STATE OF NORTH CAROLINA Department of Administration Division of Purchase and Contract	**REQUEST FOR BEST AND FINAL OFFER** **NO.** DPC-646236801-MT
	Offers will be received until: November 20, 2023, by 5:00 PM ET
	Issue Date: November 17, 2023
Refer ALL inquiries regarding this BAFO to the procurement lead through the Events Message Board in the Sourcing Tool.	**Commodity Number:** 84111600 – Audit Services
	Description: Supplemental Internal Audit Services
	Using Agency: STATEWIDE
See page 2 for 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: ThirdLine, Inc.	EMAIL: dosborn@thirdline.io	
STREET ADDRESS: 100 S Cincinnati Ave, 5th Floor	P.O. BOX:	ZIP:
CITY & STATE & ZIP: Tulsa, OK 74103	TELEPHONE NUMBER:	TOLL FREE TEL. NO:
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: David Osborn, CEO	FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE: 11/20/2023	

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 **12** day of December **2023**, as indicated on the attached certification, by P and C - 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.

BAFO Response

This RFP has no other changes besides the attached BAFO Response.

1.2 (a)

ThirdLine will begin work on the Vendor Readiness Assessment Report Non-State Hosted Solutions (“VRAR”) and provide to the State as soon as possible.

1.2 (b)

ThirdLine is currently in the process of SOC 2 Type 1 and Type 2 preparation and assessment.

We expect a SOC 2 Type 1 assessment report to be available by March 2024, however this process could be expedited if Team ThirdLine is selected by the State of North Carolina for this RFP. SOC 2 Type 2 will be complete within 365 days of the effective date of the contract with the State of North Carolina. ThirdLine can provide regular updates on the progress to the State of North Carolina.

1.2 (c)

ThirdLine can provide additional security documentation at the request of the State.

2

ThirdLine agrees with the terms and conditions for the auditing solutions not hosted on State Infrastructure.

3

ThirdLine agrees with the new terms and conditions for access to persons and records.

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

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

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

1.2 FOR SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE

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

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

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

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

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

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

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

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

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

1.3 LOCATION OF WORKERS UTILIZED BY VENDOR

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

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

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

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

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

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

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

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

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

d) The Vendor will provide and maintain secure backup of the State Data. The Vendor shall implement and maintain secure passwords for its online system providing the Services, as well as all appropriate administrative, physical, technical and procedural safeguards at all times during the term of this Agreement to secure such Data from Data Breach, protect the Data and the Services from loss, corruption, unauthorized disclosure, and the introduction of viruses, disabling devices, malware

and other forms of malicious or inadvertent acts that can disrupt the State's access to its Data and the Services. The Vendor will allow periodic back-up of State Data by the State to the State's infrastructure as the State requires or as may be provided by law.

e) The Vendor shall certify to the State:
   i) The sufficiency of its security standards, tools, technologies and procedures in providing Services under this Agreement;
   ii) That the system used to provide the Subscription Services under this Contract has and will maintain a valid 3rd party security certification not to exceed 1 year and is consistent with the data classification level and a security controls appropriate for low or moderate information system(s) per the National Institute of Standards and Technology NIST 800-53 revision 4The State reserves the right to independently evaluate, audit, and verify such requirements.
   iii) That the Services will comply with the following:
      (1) Any DIT security policy regarding Cloud Computing, and the DIT Statewide Information Security Policy Manual; to include encryption requirements as defined below:
         (a) The Vendor shall encrypt all non-public data in transit regardless of the transit mechanism.
         (b) For engagements where the Vendor stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Vendor's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the Service Provider cannot offer encryption at rest, it must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach. Additionally, where encryption of data at rest is not possible, the Vendor must describe existing security measures that provide a similar level of protection;
      (2) Privacy provisions of the Federal Privacy Act of 1974;
      (3) The North Carolina Identity Theft Protection Act, N.C.G.S. Chapter 75, Article 2A (e.g., N.C.G.S. § 75-65 and -66);
      (4) The North Carolina Public Records Act, N.C.G.S. Chapter 132; and
      (5) Applicable Federal, State and industry standards and guidelines including, but not limited to, relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCIDSS) including the PCIDSS Cloud Computing Guidelines, Criminal Justice Information, The Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA);
      (6) Any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377.

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

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

security policies, then notifications to all persons and entities who are affected by the same event (as reasonably determined by the State) shall be considered legally required.

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

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

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

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

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

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

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

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

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

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

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

☐ **Hosted on State Infrastructure**

☑ **Not Hosted on State Infrastructure**

3.0 Section 13. ACCESS TO PERSONS AND RECORDS of the **North Carolina General Terms and Conditions** is revised and restated in its entirety as follows:

13. ACCESS TO PERSONS AND RECORDS:

(a) 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 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.

(b) The following entities may audit the records of this contract during and after the term of the contract to verify accounts and data affecting fees or performance:

1. The State Auditor.

2. The internal auditors of the affected department, agency or institution.

3. The Joint Legislative Commission on Governmental Operations and legislative employees whose primary responsibility is to provide professional or administrative services to the Commission.

(c) The Joint Legislative Commission on Governmental Operations has the authority to:

1. Study the efficiency, economy and effectiveness of any non-State entity receiving public funds.

2. Evaluate the implementation of public policies, as articulated by enacted law, administrative rule, executive order, policy, or local ordinance, by any non-State entity receiving public funds.

3. Investigate possible instances of misfeasance, malfeasance, nonfeasance, mismanagement, waste, abuse, or illegal conduct by officers and employees of a non-State entity receiving, directly or indirectly, public funds, as it relates to the officer's or employee's responsibilities regarding the receipt of public funds.

4. Receive reports as required by law or as requested by the Commission.

5. Access and review

a. Any documents or records related to any contract awarded by a State agency, including the documents and records of the contractor, that the Commission determines will assist in verifying accounts or will contain data affecting fees or performance; and

b. Any records related to any subcontract of a contract awarded by a State agency that is utilized to fulfill the contract, including, but not limited to (i) records related to the drafting and approval of the subcontract, and (ii) documents and records of the contractor or subcontractor that the Commission determines will assist in verifying accounts or will contain data affecting fees or performance.

(d) The Joint Legislative Commission on Governmental Operations has the power to:

1. Compel access to any document or system of records held by a non-State entity receiving, directly or indirectly, public funds, to the extent the documents relate to the receipt, purpose or implementation of a program or service paid for with public funds.

2. Compel attendance of any officer or employee of any non-State entity receiving public funds, provided the officer or employee is responsible for implementing a program or providing a service paid for with public funds.

(e) Unless prohibited by federal law, the Commission and Commission staff in the discharge of their duties under this Article shall be provided access to any building or facility owned or leased by a non-State entity receiving public funds provided (i) the building or facility is used to implement a program or provide a service paid for with public funds and (ii) the access is reasonably related to the receipt, purpose, or implementation of a program or service paid for with public funds.

(f) Any confidential information obtained by the Commission shall remain confidential and is not a public record as defined in G.S. 132-1.

(g) Any document or information obtained or produced by Commission staff in furtherance of staff's duties to the Commission is confidential and is not a public record as defined in G.S. 132-1.

(h) A person who conceals, falsifies, or refuses to provide to the Commission any document, information, or access to any building or facility as required by this Article with the intent to mislead, impede, or interfere with the Commission's discharge of its duties under this Article shall be guilty of a Class 2 misdemeanor.

Title Page

PROPOSAL TO PROVIDE

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

RFP # DPC-646236801-MT

State of North Carolina

SEPTEMBER 6TH, 2023

ThirdLine

Authorized Representative: David Osborn
Team ThirdLine
100 S Cincinnati Ave
5th Floor
Tulsa, OK 74103
Phone: 918-956-8673
dosborn@thirdline.io

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1.0 Execution Pages and Body of RFP (RFP Sections 2.8.b.)

1.1 Execution Pages

1.2 Body of RFP

STATE OF NORTH CAROLINA
Division of Purchasing & Contract

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

EXECUTION

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

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

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

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

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

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

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

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

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

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

COMPLETE/FORMAL NAME OF VENDOR: ThirdLine, Inc.		
STREET ADDRESS: 100 South Cincinnati Ave, 5th Floor	P.O. BOX:	ZIP: 74103
CITY & STATE & ZIP: Tulsa, OK 74103	TELEPHONE NUMBER: 918-956-8673	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: David Osborn, CEO	FAX NUMBER:	

Proposal Number: DPC-646236801-MT *Vendor:* ThirdLine, Inc

VENDOR'S AUTHORIZED SIGNATURE*: David Osborn	**DATE:** 9/5/2023	EMAIL: dosborn@thirdline.io

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. Confidentiality

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

d. Records Retention

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

e. Travel

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

4.11 PERSONNEL

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

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

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

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:	
Office Phone #:	
Mobile Phone #:	
Email:	

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

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

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

6.2 POST AWARD PROJECT REVIEW MEETINGS

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

6.3 CONTINUOUS IMPROVEMENT

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

6.4 ANNUAL MANAGEMENT REPORTS

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

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

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

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

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

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

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

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

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

6.5 BUSINESS REVIEW MEETINGS

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

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

6. 6 DISPUTE RESOLUTION

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

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

6.7 ELECTRONIC CATALOG

Ordering Instructions Solution

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

6.8 CONTRACT CHANGES

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

6.9 ATTACHMENTS

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

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EXHIBIT 1: STATE AGENCY AND UNIVERSITY LOCATIONS

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

UNIVERSITY OF NORTH CAROLINA

- University of North Carolina – System Office, Raleigh

Campuses

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

EXHIBIT 2: EXAMPLE OF AUDITOR'S PROFESSIONAL QUALIFICATIONS

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

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

EXHIBIT 3: EXAMPLE OF STATEMENT OF WORK

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

STATE OF NORTH CAROLINA

REQUEST FOR QUOTES

SCOPE STATEMENT NUMBER – STC#8411A

Enter Agency Name, Request #Enter Agency Contract Number

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

NOTICE TO OFFERORS

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

Offers are subject to rejection unless submitted on this form.

