance and corporate culture • Facilitated risk assessments
Forensic accounting and fraud investigation	**Business Intelligence** **Enterprise content management**	**Service organization control assurance** • SOC reporting • SOC readiness reviews
	Application integration and development **Mobility**	**Contract Compliance** • Construction risk management • Procurement/supply and Royalty contract reviews • Telecommunications/utility contract reviews • Software licenses reviews

Appendix D—Addendum 3 acknowledgement

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

Jill Reyes Digitally signed by Jill Reyes DN: DC=net, DC=rsm, DC=mcgladrey, OU=Field Resources, OU=Offices, OU=Melbourne-FL-01, OU=Users, CN=Jill Reyes Reason: I am approving this document Location: Date:2023.09.05 13:12:39-04'00' Foxit PDF Editor Version: 12.1.3	9/06/2023
Authorized Signature	Date
Jill Reyes	Partner
Printed Name	Title

Appendix E—Culture, diversity and inclusion at RSM

RSM is a thought leader in the profession concerning the imperatives of culture, diversity and inclusion. At RSM, culture, diversity and inclusion (CDI) is how we thrive. It is not only part of our values, but also how we foster an inclusive workforce, help the middle market address an ever-changing world and generate better business results for our firm and our clients. Internally, RSM invests over $3 million annually, with 13 full-time resources and over 200 professionals serving dual roles executing our Culture, Diversity and Inclusion (CDI) programming. The CDI focus at RSM spans four strategic pillars:

Workforce

The recruitment, advancement and retention of underrepresented women and minorities and the inclusive talent experience for all professionals is a key goal. RSM funds 12 employee network groups (ENGs) to address the needs of our diverse talent population and, by extension, to increase cultural competency in our client service.

Workplace

Our enterprise-wide Inclusion Council, which comprises our CEO and other executive leaders, ensures CDI is a funded and strategic priority. RSM further provides that CDI has an impact and drives inclusion into our policies and the fabric of our business. CDI collaborates with our human resources, recruiting and professional development teams as well as the assurance, tax and consulting teams.

Marketplace

RSM supports diverse suppliers and organizations across the profession, including the National Association of Black Accountants (NABA), Association of Latino Professionals For America (ALPFA), Ascend (a Pan-Asian organization for business professionals), Student Veterans of America (SVA) and AICPA Women's Leadership, among others.

Community

RSM's CDI program supports non-profit efforts and organizations in the communities where we do business. CDI corporate social responsibility includes scholarships, sponsorships and volunteerism with hundreds of entities annually.

Proposal Number DPC-646236801-MT

ATTACHMENT A: PRICING FORM

COST SCHEDULE

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

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

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

					OTHER PROFESSIONAL STAFF *Vendors may enter provide rates for additional staff categories, if applicable.*		
Services Category	**Staff Base Rate**	**Staff Upper Rate**	**Supervisor**	**Executive**	**Senior Associate**	**Supervisor Associate**	**Manager**
Operational/Performance Audit	175	**400**	375	400	**240**	**275**	325
Investigative Audit	175	560	520	560	270	340	435
Compliance Audit	175	400	375	400	240	275	325
Information System Audit	175	400	375	400	240	**275**	325
Risk Assessment and Audit Plan	175	400	375	400	240	275	325
Development	175	400	375	400	240	275	325
Financial Audit	175	400	375	400	240	**275**	325
Data Analytic Services	175	400	375	400	240	275	325
Managerial Advisory Services	175	560	520	560	250	300	400
Accounting Services	175	560	520	560	250	**300**	400

NORTH CAROLINA GENERAL TERMS & CONDITIONS

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 that are identified in this Contract. Vendor grants the State a personal, permanent, non-transferable license to use such proprietary components of the deliverables and other functionalities, as provided under this Contract. 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. <u>DEFAULT AND TERMINATION</u>:

a) In the event of default by the Vendor, 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. INTERPRETATION, CONFLICT OF TERMS:

a) The definitions in the Instructions to Vendors in the relevant solicitation for this Contract, and in 01 NCAC 05A.0112 are specifically incorporated herein.

b) If federal funds are involved in the transactions under this Contract, the Vendor shall comply with all applicable state and federal requirements and laws, except where State requirements are more restrictive. See the additional federal requirements included in the "Federal Funds Provisions" section below.

c) "Purchasing Agency" herein is as defined in 01 NCAC 05A.0112, except that if this Contract has been entered into by the NC Department of Administration, Division of Purchase and Contract (P&C) as indicated in the Contract (e.g., a State Term Contract), then P&C will then be a Purchasing Agency for the purposes herein and in the Federal Funds Provisions, below.

d) Contracts made in contravention of General Statutes, Chapter 143, Article 3 and the Rules in 05 NCAC Chapter 5, are void. G.S. 143-58.

e) In cases of conflict between specific provisions in this Contract and any other referenced documents, the Order of Precedence shall be (high to low) (1) any special terms and conditions specific to this Contract, including any negotiated terms; (2) requirements, specifications and administrative terms; (3) these NORTH CAROLINA GENERAL TERMS AND CONDITIONS, including the Federal Funds Provisions; (4) Definitions and other provisions in INSTRUCTIONS TO VENDORS in this solicitation, which is specifically incorporated in this Contract; (5) PRICING, and (6) Vendor's Bid, to the extent specifically and mutually incorporated into this Contract.

f) In the event of conflict of terms between applicable provisions of the Federal Funds Provisions and the other provisions of these North Carolina General Contract Terms and Conditions, the more restrictive provision will govern.

4. GOVERNMENTAL RESTRICTIONS: In the event any Governmental restrictions are imposed which necessitate alteration of the goods, material, quality, workmanship, or performance of the Services offered, prior to acceptance, it shall be the responsibility of the Vendor to notify the State Contract Lead or Administrator indicated in the Contract at once, in writing, indicating the specific regulation which requires such alterations. The State reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the Contract.

5. AVAILABILITY OF FUNDS: Any and all payments to the Vendor shall be dependent upon and subject to the availability of funds appropriated or allocated to the agency for the purpose set forth in the Contract.

6. **<u>TAXES</u>:** Any applicable taxes shall be invoiced as a separate item.

   a) G.S. 143-59.1 bars the Secretary of Administration from entering into Contracts with Vendors if the Vendor or its affiliates meet one of the conditions of G.S. 105-164.8(b) and refuses to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under G.S. 105-164.8(b) include: (1) Maintenance of a retail establishment or office, (2) Presence of representatives in the State that solicit sales or transact business on behalf of the Vendor and (3) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the proposal document the Vendor certifies that it and all of its affiliates, (if it has affiliates), collect(s) the appropriate taxes.

   b) The agency(ies) participating in the Contract are exempt from Federal Taxes, such as excise and transportation. Exemption forms submitted by the Vendor will be executed and returned by the using agency.

   c) Prices offered are not to include any personal property taxes, nor any sales or use tax (or fees) unless required by the North Carolina Department of Revenue.

7. **<u>SITUS AND GOVERNING LAWS:</u>**

   a) This Contract is made under and shall be governed by and construed in accordance with the laws of the State of North Carolina, including, without limitation, the relevant provisions of G.S. Chapter 143, Article 3, and the Rules in 01 NCAC Chapter 05, and any applicable successor provisions, without regard to its conflict of laws rules, and within which State all matters, whether sounding in Contract, tort or otherwise, relating to its validity, construction, interpretation and enforcement shall be determined. G.S. 22B-3.

   b) Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business and its performance in accordance with the Contract, including those of federal, state, and local agencies having jurisdiction and/or authority, and including, without limitation, the applicable requirements in the Federal Funds Provisions, below.

   c) Non-resident Vendor corporations not formed under NC law must be domesticated in the Office of the NC Secretary of State in order to contract with the State of North Carolina. G.S. 55A-15-01.

8. **<u>NON-DISCRIMINATION COMPLIANCE</u>:**

   Wholly State Funded Contracts.

   a) The Vendor will take affirmative action in complying with all State requirements and laws concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or disability or rights, such as preserved by Governor Roy Cooper Order E.O. 24 or 25, and will take necessary action to ensure that its internal employee policies and procedures are consistent with Executive Order #82 (Roy Cooper, December 6, 2018), which extends workplace protections and accommodations to pregnant employees.

   b) Federal Law, such as the following, applies as provided for therein: Titles VI and VII of the Civil Rights Act of 1964 (PL 88-352), and the regulations issued pursuant thereto (prohibiting discrimination on the basis race, color, national origin and ensuring that individuals are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age); Title IX of the Education Amendments of 1972 (codified as amended at 20 U.S.C. § 1681 et seq.) (prohibiting discrimination on the basis of sex); Titles I, II, III, IV, and V of the Americans with Disability Act of 1990 (prohibiting discrimination on the basis of disability); Section 504 of the Rehabilitation Act of 1973 (codified as amended at 29 U.S.C. § 794) (prohibiting discrimination on the basis of handicap); the Age

Discrimination Act of 1975 (codified as amended at 42 U.S.C. § 6101 et seq.) (prohibiting age discrimination); Executive Order 11063 as amended by Executive Order 2259; and Section 109 of the Housing and Community Development Act of 1974, as amended.

Contracts Partially or Wholly Federally Funded.