EXECUTION

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

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

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

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

ACCEPTANCE OF SCOPE STATEMENT

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

FOR STATE USE ONLY

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

by _____

(Authorized representative of the Office of State Human Resources)

SUBMISSION INSTRUCTIONS:

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

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

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

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

SECTION 1: SCOPE STATEMENT SCHEDULE

Scope Statement Questions

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

Scope Statement Submittal

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

SECTION 2: PURPOSE AND BACKGROUND

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

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

SECTION 3: CONTRACT TERM

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

SECTION 4: POSSESSION AND REVIEW

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

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

SECTION 5: METHOD OF AWARD

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

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

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

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

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

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

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

SECTION 6: SCOPE STATEMENT EVALUATION PROCESS

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

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

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

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

SECTION 7: TECHNICAL SPECIFICATIONS

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

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

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

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

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

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

SECTION 8: VENDOR CONTRACT ADMINISTRATORS

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

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

SECTION 9: METHODOLOGY FOR COMPLETION OF WORK

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

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

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

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

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

SECTION 11: COST (AND PROJECT HOURS)

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

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

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

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

2.0 Signed Addenda Pages (RFP Sections 2.8.c.)

3.0 Proposal Contents (RFP Sections 2.8.d.)

This proposal unites three experienced companies, ThirdLine, GPP Analytics, and Workman Forensics as a unified team ("Team ThirdLine") to meet the needs of the Scope of Work. Each organization has unique experiences that qualify them at the top of their respective fields. Although we are younger companies, the experience of the individuals has enabled them to create companies with products and services that rival the largest firms. **There is one common theme that makes us the ideal partner for North Carolina: all the work we do is data-first. From audit analytics software to writing a book on data sleuthing, our team leads innovation in the public sector, internal audit, and fraud fields.**

Team ThirdLine not only provides consulting services, but also an award-winning (GovTech 100) audit analytics software built for public sector entities. When applicable, the software can be used as part of every statement of work and leave North Carolina management and audit teams an ability to permanently and continuously Monitor recommended areas.

3.1 Team ThirdLine's Relevant Background and Experience (RFP Sections 2.8.d., 4.4 Vendor Experience, 4.5 References)

Team ThirdLine's background and experience uniquely qualifies them for work with Operational/Performance Audits, Investigative Audits, Compliance Audits, Data Analytics and Continuous Monitoring, Risk Assessment and Audit Plan Development, and Managerial Advisory Services.

3.1.1 ThirdLine Company Experience (RFP Sections 2.8.d., 4.4 Vendor Experience)

Team ThirdLine is experienced in public and private sector clients with similar or greater size and complexity to the State of North Carolina. The below tables detail demonstrated experience with public sector clients with detail on areas that relate to the services required by the State of North Carolina.

Public Entity	**City of Richmond, CA**
Applicable North Carolina Scope of Work	Performance Audits; and Compliance Audits
Audit Team Size	3
Date of Services	March 1, 2023 - ongoing
Entity Size	$326.0 million annual budget

Services Provided	Performance and compliance audit co-sourcing and outsourcing
Impact	Audit of Port operations

Public Entity	**County of Monterey, CA**
Applicable North Carolina Scope of Work	Performance Audits; and Compliance Audits
Audit Team Size	3
Date of Services	March 1, 2023 - ongoing
Entity Size	$3.0 billion annual budget
Services Provided	Performance and compliance audit co-sourcing and outsourcing
Impact	Audit of agreement between County and public agency operating County assets.

Public Entity	**State of Utah**
Applicable North Carolina Scope of Work	Performance Audits
Audit Team Size	3
Date of Services	April 12, 2013 - ongoing
Entity Size	$29.4 billion annual budget
Services Provided	Performance audit co-sourcing and outsourcing to state and local entities.
Impact	Confidential

Public Entity	**City of Oxnard, CA**
Applicable North Carolina Scope of Work	Managerial Advisory Services
Audit Team Size	3

Date of Services	January 1, 2023 - July, 2023
Entity Size	$216.1 million annual budget
Services Provided	Managerial Advisory Services
Impact	Fee study, cost accounting, and budget analysis to establish a special revenue fund for newly passed ordinances.

Public Entity	**Regional Transportation District of Denver, CO**
Applicable North Carolina Scope of Work	Managerial Advisory Services
Audit Team Size	3
Date of Services	August 21, 2023 - ongoing
Entity Size	$816.4 million million annual budget
Services Provided	Managerial Advisory Services
Impact	Special study assessing hiring, staffing, recruiting, and EOO.

Public Entity	**City of Tulsa, Oklahoma**
Applicable North Carolina Scope of Work	Analytics / Continuous Monitoring; Risk Assessment and Audit Plan Development
Audit Team Size	5-10
Date of Services	January 1, 2018 to Present
Entity Size	$398 Million General Fund Budget
Services Provided	City of Tulsa required an auditing and analytic solution that helped audit monitor their entire ERP (accounting, finance, and payroll systems). ThirdLine reviewed the systems, setup more than 400 analytics across Accounts Payable (AP), Accounts Receivable (AR), General Ledger (GL), Procurement, P-card, Payroll, Segregation of Duties on Roles and Permissions, Configuration Settings, Utility Billing, Human Resources, Travel and Expense, Cash Receipts. Assist auditors with visualization and report creation.
Impact	1. Bank Account Switchback analytic stopped $600K wire transfer that was requested by a fraudulent vendor

	2. DuplicatePayment: Found a $100K+ duplicate payment paid twice. 3. Travel and Expense policy changes based on analytic findings. 4. Benford's Law Analytics helped discover Commercial Driver License reimbursements paid at different amounts based on certain demographics of employees. 5. More efficient and Higher quality Audits.

Public Entity	**City of Wilmington, Delaware**
Applicable North Carolina Scope of Work	Analytics / Continuous Monitoring; Risk Assessment and Audit Plan Development
Audit Team Size	3
Date of Services	July 31, 2022 to Present
Entity Size	$177 Million Operating Budget
Services Provided	The City of Wilmington required a continuous (daily refresh) Audit and Monitoring analytics software for 6+ ERP modules including AP, AR, GL, Procurement, P-card, Payroll (implementing), Segregation of Duties on Roles and Permissions. Analytics connecting to a separate Purchasing Card system. Implemented for both Audit, AP Manager, Accounting Manager, and others.
Impact	1. Train Management on Monitoring to act as an internal control. 2. Continuous Risk Assessment assisted with the Annual Audit Plan. 3. Purchasing Card analysis leading to change in Policy.

Public Entity	**Sarpy County, NE**
Applicable North Carolina Scope of Work	Analytics / Continuous Monitoring; Information System Audits
Audit Team Size	0, outsourced Internal Audit to UHY Public Accounting Firm
Date of Services	March 31, 2023 - August 31, 2023
Entity Size	$115 Million Operating Budget

Services Provided	The County required an Information Systems audit of Roles and Permissions settings on the ERP system. ThirdLine provided analysis of Roles & Permission setting in the ERP system including segregation of duty issues, terminated employee access, and analysis of NIST Least Privilege access.
Impact	1. Segregation of Duty Analysis of Roles and Permissions data for riskiest permissions. 2. Analysis of terminated employees with access to the Munis ERP system. 3. Helped the internal audit team review the entire population of users and roles and permission settings to find the riskiest Roles and Users.

Public Entity	**Guilford County, NC**
Applicable North Carolina Scope of Work	Analytics / Continuous Monitoring
Audit Team Size	6
Date of Services	March 31, 2021 - Present
Entity Size	$840 Million Budget
ERP System	Tyler Munis
Services Provided	Build Continuous (daily refresh) of Audit and Monitoring analytics for 6+ Tyler Munis modules including AP, AR, GL, Procurement, P-card, Payroll (implementing), Segregation of Duties on Roles and Permissions.
Impact	Segregation of Duties Analysis of Roles & Permissions data helps the Information Technology department with assigning new roles and permissions correctly.

Public Entity	**State of Oklahoma, Office of Auditor and Inspector**
Applicable North Carolina Scope of Work	Investigative Audit
Date of Services	2013

Entity Size	State of Oklahoma: $11+ Billion
Services Provided	Investigative Audit of City Municipality under the direction of the State Auditor's office
Impact	Confidential

3.1.2 Team ThirdLine Personnel Qualifications and Experience (RFP Sections 2.8.d., 4.4 Vendor Experience)

Our combined team unites nine managers and executives with an average of over ten years of experience conducting audits and audit services for state and local governments. As seen below in **Table 1.1 Team ThirdLine Experience**, our team consists of multiple highly qualified individuals with graduate degrees and certifications delivering audit services for North Carolina.