To the extent federal funding is involved in this procurement, in whole or in part, compliance with the following is required:

c) The Vendor shall comply with all Federal Funds Provisions requirements (below) and not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Vendor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Vendor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

d) The Vendor shall, in all solicitations or advertisements for employees placed by or on behalf of the Vendor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin:

e) The Vendor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Vendor's legal duty to furnish information.

f) The Vendor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Vendor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

g) The Vendor shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

h) The Vendor shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

i) In the event of the Vendor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Vendor may be declared ineligible for further Government contracts or federally assisted construction Contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

j) The Vendor shall include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Vendor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a Vendor (or herein "applicant," as applicable in context within these Federal Funds Provisions) becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Vendor may request the United States to enter into such litigation to protect the interests of the United States.

k) The Vendor further agrees that it shall be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the Vendor so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the Contract.

l) The Vendor agrees that it shall assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of Vendors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it shall furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it shall otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

m) The Vendor further agrees that it shall refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a Vendor debarred from, or who has not demonstrated eligibility for, Government Contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon Vendors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the Vendor agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part any relevant grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the Vendor under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such Vendor; and refer the case to the Department of Justice for appropriate legal proceedings.

9. **PAYMENT TERMS:** Payment terms are net not later than 30 days after receipt of a correct invoice or acceptance of goods, whichever is later. The Procuring Agency is responsible for all payments to the Vendor under the Contract. Payment by some agencies may be made by procurement card. If the Vendor accepts Visa, MasterCard, etc., from other customers, it shall accept procurement card payment by the State under the terms provided for the procurement card. 01 NCAC 05B.1523. If payment is made by procurement card, then payment for amounts then due may be processed immediately by the Vendor.

   The State does not agree in advance, in contract, pursuant to Constitutional limitations, to pay costs such as interest, late fees, penalties or attorney's fees. This Contract will not be construed as an agreement by the State to pay such costs and will be paid only as ordered by a court of competent jurisdiction.

10. **CONDITION AND PACKAGING:** Unless otherwise expressly provided by special terms and conditions or specifications in the Contract or by express, specific federal law or rule, it is understood and agreed that any item offered or shipped has not been sold or used for any purpose, is newly manufactured,

and shall be in first class condition. All containers/packaging shall be suitable for handling, storage or shipment.

11. **INTELLECTUAL PROPERTY WARRANTY AND INDEMNITY**: Vendor shall hold and save the State, its officers, agents and employees, harmless from liability of any kind, including costs and expenses, resulting from infringement of the rights of any third party in any Services or copyrighted material, patented or patent-pending invention, article, device or appliance delivered in connection with the Contract.

    a) Vendor warrants to the best of its knowledge that:

        1. Performance under the Contract does not infringe upon any intellectual property rights of any third party; and

        2. There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.

    b) Should any deliverables supplied by Vendor become the subject of a claim of infringement of a patent, copyright, trademark or a trade secret in the United States, the Vendor, shall at its option and expense, either procure for the State the right to continue using the deliverables, or replace or modify the same to become non-infringing. If neither of these options can reasonably be taken in Vendor's judgment, or if further use shall be prevented by injunction, the Vendor agrees to cease provision of any affected deliverables and refund any sums the State has paid Vendor for such deliverables and make every reasonable effort to assist the State in procuring substitute deliverables. If, in the sole opinion of the State, the cessation of use by the State of any such deliverables due to infringement issues makes the retention of other items acquired from the Vendor under this Agreement impractical, the State shall then have the option of terminating the Agreement, or applicable portions thereof, without penalty or termination charge; and Vendor agrees to refund any sums the State paid for unused Services or other deliverables.

    c) The Vendor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the deliverables supplied by the Vendor, their use or operation, infringe on a patent, copyright, trademark or violate a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded or agreed in a settlement against the State in any such action. Such defense and payment shall be conditioned on the following:

        1. That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and

        2. That 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.

    d) Vendor will not be required to defend or indemnify the State to the extent any claim by a third party against the State for infringement or misappropriation results solely from the State's material alteration of any Vendor-branded deliverables or Services, or from the continued use of the Services or other deliverables after receiving written notice from the Vendor of the claimed infringement.

12. **ADVERTISING:** Vendor agrees not to use the existence of the Contract or the name of the State of North Carolina as part of any commercial advertising or marketing of products or Services except as provided in 01 NCAC 05B.1516. A Vendor may inquire whether the State is willing to be included on a listing of its existing customers.

13. **ACCESS TO PERSONS AND RECORDS:** During, and after the term hereof during the relevant period required for retention of records by State law (G.S. 121-5, 132-1 *et seq.,* typically five years), the State Auditor and any Purchasing Agency's internal auditors shall have access to persons and records related to the Contract to verify accounts and data affecting fees or performance under the Contract, as provided in G.S. 143-49(9). However, if any audit, litigation or other action arising out of or related

in any way to this project is commenced before the end of the such retention of records period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the record retentions period, whichever is later.

14. ASSIGNMENT OR DELEGATION OF DUTIES:

a) As a convenience to the Vendor, the State may include any person or entity designated by the Vendor in writing as a joint payee on the Vendor's payment check. In no event shall such approval and action obligate the State to anyone other than the Vendor.

b) If Vendor requests any assignment, or delegation of duties, the Vendor shall remain responsible for fulfillment of all Contract obligations. Upon written request, the State may, in its unfettered discretion, approve an assignment or delegation to another responsible entity acceptable to the State, such as the surviving entity of a merger, acquisition or a corporate reorganization if made as part of the transfer of all or substantially all of the Vendor's assets. 01 NCAC 05B.1507. Any purported assignment or delegation made in violation of this provision shall be void and a material breach of the Contract. G.S. 143-58.