Table 1.1 Team ThirdLine Experience. Our team's experience and expertise provides North Carolina state agencies a team that understands and conducts audits with precision, depth,and agility.

Task	*Average Years Experience*	*Certifications*	*Graduate Degrees*	*Number of Staff*
Operational/Performance Audit	*12.6*	*CIA, CGAP, CRMA, CFE*	*MPA, PhD*	*5*
Investigative Audit	*13*	*CFE, CPA*	*MBA, MPA*	*2*
Compliance Audit	*12.6*	*CIA, CGAP, CRMA, CFE*	*MPA, PhD*	*5*
Information Systems Audits	*N/A*	*N/A*	*N/A*	*N/A*
Data Analytics / Continuous Monitoring	*13.3*	*CPA, CIA, CGAP, CRMA, CFE*	*PhD, MPA, MBA*	*7*
Risk Assessment and Audit Plan Development	*12.4*	*CPA, CIA, CGAP, CRMA, CFE*	*PhD, MPA, MBA*	*5*
Financial Audit	*N/A*	*N/A*	*N/A*	*N/A*
Accounting, & Financial Services	*N/A*	*N/A*	*N/A*	*N/A*
Managerial Advisory Services	*16.7*	*CPA, CIA, CGAP, CRMA, CFE*	*PhD, MPA, MBA*	*6*

Team ThirdLine is known as experts in public sector audit analytics, performance audit, and fraud investigations. In the last decade, Team ThirdLine has presented, taught, and written for the top government audit and fraud conferences, webinars, and continuing education events. Below is a partial list by topic fields and presentations our team members have conducted:

Operational/Performance Audit

1. Vehicle Telematics and Monitoring for Audits and Controls, Association of Local Government Auditor, April 2023, webinar
2. Start With Communication: Solutions For Internal Service Functions, Association of Local Government Auditors, March 2023
3. Sufficient Evidence and the Generally Accepted Government Auditing Standards, Harvey Rose, LLC, April 15, 2022.
4. Process Mapping: different approaches and lessons learned, Harvey Rose, LLC, February 18, 2022.
5. Lessons Learned Integrating Interactive Dashboards Into the Audit Process, Association of Local Government Auditors, October, 2021
6. Interview Tools and Techniques, Harvey Rose, LLC, October 2, 2020.
7. Towards a Healthier Relationship: Reflections on an Auditee's Stress at Being Audited, Association of Local Government Auditors Quarterly, Fall 2020
8. Lessons Learned Integrating Interactive Dashboards in the Audit Process, Association of Local Government Auditors, online seminar October 15, 2019
9. When Supervisors Coach: A Best Practice for Staff Development, Association of Local Government Auditors Quarterly, Fall 2017
10. Ask Not What You Can Do for Others; Ask What A Mentor Can Do For You: The Benefits of Participating in the ALGA Mentoring Program, Local Government Auditors Quarterly, Winter 2016
11. Reflections On Becoming A Mentor: Minions, Karma, and Everything In Between, Local Government Auditors Quarterly, Fall 2016
12. Cognitive Bias and Its Impact on Decision Making, Association of Local Government Auditors Annual Conference, May 2, 2022
13. Simple Steps to Reducing Fraud, International Association of Government Officials, Houston, TX, July 15, 2019
14. Fraud Prevention, Oregon Association of County Clerks, Ashland, OR August 9, 2018
15. Basic Statistical Tools Made Easy, Association of Local Government Auditors Regional Conference, Portland, OR October 5, 2017
16. Developing Tomorrow's Leaders Today: How Supervising, Coaching, and Mentoring All Differ But All Contribute, Association of Local Government Auditors annual conference Atlanta, GA May 5, 2017
17. Not Bayonetting the Wounded: Achieving a Balanced Approach to the Internal Audit Function, Association of Local Government Auditors Annual Conference, Austin, TX May 23, 2016
18. US Public Finance Weekly, July, 2013, All California School Districts to Benefit from New Funding Formula, but Some More than Others
19. Fundamental Principles of Effective Written Communication, Spokane Chapter of the Institute of Internal Auditors, Spokane, WA May 13, 2016
20. Writing Effectively for a Busy Audience, Association of Local Government Auditors Regional Conference, Clearwater, FL April 3, 2015

21. Effective Audit Writing, Oregon Secretary of State's Audits Division, Salem, Oregon February 25-26, 2013, and March 18-19, 2013
22. Implementing Program Evaluation Into the Internal Audit Function, Salem Chapter of the Institute of Internal Auditors, Salem, Oregon February 20, 2013
23. Performance Auditing: Moving Beyond Controls and Compliance, Indian Technical & Economic Cooperation Public Sector Expenditure Training Symposium, New Delhi, India February 28, 2012

Investigative Audit

1. Wietholter, Leah (2022). Data Sleuth: Using Data in Forensic Accounting Engagements and Fraud Investigations. Wiley.
2. Wietholter, Leah (2020). White paper: A Fraud Examiner's Recommendations for PPP Loan Verification. Online and email distribution.
3. The Data Sleuth Podcast, https://www.workmanforensics.com/the-podcast
4. American Academy of Matrimonial Lawyers Oklahoma Chapter. "Financial Experts in Divorce Matters." 2022.
5. Oklahoma Society of Certified Public Accountants. "Data Sleuth: Using Data in Forensic Accounting
6. Engagements." 2022.
7. Tulsa Bar Association – Litigation Section. "Pre-Litigation Investigations Using the Data Sleuth Process." 2022.
8. Various. "Be a Data Sleuth." 2021 – Present.
9. Various. "The Investigation Game | Case of the Cash Flow Fiasco." 2021 - Present.
10. Various. "Finding Fraud in Revenue." 2020.
11. Various. "Finding Fraud in Expenses." 2020.
12. Various. "Finding Fraud in Payroll." 2020.
13. Various. "Turing Case Drama into a Case Plan." 2019.
14. Simple Steps to Reducing Fraud, International Association of Government Officials, Houston, TX, July 15, 2019
15. Fraud Prevention, Oregon Association of County Clerks, Ashland, OR August 9, 2018

Compliance Audit

1. Vehicle Telematics and Monitoring for Audits and Controls, Association of Local Government Auditor, April 2023, webinar
2. Sufficient Evidence and the Generally Accepted Government Auditing Standards, Harvey Rose, LLC, April 15, 2022.
3. Process Mapping: different approaches and lessons learned, Harvey Rose, LLC, February 18, 2022.
4. Interview Tools and Techniques, Harvey Rose, LLC, October 2, 2020.
5. Cognitive Bias and Its Impact on Decision Making, Association of Local Government Auditors Annual Conference, May 2, 2022
6. Basic Statistical Tools Made Easy, Association of Local Government Auditors Regional Conference, Portland, OR October 5, 2017

7. Not Bayonetting the Wounded: Achieving a Balanced Approach to the Internal Audit Function, Association of Local Government Auditors Annual Conference, Austin, TX May 23, 2016
8. Performance Auditing: Moving Beyond Controls and Compliance, Indian Technical & Economic Cooperation Public Sector Expenditure Training Symposium, New Delhi, India February 28, 2012

Information Systems Audits and Data Analytics/Continuous Monitoring

1. July, 2023, “Unraveling Roles and Permission Risk with Analytics”, webinar with Association of Local Government Auditors (ALGA):

Data Analytics/Continuous Monitoring

1. Upcoming October 2023,“Fraud Analytics”, Virginia Internal Audit Association Training Academy
2. Upcoming October 2023,”“Fraud Analytics”, Oklahoma Association of Certified Fraud Examiners Training Academy
3. June, 2023, “Using Data Analytics in the Three Lines Model in the Public Sector”. Internal Audit Association Public Sector Conference Presenter. Chosen as one of five presenters.
4. June, 2023, “Translating fraud concepts into analytics into action” Workshop, Certified Fraud Examiner Conference
5. May, 2023, “Why the future of AI-based fraud and risk detection needs humans”, University of Tulsa Conference of Accountants
6. May, 2023, “Addressing Government Barriers to Analytics”, Association of Local Government Audito’s (ALGA) Conference Session speaker
7. February, 2023,”Data Driven Barriers and Solutions in Today’s World of Performance and Financial Audit”, Los Angeles Area Internal Audit Association – Government CPE webinar, February 6, 2023
8. December, 2022, “Addressing Government’s Barriers to Using Data Science and Analytics in Audit”, International Webinar with Aufina.

Risk Assessment and Audit Plan Development

1. May, 2023, “Continuous Risk Assessment” , Association of Local Government Auditors (ALGA) Conference 4-hour In-person Workshop.

Managerial Advisory Services

1. Vehicle Telematics and Monitoring for Audits and Controls, Association of Local Government Auditor, April 2023, webinar
2. Start With Communication: Solutions For Internal Service Functions, Association of Local Government Auditors, March 2023

3. Process Mapping: different approaches and lessons learned, Harvey Rose, LLC, February 18, 2022.
4. Lessons Learned Integrating Interactive Dashboards Into the Audit Process, Association of Local Government Auditors, October, 2021
5. Interview Tools and Techniques, Harvey Rose, LLC, October 2, 2020.
6. Cognitive Bias and Its Impact on Decision Making, Association of Local Government Auditors Annual Conference, May 2, 2022
7. Basic Statistical Tools Made Easy, Association of Local Government Auditors Regional Conference, Portland, OR October 5, 2017
8. Developing Tomorrow's Leaders Today: How Supervising, Coaching, and Mentoring All Differ But All Contribute, Association of Local Government Auditors annual conference Atlanta, GA May 5, 2017
9. US Public Finance Weekly, July, 2013, All California School Districts to Benefit from New Funding Formula, but Some More than Others
10. Fundamental Principles of Effective Written Communication, Spokane Chapter of the Institute of Internal Auditors, Spokane, WA May 13, 2016
11. Writing Effectively for a Busy Audience, Association of Local Government Auditors Regional Conference, Clearwater, FL April 3, 2015
12. Effective Audit Writing, Oregon Secretary of State's Audits Division, Salem, Oregon February 25-26, 2013, and March 18-19, 2013

When selecting an internal audit, fraud, and analytics team, we find several common challenges that organizations are hoping to resolve. These include understanding of audit, government experience, data analytics experience, data science experience, visualization experience, and an ability to interact with empathy and understanding with anyone in the organization. Our team has led or assisted with audits and financial monitoring at many cities, counties, and states, and some of the examples of successful public sector projects we've conducted include:

To ensure the right mix of expertise, we have assembled a leadership team with extensive experience working in audit analytics and with governments. Our experience performing audit analytics for governments means we understand governments' challenges, expectations for its community, and the tools that best equip the public sector in its reporting and auditing requirements.

Name	Sam Gallaher, PhD
Title	Director of Data Science, ThirdLine, 2022, Present
Prior Role	Internal Audit Analytics Team Lead, City and County of Denver 2016-2022
North Carolina Role	Service Lead: Data Analytics / Monitoring
Education	PhD University of Denver, School of Public Affairs

	Experience	Dr. Gallaher combines PhD statistical super-powers with knowledge of auditing to create powerful data science models based on ThirdLine analytics. Previously he was the Audit Analytics Manager and Methodologist for the Denver Auditor's Office where he led the Audit Analytics Team. Through his work as an engineer, social scientist, and analytics manager he has over 17 years of program and process evaluation experience using analytics. He has taught analytics courses to auditors around the world and served as part-time faculty at the University of Colorado Denver's School of Public Affairs where he taught graduate courses on Evidence-Based Decision Making, Research Methods and Statistics, and Policy Analysis.
	Professional Affiliations and Designations	Association of Local Government Auditors
	Certifications and Licenses	PhD, Six Sigma
	Other Qualifications	Speaker and Lecturer at Association of Local Government Auditors Conference, Internal Audit Association, and Association of Certified Fraud Examiners Conference. Expert in: Data Science.

	Name	David Osborn, CPA
	Title	Chief Executive Officer, ThirdLine, 2021-Present
	Prior Role	Lead Power BI Analyst, 9b Corp 2019-2021
	Prior Role	Manager of Business Intelligence, ClearRidge Capital, 2019
	Prior Role	HoganTaylor (Top 100 Accounting Firm), Advisory Services, Sr. Forensic and Valuation Analyst 2016-2019
	Prior Role	BKD (Forvis), 2014-2016

	North Carolina Role	Contract Manager; Data Analytics and Continuous Monitoring, Managerial Advisory Services Team
	Education	BBA in Accounting, University of Oklahoma
	Experience	David Osborn is CEO and co-founder of ThirdLine and has been combining analytics and accounting for most of his career. David co-founded ThirdLine because he felt firsthand the problem accountants face when too much data crashes an excel spreadsheet. Before ThirdLine, David worked at public accounting firms including BKD, LLP (Forvis) and HoganTaylor. While working in the Advisory department of HoganTaylor, he started the firm's analytic work with clients.
	Professional Affiliations and Designations	AICPA; Association of Local Government Auditors
	Certifications and Licenses	Certified Public Accountant
	Other Qualifications	Speaker at Association of Local Government Auditor's Webinar and TU Conference of Accountants. Expert in: Microsoft Power BI

	Name	Nathan Pickard, CIA
	Title	Director of Software Product, ThirdLine, 2021-Present
	Prior Role	Founder and CEO, 9b Corp, 2017-2023
	Prior Role	Internal Audit Analytics Lead, Williams Energy, 2012-2016
	Prior Role	IT Auditor and Analyst, City of Tulsa, OK, 2006-2012
	North Carolina Role	Project Lead: Data Analytics, Managerial Advisory Services, Performance Audit Team
	Education	BBA in Accounting, Northeastern State University MBA Oklahoma Christian University

	Experience	Nathan ensures the ThirdLine product is exactly what auditors and management need to be successful. He has been an IT auditor and internal audit data analyst for 17+ years. Before co-founding ThirdLine, Nathan began his career as an auditor for the City of Tulsa where he worked on all kinds of projects from the police armory to broken-neck giraffes. He then helped start the data analytics internal audit function at Williams Energy, a publicly traded oil and gas company, where he found vendor overbillings in the tens of millions of dollars.
	Professional Affiliations and Designations	Internal Audit Association; Association of Local Government Auditors
	Certifications and Licenses	Certified Internal Auditor
	Other Qualifications	Speaker and Lecturer at Association of Local Government Auditors Conference and Internal Audit Association. Expert in: Audit software: Arbutus, ACL, Python, ThirdLine Visualization software: Tableau

	Name	Julian Metcalf, CIA, CFE
	Title	Chief Executive Officer, GPP Analytics Inc.
	Prior Role	Principal Analyst, Harvey M Rose Associates, 2017-2022
	Prior Role	IT Business Operations Manager, Technology Services, San Francisco Municipal Transportation Agency 2016-2017
	Prior Role	Principal Analyst, Harvey M Rose Associates, 2014-2016
	Prior Role	Analyst - U.S. Public Finance Group, Moody's Investor Services, 2010-2014
	North Carolina Role	Project Lead: Operational/Performance Audit, Compliance Audit

		Staff: Managerial Advisory Services, Risk Assessment and Audit Plan Development
	Education	Master of Public Administration (MPA) New York University
	Experience	Mr. Metcalf has spent his career managing performance and management audits, financial and policy analysis, and helping state and local organizations reduce risks while better meeting their stakeholders' needs. He brings a keen focus on enhancing transparency, efficiency, and financial robustness in the public sector
	Professional Affiliations and Designations	Institute of Internal Auditors, SFV Chapter President; Association of Local Government Auditors, Strategy Committee; Association of Certified Fraud Examiners, Chapter Board Member
	Certifications and Licenses	Certified Internal Auditor Certified Fraud Examiner
	Other Qualifications	Speaker at Association of Local Government Auditors and Institute of Internal Auditor Expert in: Government Operations and Auditing

	Name	Mara Vejby, PhD
	Title	Chief Operating Officer, GPP Analytics Inc
	Prior Role	Project Manager, Principal Analyst, Harvey M Rose Associates, 2017-2023
	North Carolina Role	Project Lead: Risk Assessment and Audit Plan Development, and Managerial Advisory Services Staff:Operational/Performance Audit, and Compliance Audit
	Education	Doctor of Philosophy, Anthropology, University of Redding, England

	Experience	Dr. Vejby brings a deep understanding of organizational dynamics and audit leadership to GPP's clients. She has previously managed performance audits, compliance audits, program audits, management audits, and special studies for counties and other governmental agencies. Prior to her audit work, she led research and data analysis in the academic sector. Her past work on community engagement, local government management, and consulting, includes leading the annual budget analysis and county-wide risk assessment for a $11.5 billion budget county.
	Professional Affiliations and Designations	Association of Local Government Auditors, Education Committee; American Evaluation Association; Institute of Internal Auditors
	Other Qualifications	Speaker at Association of Local Government Auditors and Institute of Internal Auditor Expert in: Organizational Dynamics

	Name	Eric Spivak, CIA, CGAP, CRMA
	Title	Senior Manager, GPP Analytics Inc.
	Prior Role	County Auditor, Jackson County, OR, 2013-2023
	Prior Role	Self-Employed, Internal Auditor and Management Consultant, 2005-2013
	Prior Role	Federated States of Micronesia, Audit Manager, Office of the National Public Auditor, 2009-2010
	Prior Role	Internal Auditor, City of Scottsdale, Arizona, 2001-2005
	North Carolina Role	Staff: Operational/Performance Audit, Compliance Audit, Risk Assessment and Audit Plan Development, and Managerial Advisory Services
	Education	Master of Public Administration (MPA) Program Evaluation and Policy Analysis, Arizona State University

	Experience	Mr. Spivak has 28 years serving state and local governments in comprehensive expertise in compliance audits, performance audits, program audits, management audits, and special studies for government entities. With vast experience in the public sector, local government management, consulting, training, and analytical roles, he has led significant projects for counties, cities, and other governmental agencies.
	Professional Affiliations and Designations	Institute of Internal Auditors, SFV Chapter President; Association of Local Government Auditors, Strategy Committee
	Certifications and Licenses	Certified Internal Auditor, Certified Government Auditing Professional, and holds a Certification in Risk Management Assurance.
	Other Qualifications	Speaker at Association of Local Government Auditors and Institute of Internal Auditor Expert in: Government Operations and Auditing

	Name	Leah Wietholter, MBA, CFE, PI, CPA
	Title	Chief Executive Officer, Workman Forensics, 2010-2023
	Prior Role	Senior Forensic Accountant, CCK, Public Accounting Firm, 2008-2010
	Prior Role	FBI, Student Trainee, Field Intelligence Group, 2006-2008
	North Carolina Role	Investigative Audit Lead
	Education	BBA in Accounting, Oral Roberts University MBA Oklahoma State University
	Experience	Leah Wietholter is CEO and founder of Workman Forensics in Tulsa, Oklahoma – a boutique firm specializing in forensic accounting and fraud investigations.