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

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

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

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

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

1. **For Small Purchases** as defined under North Carolina Administrative Code 01 NCAC 05A.0112 (35) and 05B.0301 (1), the minimum applicable insurance requirements for Worker's Compensation and Automobile Liability will apply as required by North Carolina law. The Purchasing Agency may require Commercial General Liability coverage consistent with the assessed risks involved in the procurement.

2. **For Contracts valued in excess of the Small Purchase threshold, but up to $1,000,000.00 the following limits shall apply:**

i. **Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as may be required by the laws of North Carolina, as well as employer's liability coverage, with minimum limits of $250,000.00, covering all of Vendor's employees who are engaged in any work under the Contract in North Carolina. If any work is sub-Contracted, the Vendor shall require the sub-contractor to provide the same coverage for any of its employees engaged in any work under the Contract within the State.

ii. **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of $500,000.00 Combined Single Limit. Defense costs shall be in excess of the limit of liability.

iii. **Automobile** - Automobile Liability Insurance, to include liability coverage covering all owned, hired and non-owned vehicles, used within North Carolina in connection with the Contract. The minimum combined single limit shall be $250,000.00 bodily injury and property damage; $250,000.00 uninsured/under insured motorist; and $2,500.00 medical payment.

3. For Contracts valued in excess of $1,000,000.00 the following limits shall apply:

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

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

iii. **Automobile** - Automobile Liability Insurance, to include liability coverage covering all owned, hired and non-owned vehicles, used within North Carolina in connection with the Contract. The minimum combined single limit shall be $500,000.00 bodily injury and property damage; $500,000.00 uninsured/under insured motorist; and $5,000.00 medical payment.

16. GENERAL INDEMNITY:

a) The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses 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 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.

17. ELECTRONIC PROCUREMENT: (G.S. 143-48.3)

GENERALLY APPLICABLE TO GOODS AND SERVICES PURCHASES:

a) Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third-party agent shall serve as the Supplier Manager for this E-Procurement Service. The Vendor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of this Contract.

b) The Supplier Manager will capture an order from a State approved user, including the shipping and payment information, and submit the order in accordance with E-Procurement Service procedures. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State-approved user, not the Supplier Manager, shall be responsible for the solicitation, bids received, evaluation of bids received, award of Contract, and the payment for goods delivered.

c) Vendor shall at all times maintain the confidentiality of its username and password for the Statewide E-Procurement Services. Vendor shall be responsible for all activity and all charges by its agents or employees. Vendor agrees not to permit a third party to use its E-Procurement Services account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by email. Vendor shall cooperate with the State and the Supplier Manager to mitigate and correct any security breach.

E-PROCUREMENT FEES – APPLICABLE ONLY TO GOODS PURCHASES

d) **THE SUCCESSFUL BIDDER(S) SHALL PAY A TRANSACTION FEE, CURRENTLY 1.75% (.0175), ON THE TOTAL DOLLAR AMOUNT (EXCLUDING SALES TAXES) FOR THE AMOUNT OF ANY GOODS INCLUDED ON EACH PURCHASE ORDER ISSUED THROUGH THE STATEWIDE E-PROCUREMENT SERVICE (OR ANY OFFICIAL REPLACEMENT SERVICE). G.S. 66-58.12; See, *NC E-Procurement Terms of Use.*** This applies to all purchase orders, regardless of the quantity or dollar amount of the purchase order. The transaction fee shall not be stated or included as a separate item on the invoice. Vendor will receive a credit for transaction fees they paid for the purchase of any item(s) if an item(s) is returned through no fault of the Vendor. Transaction fees are non-refundable when an item is rejected and returned, or declined, due to the Vendor's failure to perform or comply with specifications or requirements of the Contract.

e) Vendor or its Authorized Reseller, as applicable, will be invoiced monthly for the State's transaction fee by the E-Procurement Supplier Manager (Supplier Manager), based on a) purchase activity for the prior month, or b) purchases for which the supplier invoice has been paid. Unless the Supplier Manager receives written notice from the Vendor identifying with specificity any errors in an invoice for the transaction fee within thirty (30) days of the receipt of invoice, such invoice shall be deemed to be correct and Vendor shall have waived its right to later dispute the accuracy and completeness of the invoice. Payment of the transaction fee by the Vendor is due to the account designated by the State within thirty (30) days after receipt of the invoice for the transaction fee, or it shall be considered a material breach of Contract.

Pursuant to G.S. 147-86.23, the service will charge 1) interest on past due balances at the rate set by the Secretary of Revenue pursuant to G.S. 105-241.21 as of the date the balances are past due, and, 2) late payment penalties, currently ten percent (10%) of the account receivable. No interest shall be charged on disputed and overdue amounts to the extent the State agrees to reduce or adjust the amount in dispute. The Supplier Manager shall provide, whenever reasonably requested by the Vendor in writing (including electronic documents), supporting documentation from the E-Procurement Service that accounts for the amount of the invoice.