		Wietholter discovered her interest and talent in this niche field of accounting while working for the Federal Bureau of Investigation as part of the Field Intelligence Group under the direction of a forensic accountant from 2006 to 2009. Following her experience with the FBI, Wietholter was employed for over two years at an RSM McGladrey network public accounting firm specializing in forensic accounting as the Senior Certified Fraud Examiner. Wietholter's experiences in both the public and private sectors have provided her with invaluable experience applicable to many different industries and projects. Some of these experiences include, white collar investigations, embezzlement investigations, Tribal forensic accounting procedures and investigations, governmental audits, and a municipal investigative audit in conjunction with the Office of the Oklahoma State Auditor and Inspector, just to name a few.
	Professional Affiliations and Designations	Certified Fraud Examiner with the Association of Certified Fraud Examiners
	Certifications and Licenses	Certified Public Accountant; Private Investigator
	Other Qualifications	**Published Book**: Wietholter, Leah (2022). Data Sleuth: Using Data in Forensic Accounting Engagements and Fraud Investigations. Wiley. Speaker and Lecturer at Association of Certified Fraud Examiners Conference.

Name	David Paddock
Education	BBA in MIS BBA in Economics
Title	Head of Analytics, ThirdLine, 2021-2023
Prior Role	Lead Analyst, 9b Corp, 2019-2021
Prior Role	Internal Audit Analyst, Williams Energy, 2014-2019
Prior Role	Oklahoma State University, Application Developer, 2009-2014
North Carolina Role	Data Analytics and Continuous Monitoring Team
Experience	David masterminds all ThirdLine analytics to make sure they are continuously working and integrating with the ERP systems. David has worked as a developer at Oklahoma State University, an internal audit analyst at Williams Companies, and an analytics consulting professional. David has helped create 250+ of the ThirdLine analytics.
Professional Affiliations and Designations	N/A
Certifications and Licenses	N/A
Other Qualifications	ERP Database Expert; Arbutus and ACL expert

Name	Holden Mitchell
Education	B.S. in Mechanical Engineering, University of Oklahoma
Title	CTO, ThirdLine, 2021-2023
Prior Role	Lead Software Developer, Tulsa Public Schools, 2016-2021
Prior Role	High School Teacher, Teach for America, 2013-2016
North Carolina Role	Data Analytics and Continuous Monitoring Team
Experience	Holden Mitchell leads the software development of the ThirdLine audit analytics tool. Before his role at ThirdLine he was the Lead Software Developer for Tulsa Public Schools. In this role he led a team of five developers, a designer, and several contractors while utilizing Agile practices (SCRUM). While leading the team, they migrated the district's asset management system from Microsoft Access solution to an AWS cloud solution of open source software.
Professional Affiliations and Designations	N/A
Certifications and Licenses	Certified Scrum Master Certified Product Owner
Other Qualifications	Learned and worked with ERP systems at Tulsa Public Schools. Public Education Experience.

3.1.3 Team ThirdLine Company Background and History (RFP Sections 2.8.d., 4.4 Vendor Experience)

Team ThirdLine unites three organizations with strong backgrounds in their respective service areas.

ThirdLine

ThirdLine, https://www.thirdline.io/, is a company that provides Data Analytics Services and Data Sciences Services in a Software-as-a-Service solution for public sector internal auditors and management. ThirdLine focuses on integrations with ERP systems, accounting systems, payroll systems, fleet management systems, procurement card systems, and more to bring real-time and risk-based auditing, financial monitoring, fraud detection, risk assessment, error checking, business process improvement, segregation of duties issues, and employee training.

ThirdLine began when we implemented a large Public Sector ERP system in the role of Certified Information Systems Auditor for a large city in 2017. In 2018, we began writing the “brain” of the ThirdLine software, creating 20-50 analytics for every module in the ERP system with an Agile Auditing Approach. We wrote over 400 analytics in the next four years that provide deep insight into every faucet of the ERP systems. We did so by studying the ERP data dictionary and pulling from the ERP tables like audit history, roles and permissions, workflow, transactions, employees, vendors, and chart of accounts. At first we created visualization for these analytics in Tableau or Power BI.

In 2021, we turned our work into a software that not only provides analytics and visualization, but also provides a workflow for both audit and management. We determined that “analytics” are not enough to provide insight. An auditor and management must be able to assess risk in real-time, create risk-based samples, create attribute testing on these samples, consider fraud, store their reports, assign roles to other employees, monitor with analytics and email alerts, and know if management is following audit recommendations all with the power of disaggregated analytics by employee, vendor, employee, fund, department, and general ledger account,

We know of no other organization that is able to: provide both a consulting service as subject matter experts in government audit analytics and data science across various ERP systems, *and* a software to do the work quickly.

Lastly, ThirdLine thrives when working with channel partners. We are working with multiple large public accounting firms to do financial audits, investigative audits, information system audits, risk-based audits, and considering fraud in every audit. **For the State of North Carolina we envision our platform from which the State’s leadership can get a birds eye view of real-time risk, monitoring, and audits across all State Entities and Organizations.**

GPP Analytics

GPP Analytics Inc., https://gppanalytics.com/, was founded in 2022 to help state and local governments solve complex problems, improve operations, reduce risks through operation and performance audits, compliance audits, and managerial advisory services.

Our nimble and senior team has over six decades of combined experience working in and with the public sector on analysis, auditing, and service delivery. We provide clear and actionable recommendations, work independently to provide objective insight, and ensure affordability while keeping experienced senior staff on projects.

Our audits and studies adhere to the International Professional Practices Framework (IPPF) from the Institute of Internal Auditors and can also conform to the Generally Accepted Government Auditing Standards (Yellow Book) from the federal Government Accountability Office.

Our firm has three principal staff. Julian Metcalf performs day-to-day business management and serves as an audit manager. Dr. Vejby serves as an audit manager and oversees the firm's quality control. Eric Spivak serves as an audit manager. All perform fieldwork, analysis, and project management.

Workman Forensics

Workman Forensics, LLC, https://www.workmanforensics.com/, was founded in 2010 and is a woman-owned small business specializing in forensic accounting, fraud investigation, and fraud prevention/risk management services based in Tulsa, Oklahoma. Workman Forensics is a Private Investigative Agency licensed through the Council on Law Enforcement Education and Training (CLEET) who employs Certified Public Accountants, Private Investigators, and Certified Fraud Examiners.

Workman Forensics uses forensic accounting and fraud examination techniques to assist governmental and tribal entities identify and quantify any abnormal financial activity. Analyzing facts and then synthesizing them into a simple, concise report is just one of our unique abilities as a forensic accounting firm. Our team provides straightforward, reliable solutions to complex, high fraud risk situations. A final report containing our evidence based findings, and any appropriate recommendations, is provided to allow clients to determine whether or not additional action should be taken. Another fundamental operational principle of our firm is our ongoing commitment to improve in quality and efficiency in a highly detailed field. We continuously develop internal systems to make this principle a reality.

Workman Forensics conducts work in accordance with the Association of Certified Fraud Examiners and the Code of Professional Standards and the AICPA Professional Standards for Forensic Services. All final reports and recommendations are approved by a Certified Public Accountant.

3.1.4 Team ThirdLine Audit, Accounting, Data Analytic and Managerial Advisory Service Experience (RFP Sections 2.8.d., 4.4 Vendor Experience)

Team ThirdLine has experience in similar projects that substantiate our qualifications and capabilities to perform the services required by the State of North Carolina.

Operational/Performance Audit

- Audit of Finance and Treasury Functions, Jackson County, OR
- Audit of Collection of Funds for and from Other Jurisdictions, County of Jackson, OR
- Audit of Performance Measurement Program, Jackson County, OR
- Audit of the Tax and Fee Collection Processes and Information Sharing, City of Los Angeles
- Performance Management Audit of Procurement Processes, Santa Clara County
- Performance Management Audit of the Claims Unit, City of Los Angeles
- Performance Management Audit of the Employee Services Agency, Santa Clara County
- Performance Management Audit of the Information Services Department, Santa Clara County
- Audit of the Implementation of Recommendations for Custody Improvement, Santa Clara County
- Management Audit of the District Attorney's Consumer Protection Unit, Santa Clara County
- Management Audit of the Juvenile Probation William F. James Ranch Facility, Santa Clara County
- Performance Management Audit of the Los Altos Hills County Fire District, Santa Clara County
- Performance Management Audit of the Medical Examiner-Coroner, Santa Clara County
- Performance Management Audit of the Public Defender Office, Santa Clara County
- Performance Management Audit of the Sheriff's Custody Bureau, Santa Clara County
- Performance Management Audit of the Capital Programs Division, Santa Clara County
- Performance Audit Evaluating the Assessment and Collection of Wastewater Fees, Sacramento Regional County Sanitation District
- Performance Management Audit of HR Recruitment Processes, Jackson County, OR
- Performance Management Audit of Search and Rescue Program, Jackson County, OR
- Audit of Civil Records Division, Jackson County, OR
- Performance Management Audit of Juvenile Justice Program, Jackson County, OR
- Audit of Alaska Department of Corrections Prison Construction Project, Anchorage, AK
- Performance Management Audits of Multiple Arizona County Juvenile Probation Offices
- Audit of Property Room Internal Controls, Sheriff’s Office, Jackson County, OR
- Performance Management Audit, Planning Department, Jackson County, OR
- Internal Controls Audit of Building Department Permit Fee Collections, City of Atherton
- Internal Controls Audit of Parking Revenue, Rogue Valley International Airport

- Performance Management Audit of Community Partners Grant Program, Jackson County, OR
- Performance Management Audit of Developmental Disabilities Program, Jackson County, OR
- Performance Management Audit of Assessor's Office, Jackson County, OR
- Performance Management Audit of Municipal Golf Operations, Tempe, AZ
- Affiliate Transactions Audit, San Diego Gas and Electric
- Affiliate Transactions Audit, Southern California Gas
- Original Cost of Plant Audit, Commonwealth Edison, Chicago, IL
- Performance Management Audit of the Community Health Services Specialty Clinics, Santa Clara County
- Performance Management Audit of the Department of Employment and Benefit Services, Santa Clara County
- Performance Management Audit of the Emergency Medical Services Agency, Santa Clara County
- Performance Management Audit of the In-Home Supportive Services Program, Santa Clara County
- Performance Management Audit of Valley Health Plan, Santa Clara County
- Internal Controls Audit of Parking Revenue, Rogue Valley International Airport
- Expense report approval process audit, City and County of Denver
- Fire department resources allocation audit, City and County of Denver
- Police Department - Data Driven Approaches to Crime and Traffic Safety Model audit, City and County of Denver
- County Jail performance Audit, City and County of Denver
    - Data analysis, methodological support
- Preschool program Audit, City and County of Denver
    - Data analysis, methodological support
- Pay equity Audit, City and County of Denver
    - Data analysis, predictive modeling, methodological support
- Syringe Access and Sharps Disposal Program Audit, City and County of Denver
    - Data analysis, visualization, and methodological support
- Ethics audit, City and County of Denver
    - Survey development, methods, and analysis support
- Affordable Housing Audit, City and County of Denver
    - Data analysis, sampling and other methods support
- Botanics Garden Audit, City and County of Denver
    - Data analysis and sampling support
- Personally Identifiable Information Audit, City and County of Denver
    - Data analysis support
- Board of Adjustments for Zoning appeals performance Audit, City and County of Denver
- Hiring and promotion audit, City of Tulsa, Tulsa, OK

Investigative Audit

- State Of Oklahoma Auditor Inspector
- Muscogee Creek Nation
- Eastern Shawnee Tribe of Oklahoma
- Shawnee Tribe of Oklahoma
- Oklahoma Attorney General's Office
- Tulsa County, OK
- Private Companies: due to the confidentiality of private companies we can not disclose the list, however we can provide references upon request.
- United States of America v. Willard Jones. Wire Fraud. 2015.
- United States of America v. Marc Jeffrey Crow. Bank Fraud. 2014.
- United States of America v. Brandi Leigh Ward. Embezzlement. 2014.
- Lisa R. Garza-Selcer, and Sissy's Fried Chicken and Beverage, LLC v. Thomas E. Welch, Jr., True Welch, LLC,
- Amelia Island, LP, Dallas C-Store, Inc., and True Spirits, LLC. 2014.
- ONB Bank and Trust Company v. Concrete Pavement Specialists LLC, et al. Receivership. 2011.
- ONB Bank and Trust Company v. Klutts Equipment Inc., et al. Receivership. 2011.
- H.O.W. Foundation Recovery Center of Oklahoma vs. W. Scott McGinness. Embezzlement. 2011.
- United States of America v. Janice Mora Adams. Embezzlement. 2010
- Vendor overbilling audits, Williams Energy, Tulsa, OK
- Police inventory controls audit, City of Tulsa, Tulsa, OK
- Fire department training audit, City of Tulsa, Tulsa, OK

Compliance Audit

- Service Providers Compliance Audit, Juvenile Justice Program, Jackson County, OR
- Contract Compliance Audit of Jail Healthcare Provider, Jackson County, OR
- Sarbanes-Oxley Audit, Chugach Electric Association, Anchorage, AK
- Audit of Compliance with Federal Awards (Single Audit), Jackson County, OR
- Audit of Code Enforcement Program, Jackson County, OR
- Audit of Passenger Facilities Charge Collection and Use, Rogue Valley International Airport
- Sensitive payments audit, City of Tulsa, Tulsa, OK
- Reports of management actions, City of Tulsa, OK
- Internal quality assurance review, City of Tulsa, OK

Information Systems Audits

- City of Tulsa, OK Roles and Permissions Segregation of Duties analytics for auditing, monitoring, and visualization

- City of Wilmington, DE Roles and Permissions Segregation of Duties analytics for auditing and monitoring
- Guilford County, NC Roles and Permissions Segregation of Duties analytics for auditing and monitoring
- Sarpy County, NE Roles and Permissions Segregation of Duties analytics for auditing
- Financial Compliance Audits of several Ohio municipalities
- Phishing vulnerability audit, City and County of Denver
    - Phishing email development, sampling plan, predictive analytics, report writing, and methods support.

Data Analytics/Continuous Monitoring

- Tax collection efficiency analysis, City and County of Denver
- Short-term rental risk assessment and monitoring, City and County of Denver
- Contract risk assessment and monitoring, City and County of Denver
- Ghost employee analytics for risk assessment and monitoring, City and County of Denver
- Purchase Card analytics for risk assessment and monitoring, City and County of Denver
- General ledger analytics for risk assessment and monitoring, City and County of Denver
- Expense report analytics risk assessment and monitoring, City and County of Denver
- Separation of Duties of Tax Write-offs, City and County of Denver
- City of Tulsa, OK Travel and expense analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Payroll analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Purchasing Card analytics for auditing, monitoring, and visualization
- City of Tulsa, OK General Ledger analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Accounts Payable analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Vendor analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Procurement analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Accounts Receivable analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Roles and Permissions Segregation of Duties analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Human Resources analytics for auditing, monitoring, and visualization
- City of Tulsa, OK Utility Billing analytics for auditing, monitoring, and visualization
- City of Wilmington, DE Purchasing Card analytics for auditing and monitoring
- City of Wilmington, DE General Ledger analytics for auditing and monitoring
- City of Wilmington, DE Accounts Payable analytics for auditing and monitoring
- City of Wilmington, DE Vendor analytics for auditing and monitoring
- City ofWilmington, DE Procurement analytics for auditing and monitoring
- City of Wilmington, DE Accounts Receivable analytics for auditing and monitoring
- City of Wilmington, DE Roles and Permissions Segregation of Duties analytics for auditing and monitoring
- Guilford County, NC Purchasing Card analytics for auditing and monitoring
- Guilford County, NC General Ledger analytics for auditing and monitoring

- Guilford County, NC Accounts Payable analytics for auditing and monitoring
- Guilford County, NC Vendor analytics for auditing and monitoring
- Guilford County, NC Procurement analytics for auditing and monitoring
- Guilford County, NC Accounts Receivable analytics for auditing and monitoring
- Guilford County, NC Roles and Permissions Segregation of Duties analytics for auditing and monitoring
- City of Pembroke Pines, FL Accounts Payable analytics for auditing
- City of Pembroke Pines, FL Roles and Permissions Segregation of Duties analytics for auditing
- City of Pearland, Texas Purchasing Card analytics for monitoring
- Wasatch County, Utah Accounts Payable analytics for monitoring
- Currently Implementing: City of Clearwater, FL analytics for auditing and monitoring
- Under Contract with St. Louis County, MO analytics for auditing and monitoring

Risk Assessment and Audit Plan Development

- Annual Countywide Risk Assessment for Santa Clara County (budget and staffing changes, vacancies, contract and asset values, County emergency preparedness and sustainability, legal risk, and work safety risks for the County), Santa Clara County
- Risk Assessment and Cash Control Audit of Vendor Operations, Metro Gov, Oregon
- Annual Countywide Risk Assessment of Jackson County, OR
- Risk Assessment and Internal Control Audit, Washington State Dept. of Financial Institutions
- Continuous Risk Assessment of the ERP, City of Wilmington, DE
- IT Risk assessment, City of Tulsa, Tulsa, OK

Financial Audit

- Many of the Data Analytics and Monitoring Engagements listed above help auditors with risk-based financial audits.