18. **SUBCONTRACTING:** Performance under the Contract by the Vendor shall not be subcontracted without prior written approval of the State's assigned Contract Lead. Unless otherwise agreed in writing, acceptance of a Vendor's proposal shall include approval to use the subcontractor(s) that have been specified therein.

19. **CONFIDENTIALITY:** Vendor information that cannot be shown to be, e.g., a trade secret, may be subject to public disclosure under the terms of the State Public Records Act (SPRA), beginning at G.S. 132.1. Blanket assertions of confidentiality are not favored, but confidentiality of specific material meeting one or more exceptions in the SPRA will be honored. Vendors are notified that if the confidentiality of material is challenged by other parties, the Vendor has the responsibility of defending the assertion of confidentiality. G.S. 143-52(a).

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

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

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

21. **OUTSOURCING:** Any Vendor or subcontractor providing call or contact center services to the State of North Carolina or any of its agencies shall disclose to inbound callers the location from which the call or contact center services are being provided.

    If, after award of a Contract, and consistent with any applicable NC DIT security provisions, the Contractor wishes to relocate or outsource any portion of performance to a location outside the United States, or to contract with a subcontractor for any such performance, which subcontractor and nature of the work has not previously been disclosed to the State in writing, prior written approval must be obtained from the State Purchasing Agency. Vendor shall give notice to the Purchasing Agency of any relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons providing performance under a State Contract to a location outside of the United States. *See,* G.S. 143-59.4.

22. **ENTIRE AGREEMENT:** The Contract (including any documents mutually incorporated specifically therein) resulting from a relevant solicitation represents the entire agreement between the parties and supersedes all prior oral or written statements or agreements. All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

23. **ELECTRONIC RECORDS:** The State will digitize all Vendor responses to the relevant solicitation, if not received electronically, as well as any awarded Contract together with associated procurement-related documents. These electronic copies shall constitute a preservation record and shall serve as the official record of this procurement with the same force and effect as the original written documents

comprising such record. Any official electronic copy, printout or other output readable by sight shown to reflect such record accurately shall constitute an "original."

24. AMENDMENTS: This Contract may be amended only by a written amendment duly executed by the State and the Vendor.

25. NO WAIVER: Notwithstanding any other language or provision in the Contract or in any Vendor-supplied material, nothing herein is intended nor shall be interpreted as a waiver of any right or remedy otherwise available to the State under applicable law. The waiver by the State of any right or remedy on any one occasion or instance shall not constitute or be interpreted as a waiver of that or any other right or remedy on any other occasion or instance.

26. FORCE MAJEURE: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including, without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, other catastrophic epidemic or pandemic, natural event or Act of God.

27. SOVEREIGN IMMUNITY: Notwithstanding any other term or provision in the Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity or other State or federal constitutional provision or principle that otherwise would be available to the State under applicable law.

28. FEDERAL FUNDS PROVISIONS:

Where federal funds are utilized in connection with this procurement, and to the extent applicable **and absent stricter or controlling State provisions, the following federal provisions (in addition to the North Carolina General Terms and Conditions above) may apply consistent with Uniform Guidance in 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, and its Appendix II. Relevant federal authorities may require additional provisions depending on the scope and context of the Contract.** Failure or unwillingness of the Vendor to continually meet any of these requirements, as applicable, may result in Contract termination.

Any links to websites not maintained by the State are provided as a courtesy. The State does not warrant or guarantee the accuracy of the hyperlink or the information contained therein.

a) **No governmental non-competes.** Vendor shall not impose or enforce any non-competition agreement upon the employees included in Vendor's bid that would prevent those employees from accepting any offer of employment from the State of North Carolina outside of the first Term of the Contract. By executing this Contract, the Vendor affirms this condition. This affirmation is a material condition for the State's award of any work under this Contract.

b) **Program Monitoring**. Vendor agrees to assist and cooperate with the Federal grantor or funding agency and the relevant Purchasing Agency or their duly designated representatives in the monitoring of the project or projects to which this Contract relates, and to provide in form and manner approved by the Purchasing Agency such monitoring reports, progress reports, and the like as may be required and to provide such reports at the times specified.

c) **Remedies and Termination**. For purposes of this section the State Remedies and Termination provisions above apply as written.

d) **Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).**

Compliance with the Contract Work Hours and Safety Standards Act.

1. *Overtime requirements*. No Vendor or subcontractor contracting for any part of the Contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-

half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the clause set forth in 29 C.F.R. §5.5(b)(1) the Vendor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Vendor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in 29 C.F.R. §5.5(b)(1), in the sum of $26 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in 29 C.F.R. §5.5(b)(1).

3. *Withholding for unpaid wages and liquidated damages*. The Purchasing Agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Vendor or subcontractor under any such contract or any other Federal contract with the same prime Vendor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Vendor, such sums as may be determined to be necessary to satisfy any liabilities of such Vendor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in 29 C.F.R. §5.5(b)(2).

4. *SubContracts*. The Vendor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of 29 C.F.R. §5.5 and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Vendor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in 29 C.F.R. §5.5(b)(2) through (4).

e) **CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT**.

Clean Air Act

1. The Vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Vendor agrees to report each violation to the Purchasing Agency and understands and agrees that the Purchasing Agency will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Vendor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance.

Federal Water Pollution Control Act

1. The Vendor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

2. The Vendor agrees to report each violation to the Purchasing Agency and understands and agrees that the Purchasing Agency will, in turn, report each violation as required to assure notification to the federal agency providing funds hereunder, and the appropriate Environmental Protection Agency Regional Office.

3. The Vendor agrees that these requirements will be included in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance.

f) **Debarment and Suspension.**

1. This Contract, if federal funding is used, is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Vendor is required to verify that none of the Vendor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
2. The Vendor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
3. This certification is a material representation of fact relied upon by a federal agency providing federal funds herein and the Purchasing Agency. If it is later determined that the Vendor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to federal agency providing federal funds herein and the Purchasing Agency, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
4. The Vendor agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of the Contract resulting from a relevant solicitation herein. The Vendor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

g) **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)** (as Amended).

To the extent applicable, Vendors that apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal Contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

Required Certification. If applicable, Vendors must sign and submit to the Purchasing Agency the certification. See the latest version of "Certification for Contracts, Grants, Loans, and Cooperative Agreements" found at https://ncadmin.nc.gov/documents/vendor-forms.

h) **Procurement of Recovered Materials.**

1. Unless specified otherwise in the Contract, in the performance of this Contract, the Vendor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
   - Competitively within a timeframe providing for compliance with the Contract performance schedule;
   - Meeting Contract performance requirements; or
   - At a reasonable price.
2. Information about this requirement, along with the list of EPA designated items, is available at EPA's Comprehensive Procurement Guidelines web site: https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program
3. The Vendor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act."

i) **Access to Records**. In addition to the North Carolina General Contract Terms & Conditions section entitled "**ACCESS TO PERSONS AND RECORDS"** included in this Contract, the following access to records requirements apply to this Contract:

1. The Vendor agrees to provide the Purchasing Agency, the Administrator of the federal agency providing funds hereunder, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Vendor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.
2. The Vendor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
3. The Vendor agrees to provide the Administrator of the federal agency providing funds hereunder or his authorized representative access to construction or other work sites pertaining to the work being completed under the Contract.
4. In compliance with the Disaster Recovery Act of 2018, the Purchasing Agency and the Vendor acknowledge and agree that no language in this Contract is intended to prohibit audits or internal reviews by the Administrator of the federal agency providing funds hereunder or the Comptroller General of the United States.

j) **Modifications to Contract.** Modifications to the Contract are governed by the North Carolina General Contract Terms & Conditions section above entitled "**AMENDMENTS**," except as approval and signature by any federal official may also be required.

k) **Records Retention.** All records required to be kept on the project shall be maintained for at least five (5) years after final payments and until all other pending matters under the grant for this project have been closed. However, if any audit, litigation or other action arising out of or related in any way to this project is commenced before the end of the five (5) year period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the five (5) year period, whichever is later.

l) **Energy Efficiency**. All participants in the projects funded hereby shall recognize mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (PL 94-163).

m) **Program Fraud and False or Fraudulent Statements or Related Acts.** Vendor acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to its actions pertaining to the Contract.

n) **No Obligation by Federal Government.** The Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to the non-Federal entity, Vendor, or any other party pertaining to any matter resulting from the Contract.

o) **Compliance with Federal Law, Regulations, and Executive Orders.** This is an acknowledgement that federal financial assistance will be used to fund all or a portion of the Contract. The Vendor will comply with all applicable Federal law, regulations, executive orders, the policies of the federal agency(ies) providing funding, procedures, and directives.

p) **Federal Seals, Logos, and Flags**. In addition to the prohibitions of the North Carolina General Contract Terms & Conditions section above entitled "**ADVERTISING,"** the Vendor shall not use the seal(s), logos, crests, or reproductions of flags of a federal agency providing funding herein, or likenesses of federal agency officials without specific pre-approval of the relevant federal agency.

q) **System for Awards Management**. Vendor shall be responsible to ensure that it has checked the federal System for Awards Management (SAM) https://www.sam.gov/SAM/ and the State Debarred Vendors Listing, https://ncadmin.nc.gov/documents/nc-debarred-vendors to verify that Contractors or sub-Recipients have not been suspended or debarred from doing business with federal or State government.