Accounting, & Financial Services

- N/A

Managerial Advisory Services

- Special Study of County Contractors with Inmate Contact, Santa Clara County
- Special Study of Fatalities Among 0-5-Year-Olds, Santa Clara County
- Special Study of Law Enforcement Oversight in Cities and Counties in California, Oregon, Washington, Nevada, and Texas, Santa Clara County
- Analysis of Financial Condition and Budgeting Practices, City of Phoenix

- Annual Review of the County Executive's Proposed $11.5 Billion Budget, Santa Clara County
- Annual Review of the Mayor's Proposed $13 Billion Budget, City and County of San Francisco
- Assessed the Financial and Economic Condition, Governance, and Debt Portfolio of Hundreds of Cities, Counties, School Districts, and Enterprise Districts Across the Western States, Moody's Investors Service
- Monitoring and Analysis of a $43 Billion Portfolio of Local Government Bond Ratings, Moody's Investors Service
- Special Study and Analysis of Small Business Displacement, City and County of San Francisco
- Digitized Accounts Payable Processes, Los Osos Community Services District
- Financial and Budget Monitoring Dashboard Tool, Los Osos Community Services District
- Information Technology Service Catalog, San Francisco Municipal Transportation Agency
- Interactive Dashboard and Map of City-Owned Vehicle Use, Telematics, and Safety Violation Information, City and County of San Francisco
- Interactive Dashboard and Map of Public Art Programs, City and County of San Francisco
- Interactive Dashboard of Annual Countywide Risk Assessment, Santa Clara County
- Interactive Dashboard of Construction Noticing Requirements, City and County of San Francisco
- Interactive Dashboard of County Prison Occupancy and Staffing Trends, Santa Clara County
- Litigation Support/Expert Witness Analysis of Financial Condition, Financial and Economic Resiliency, Capital Planning, and Budgeting Practices, City of San Luis Obispo
- Litigation Support/Expert WitnessAnalysis of Financial Condition and Budgeting Practices, City of Phoenix
- Litigation Support/Expert WitnessAnalysis of Financial Condition and Budgeting Practices, County of San Luis Obispo
- Special Study of In-Home Care for Seniors, City and County of San Francisco
- Policy Analysis of Construction Noticing, City and County of San Francisco
- Policy Analysis of Public Art Programs, City and County of San Francisco
- Policy Analysis of Vehicle Telematics for City Vehicles, City and County of San Francisco
- Special Study of Santa Clara County Property Owned and Leased by the General Fund and Roads and Airports Departments, Santa Clara County
- Special Study of the Santa Clara County Housing Authority, Santa Clara County
- Citywide Benchmarking Study, Spokane, WA
- Special Study of Patrol Staffing, Sheriff’s Office, Jackson County, OR

- Managed Jackson County's Application for FEMA Assistance
- Managed Jackson County's Use of COVID-19 CARES Act Funding
- Board Memo Regarding Valley Transportation Authority Services Relative to County Public Services, Santa Clara County
- Citywide expenditure analysis, City of Tulsa, Tulsa, OK
- Giraffe special project, City of Tulsa, Tulsa, OK

3.1.5 Team Third Line References (RFP Sections 2.8.d., 4.5 References)

3.1.5.1 Team ThirdLine City of Tulsa Analytics and Continuous Monitoring, Risk Assessment, and Information Systems Audits (RFP Sections 2.8.d., 4.5 References)

Name of Customer Organization	**City of Tulsa, Oklahoma**
Customer Reference Name	Cathy Carter, Elected City Auditor
Customer Reference Address	175 East 2nd Street, Suite 1405 Tulsa, OK 74103
Customer Reference Telephone Number	(918) 596-7849
Customer Reference Email Address	auditor@cityoftulsa.org
Start Date	January 1, 2018
End Date	Ongoing
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	City of Tulsa required an auditing and analytic solution that helped audit and monitor their entire ERP (accounting, finance, and payroll systems). ThirdLine reviewed the systems, setup more than 400 analytics across Accounts Payable (AP), Accounts Receivable (AR), General Ledger (GL), Procurement, P-card, Payroll, Segregation of Duties on Roles and Permissions, Configuration Settings, Utility Billing, Human Resources, Travel and Expense, Cash Receipts. Assist auditors with visualization and report creation.
Team ThirdLine Contact	Nathan Pickard, CIA

3.1.5.2 Team ThirdLine - Sarpy County, NE Analytics and Continuous Monitoring and Information Systems Audits (RFP Sections 2.8.d., 4.5 References)

Name of Customer Organization	**Sarpy County, NE**
Customer Reference Name	Outsourced Internal Audit Work: Jack Reagan, Lead Partner - Governments, UHY Accounting Firm
Customer Reference Address	8601 Robert Fulton Dr #210, Columbia, MD 21046
Customer Reference Telephone Number	(703) 298-4770

Customer Reference Email Address	JReagan@uhy-us.com
Start Date	March 31, 2023
End Date	August 31, 2023
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	The County required an Information Systems audit of Roles and Permissions settings on the ERP system. ThirdLine provided analysis of Roles & Permission setting in the ERP system including segregation of duty issues, terminated employee access, and analysis of NIST Least Privilege access.
Team ThirdLine Contact	David Osborn, CPA

3.1.5.3 Team ThirdLine County of Santa Clara, Public Defender Office (RFP Sections 2.8.d., 4.5 References)

Name of Customer Organization	**County of Santa Clara, Public Defender Office**
Customer Reference Name	Molly O'Neal, Chief Public Defender
Customer Reference Address	120 West Mission Street, San Jose, CA 95110
Customer Reference Telephone Number	(408) 299-7701
Customer Reference Email Address	molly.oneal@pdo.sccgov.org
Start Date	June 2020
End Date	January 2022
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Management Audit of Santa Clara County's Public Defender Office. Assessed the efficiency, effectiveness, and compliance of the office's operations in accordance with the IIA and Yellow Book standards. Provided insights and recommendations to enhance the performance and adherence to best practices.
Team ThirdLine Contact	Mara Vejby, PhD

3.1.5.4 Team ThirdLine - President Norman Yee's Office, San Francisco Board of Supervisors, for the Budget and Legislative Analyst Office (RFP Sections 2.8.d., 4.5 References)

Name of Customer Organization	**President Norman Yee's Office, San Francisco Board of Supervisors, for the Budget and Legislative Analyst Office**
Customer Reference Name	Erica Maybaum, Former Chief of Staff
Customer Reference Address	1 Dr. Carlton B. Goodlett Place, City Hall, Room 244, San Francisco, CA 94102
Customer Reference Telephone Number	(619) 309-9310
Customer Reference Email Address	erica.maybaum@sfgov.org
Start Date	August 2019
End Date	August 2020
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	San Francisco's Vehicle Fleet Telematics System included an analysis of compliance with laws and policy, barriers to system adoption, cost and saving estimates, and recommendations to improve overall compliance, efficiency, and safety.
Team ThirdLine Contact	Julian Metcalf CIA, CFE

3.1.5.5 Team ThirdLine - State of Oklahoma, Office of Auditor and Inspector (RFP Sections 2.8.d., 4.5 References)

Name of Customer Organization	**State of Oklahoma, Office of Auditor and Inspector**
Customer Reference Name	Cindy Byrd, CPA
Customer Reference Address	2300 N. Lincoln Boulevard Suite 123, Oklahoma City, OK 73105
Customer Reference Telephone Number	405-521-3496
Customer Reference Email Address	n/a
Start Date	2013
End Date	2013

Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Investigative Audit Services.
Team ThirdLine Contact	Leah Wietholter, CFE

3.2 Financial Statements (RFP Sections 2.8.d., 2.8.k.c, 4.8.b)

CONFIDENTIAL

3.2.1 Team ThirdLine Balance Sheet (RFP Sections 2.8.d., 4.8.b.1.)

CONFIDENTIAL

ThirdLine, Inc. has utilized debt over the last two years to become cash-flow positive. Our Balance Sheet lists two debts:

1. Chase Business Credit Card: this is an interest free credit card until July 2024 when we will pay off the full balance. We will maintain a max balance of $30,00.

2. Due to/Due from 9b Corp: ThirdLine was launched out of 9b Company and incurred $75,000 over two years. We are no longer drawing debt on this loan. Payments will become due in January 2024 over a five-year period at approximately $1,450 / Month.

CONFIDENTIAL

3.2.2 Team ThirdLine Income Statement (RFP Sections 2.8.d., 4.8.b.1.)

CONFIDENTIAL

ThirdLine, Inc. earns revenue through consulting services and software subscriptions.

We present an income statement over the last two years and a forecast for the purpose of showing revenue growth from company founding in 2021 to the forecasted year-end 2023. We forecast revenue growth of 1,345% from calendar year-end 2022 to calendar-year end 2023. From January-June 2023 Revenue growth is ~600%.

Much of the forecasted increase in revenue is coming from new customers of ThirdLine software at an average contract value of $55,000. Many of these contracts are already in place, or in the final stages of legal review at the government entity.

We anticipate 2024 revenue to be more than $1,000,000.