ATTACHMENT D: HUB Supplemental Vendor Information

Solicitation #: DPC-646236801-MT

Vendor Name: RSM US LLP

Historically Underutilized Businesses (HUBs) consist of minority, women, and disabled business firms that are at least fifty-one percent owned and operated by an individual(s) from one of these categories. Also included in this category are disabled business enterprises and non-profit work centers for the blind and severely disabled.

Pursuant to G.S. 143B-1361(a), 143-48 and 143-128.4, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, the disable, disabled business enterprises, and non-profit work centers for the blind and severely disabled. This includes utilizing individual(s) from these categories as subcontractors to perform the functions required in this Solicitation.

The Vendor shall respond to questions below, as applicable.

PART I: HUB CERTIFICATION

Is Vendor a NC-certified HUB entity? ☐ **Yes** ■ **No**

If **yes**, provide Vendor #: ___________________________

If **no**, does Vendor qualify for certification as HUB? ☐ **Yes** ■ **No**

Vendors that check "yes" will be referred to the HUB Office for assistance in acquiring certification.

PART II: PROCUREMENT OF GOODS - SUPPLIERS

For *Goods* procurements, are you using Tier 2 suppliers? ☐ **Yes** ■ **No**

If ***yes***, then provide the following information:

Company Name	Company Address	Website Address	Contact Name	Contact Email	Contact Phone	NC HUB certified?	Percent of total bid price

PART III: PROCUREMENT OF SERVICES - SUBCONTRACTORS

For *Services* procurements, are you using Subcontractors to perform any of the services being procured under this solicitation? ☐ **Yes** ▣ **No**

If ***yes***, then provide the following information:

Company Name	Company Address	Website Address	Contact Name	Contact Email	Contact Phone	NC HUB certified?	Percent of total bid price

Need more information?

Questions concerning the completion of this form should be presented during the Q&A period through the process defined in the Solicitation document.

Questions concerning NC HUB certification, contact the **North Carolina Office of Historically Underutilized Businesses** at 984-236-0130 or huboffice.doa@doa.nc.gov

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ATTACHMENT E: CUSTOMER REFERENCE TEMPLATE

Solicitation #: DPC-646236801-MT

Vendor Name: RSM US LLP

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

Name of Customer Organization:	Prince William County, Virginia
Customer Reference Name:	Michelle Attreed, CFO/Director of Finance
Customer Reference Address:	1 County Complex Court, Prince William, VA 22192
Customer Reference Email:	mattreed@pwcgov.org
Start Date:	External audit: 2006; Internal audit: 2012
End Date:	External audit: 2010; Internal audit: Ongoing
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	We have served as the County's out-sourced internal audit function for the Board of County Supervisors since 2012. We produce and report on average, 10 audits annually to the Audit Committee.

Name of Customer Organization:	Iowa Workforce Development
Customer Reference Name:	Victor Kennedy, Chief Financial Officer
Customer Reference Address:	1000 E Grand Avenue, Des Moines, IA 50319
Customer Reference Email:	victor.kennedy@iwd.iowa.gov
Start Date:	2020
End Date:	Ongoing
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	In 2020, RSM was awarded as a contractor to administer $80 million in grants for the Workforce Development Office of the State of Iowa.

Name of Customer Organization:	Florida Department of Economic Opportunity (FloridaCommerce)
Customer Reference Name:	Steve Weiland, Bureau Chief
Customer Reference Address:	107 East Madison Street, Tallahassee, FL 32399
Customer Reference Email:	steve.weiland@deo.myflorida.com
Start Date:	2021
End Date:	Ongoing
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	RSM performs comprehensive grant management and non-attest performance audit services for the Florida DEO's state tax incentive programs funded under State of Florida grant 17-00832.

ATTACHMENT E: CUSTOMER REFERENCE TEMPLATE

Name of Customer Organization:	Georgia Governor's Office of Planning and Budget
Customer Reference Name:	Jonna West, Grants Division Manager
Customer Reference Address:	2 Capitol Square, Atlanta, GA 30334
Customer Reference Email:	jonna.west@opb.georgia.gov
Start Date:	2020
End Date:	Ongoing
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	RSM was selected as a contractor to perform risk assessments and grant monitoring for $3.7 billion in American Rescue Plan Act SFRF Broadband and CPF funds, as well as water / sewer infrastructure, Negative Economic Impact (NEI), housing, GEER and other programs.

Name of Customer Organization:	North Carolina HOPE
Customer Reference Name:	Amanda Stapleton, Compliance Director
Customer Reference Address:	512 N Salisbury Street, Raleigh, NC 27604
Customer Reference Email:	amanda.stapleton@ncdps.com
Start Date:	2020
End Date:	December 2021
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	During 2021, RSM provided HOPE Program compliance and investigative auditing services to the North Carolina Office of Recovery and Resiliency (NCORR) for projects funded through various federal grants.

ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR

Solicitation #: DPC-646236801-MT

Vendor Name: RSM US LLP

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

Vendor shall complete items 1 and 2 below.

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

   If "YES":

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

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

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

   RSM US LLP has offices in 81 cities across the country. Whenever possible, we will utilize North Carolina resources. For internal audit services, work would primarily be served with employees located in the southeast United States (NC, Florida, Georgia, and DC area.)

NOTES:

1. The State will evaluate the additional risks, costs, and other factors associated with the utilization of workers outside of the United States prior to making an award.
2. Vendor shall provide notice in writing to the State of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing services under the Contract to a location outside of the United States.
3. All Vendor or subcontractor personnel providing call or contact center services to the State of North Carolina under the Contract **shall disclose** to inbound callers the location from which the call or contact center services are being provided.

ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION

Solicitation #: DPC-646236801-MT

Vendor Name: RSM US LLP

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

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

  Date of latest audit: ____________________ (If no audit within past 18 months, explain reason below.)

- [x] The Vendor has no outstanding liabilities, including tax and judgment liens, to the Internal Revenue Service or any other government entity.

- [x] The Vendor is current in all amounts due for payments of federal and state taxes and required employment-related contributions and withholdings.

- [x] The Vendor is not the subject of any current litigation or findings of noncompliance under federal or state law.

- [x] The Vendor has not been the subject of any past or current litigation, findings in any past litigation, or findings of noncompliance under federal or state law that may impact in any way its ability to fulfill the requirements of this Contract.

- [x] He or she is authorized to make the foregoing statements on behalf of the Vendor.

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

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

As a limited liability partnership, RSM US has no requirement to prepare financial statements for external release. We affirm, however, that RSM has the capacity—both in size and financial strength—to serve our client. Founded in 1926, today RSM US is the fifth largest assurance, tax and consulting firm in the United States, as ranked in Accounting Today's 2023 Top 100 Report. For the most recent fiscal year ended April 30, 2023, RSM reported revenue of US$3.7 billion, an increase of 12% in comparison to the prior year. The average of our last three fiscal years of revenue is $US3.29 billion. In addition to cash and short-term investments, RSM US maintains a revolving credit facility for operational and other borrowing needs, and on June 1, 2021, the firm issued $150 million in senior notes which are due in seven, ten and twelve years. The firm is also very well capitalized, with significant partner and principal investment by its 1,150 partners and principals. All partners and principals are individuals, and no one partner, or principal has more than 1% of the total capital investment in the firm.

	09/06/2023
Signature	Date
Jill Reyes	Partner
Printed Name	Title

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

Certification for Contracts, Grants, Loans, and Cooperative Agreements

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

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

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

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

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

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

Jill E Reyes

Signature of Vendor's Authorized Official

Jill Reyes, Partner

Name and Title of Vendor's Authorized Official

09/06/2023

Date

DISCLOSURE OF LOBBYING ACTIVITIES

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

Approved by OMB
0348-0046

1. Type of Federal Action:	**2. Status of Federal Action:**	**3. Report Type:**
☐ a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	☐ a. bid/offer/application b. initial award c. post-award	☐ a. initial filing b. material change **For Material Change Only:** year ________ quarter ________ date of last report ______________

4. Name and Address of Reporting Entity:	**5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:**
☐ **Prime** ☐ **Subawardee** Tier ______, *if known* **Congressional District**, *if known*:	 **Congressional District**, *if known*:
6. Federal Department/Agency:	**7. Federal Program Name/Description:** CFDA Number, *if applicable*: _____________
8. Federal Action Number, *if known*:	**9. Award Amount,** *if known*: $
10. a. Name and Address of Lobbying Registrant (*if individual, last name, first name, MI*):	**b. Individuals Performing Services** (*including address if different from No. 10a*) (*last name, first name, MI*):
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	Signature: ______________________ Print Name: ______________________ Title: ______________________ Telephone No.: ______________ Date: ________
Federal Use Only:	Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

PRINT

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

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

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

SOLICITATION ADDENDUM

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

The RFP schedule is hereby modified as follows:

2.4 RFP SCHEDULE (REVISED)

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

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

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

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

Email: vendor@nc.gov

SOLCITATION ADDENDUM

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

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

SOLICITATION ADDENDUM

Issuing Agency:	Division of Purchase and Contract
Solicitation Number:	DPC-646236801-MT
Solicitation Description:	Supplemental Internal Audit Services
Solicitation Opening Date and Time:	September 6, 2023 @ 2:00 PM ET
Addendum Number:	03
Addendum Date:	August 22, 2023
Purchasing Agent:	Melinda Tomlinson

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

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

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

Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
		Categories. Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. Names of any third-party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).	
3	Section 5.3 Vendor Responsibilities	Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least one (1) qualified vendors in the requested category.	Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least two (2) qualified vendors in the requested category.
4	Section 3.4 Evaluation Criteria - Original RFP Evaluation Criteria		

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

Modified RFP Evaluation Criteria

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

Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
5	**Attachment A: Cost Proposal**	**See Current Attachment A**	**See Updated Attachment A – to provide for optional additional labor categories.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME

____ ______________________________

Authorized Signature Date

____ ______________________________

Printed Name Title