CONFIDENTIAL

3.2.3 Team ThirdLine Cash Flow Statement (RFP Sections 2.8.d., 4.8.b.1.)

CONFIDENTIAL

3.2.4 Team ThirdLine Other Evidence of Financial Stability (RFP Sections 2.8.d., 4.8.b.1.)

CONFIDENTIAL

PROMISSORY NOTE

This promissory note (hereinafter "Note") is made effective July 1, 2023 in favor of 9b Corp, an Oklahoma Corporation (the "Holder"), evidencing a debt owed by ThirdLine, Inc. (hereinafter "Debtor") to the Holder (collectively, the Debtor and Holder may be referred to as the "Parties"), under the following terms and conditions:

Amount:	Seventy-five thousand and zero cents, United States Dollars ($75,000)
Debtor:	ThirdLine Inc., a Delaware corporation with its principal place of business 100 S. Cincinnati Ave, 5th Floor, Tulsa, OK 74103.
Payable to:	9b Corp, an Oklahoma corporation with its principal place of business at 636 N. Denver Ave., Tulsa, OK 74106.
Interest:	Five Percent (5%) simple interest on the outstanding principle
Terms:	Sixty (60) equal payments of one thousand four hundred and fifteen dollars and thirty-four cents United States Dollars ($1,415.34) on the first of each month, beginning January 1, 2024, and ending with the 60th and final payment final on or before February 1, 2029, with possible penalties, acceleration and no penalty for early payment, all as more particularly described below:

1. FOR VALUE RECEIVED, Debtor hereby promises to pay to the Holder the sum ofSeventy-five thousand and zero cents, United States Dollars ($75,000), with the interest as described above, on the agreed upon schedule and terms outlined herein.

2. The sum is to be repaid by check or money transfer in sixty (60) equal installments due on the first of the month beginning January 1, 2024, and continuing on the first of each month until paid in full. For illustrative purposes only, the anticipated payment schedule is attached as Exhibit "A".

3. This Note is accelerated and all remaining sums immediately due if ThirdLine, Inc. undergoes a Change in Control. Change in Control means an event or series of events which causes the present shareholders of ThirdLine, Inc. to collectively hold less than a fifty one percent (51%) interest in ThirdLine, Inc. or its successor.

4. Debtor may choose to pay this Note off in full at any time, with no penalty, and upon payment in full shall be released from all obligations under this Note. Payments on this Note shall be applied first to outstanding interest and then to the principal balance. Partial prepayment shall not be construed to postpone future installments.

5. Default:
   a. If payment is more than ten (10) business days late, Debtor is in default and Lender, at Lenders exclusive option, may accelerate the entire note and declare the entire principle amount due and owing;
   b. Upon a default and a declaration of acceleration, interest shall apply to the entire outstanding balance at the greater of the rate stated herein or the effective post-judgment statutory rate for the State of Oklahoma; and
   c. Upon default, the defaulting party shall pay to the non defaulting party all costs, expenses, and expenditures, including a reasonable attorney fee, required to enforce this Note.

6. Holder may, at Holder's sole discretion, choose to extend the maturity date or otherwise alter the terms of this Note; any modification or amendment is only effective if it is in writing signed by an authorized representative of Holder. Holder may, at Holder's sole discretion, delay the exercise of its rights or to forgo rights provided herein or by law; such discretion shall not be construed to waive, limit, or modify the Holders rights herein or by law.

7. This Note shall not be sold or transferred by either party without the written consent of both parties, other than to successors or heirs, and is not a tradeable or saleable security.

8. This Note is made in the State of Oklahoma and shall be construed in accordance with the laws of the State of Oklahoma. Debtor avails itself and waives objections to jurisdiction and venue for courts sitting in Tulsa County, Oklahoma, as well as such other Courts as may have competent jurisdiction. Should any portion of this Note be found invalid or unenforceable, it is the intent of the parties that such provision(s) be reduced in scope to enable the Note to be enforceable to the fullest extent allowed by law and equity. The Note may be executed electronically and in counterparts. A copy is as effective as an original.

9. This Note will ensure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the parties.

Executed and acknowledged as of July 1, 2023:

DEBTOR:

David Osborn

David Osborn, as CEO of ThirdLine, Inc.

3.3 Project Staffing (RFP Sections 2.8.d., 5.4 Project Staffing)

3.3.1 Qualifications and Experience of ThirdLine Personnel (RFP Sections 2.8.d., 5.4 Project Staffing)

Team ThirdLine is comprised of management and executive level professionals who all have nearly 10 years or more experience in their fields. Although every individual is highly experienced in their respective fields, we each can assume a range of positions depending on the specific project including Project Lead, Supervisor, Sr. Staff, and Staff. This allows us to offer competitive pricing for highly experienced people for any given type of service needed. Below is the years of experience for each member of our team:

Name	Performance Audit (years of exp.)	Investigative Audit (years of exp.)	Compliance Audit (years of exp.)	IT Audit (years of exp.)	Data Analytics (years of experience)	Risk Assessment (years of experience)	Managerial (years of experience)
Dr. Sam Gallaher	7	-	7	4	16	6	-
David Osborn, CPA	-	-	-	-	10	-	8
Nathan Pickard, CIA	11	-	11	7	16	6	16
Julian Metcalf, CIA, CFE	9	9	9	-	16	9	16
Dr. Mara Vejby	7	-	7	-	13	7	13
Eric Spivak, CIA, CGAP, CRMA	29	-	29	-	-	29	29
Leah Wietholter, CFE, CPA	-	15	-	-	-	-	-
Holden Mitchell	-	-	-	-	10	-	-
David Paddock	-	-	-	-	10	-	-

For more in-depth information on individual and team experience and expertise, please see **3.1 Team ThirdLine's Relevant Background and Experience**

3.3.2 Team ThirdLine Personnel Resumes (RFP Sections 2.8.d., 5.4 Project Staffing)

3.3.2.1 David Osborn Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

DAVID OSBORN, CPA

CEO, ThirdLine

Email: dosborn@thirdline.io
Direct: 918-956-8673

INDUSTRY EXPERTISE:

- State and Local Government Audit Software
- Power BI Expert

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- American Institute of Certified Public Accountants (AICPA)
- Accredited in Business Valuation (ABV)

ACTIVE & PRIOR CIVIC MEMBERSHIPS:

- Sister India, Board Member

David Osborn is CEO and co-founder of ThirdLine, Inc and has been combining analytics and accounting for most of his career. David co-founded ThirdLine because he felt firsthand the problem accountants face when too much data crashes an excel spreadsheet. Before ThirdLine, David worked at public accounting firms including BKD, LLP (Forvis) and HoganTaylor. While working in the Advisory department of HoganTaylor, he started the firm's analytic work with clients.

PROFESSIONAL EXPERIENCE:

- Co-founder and CEO of the only no-code audit analytics software built for governments that integrates with Tyler Munis among other ERP's
- Lead analyst at 9b Corp, a benefit corporation and B-corp, that provides analytics, data science, and software services to mission-driven organizations in Oklahoma
- Business Intelligence Manager at ClearRidge Capital, a sell-side investment banking firm
- Led the Analytics and Power BI engagements at HoganTaylor, a 300 person Midwest regional Public Accounting Firm
- Senior Associate at BKD, LLP (Forvis) in Jackson, MS and Tulsa, OK

BACKGROUND:

- Licensed CPA in the state of Oklahoma
- Bachelor of Business Administration in Accounting/Minor in Philosophy, The University of Oklahoma

THOUGHT LEADERSHIP:

- July 2023 Association of Local Government Auditor's (ALGA) Webinar: "Unraveling Roles and Permission Risk with Analytics"
- May 2023 University of Tulsa Conference of Accountants: "Why the future of AI-based fraud and risk detection needs humans"

3.3.2.2 Sam Gallaher Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

SAMUEL GALLAHER, PhD

Head of Data Science, ThirdLine

Email: sgallaher@thirdline.io
Direct: 918-956-8673

INDUSTRY EXPERTISE:

- State and Local Government Audit Software
- Audit Analytics Manager and Methodologist, City and County of Denver
- PhD in Public Affairs
- Industrial Engineer at Johns Manville

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- Association of Local Government Auditors
- Institute of Industrial Engineers

ACTIVE & PRIOR CIVIC MEMBERSHIPS:

- Sustainable Environment Commission for the City of Moscow, ID.
- Board of Directors and Treasurer for IMPACT Personal Safety of Colorado

Dr. Gallaher combines PhD statistical super-powers with knowledge of auditing to create powerful data science models based on ThirdLine analytics. Previously he was the Audit Analytics Manager and Methodologist for the Denver Auditor's Office where he led the Audit Analytics Team. Through his work as an engineer, social scientist, and analytics manager he has over 17 years of program and process evaluation experience using analytics. He has taught analytics courses to auditors around the world and served as part-time faculty at the University of Colorado Denver's School of Public Affairs where he taught graduate courses on Evidence-Based Decision Making, Research Methods and Statistics, and Policy Analysis.

PROFESSIONAL EXPERIENCE:

- Head of Data Science at ThirdLine
- City and County of Denver – Auditor Office
  - Designed and implemented Denver's first audit analytics and continuous audit programs. In four years, my team has applied advanced analytics and statistics to millions of records over dozens of data sets and systems to find risk and control issues with the city. Increased team outputs (internal and external reports) by 30%, year-over-year.
  - Reviewed staff's Python, STATA, Arbutus code and analysis for accuracy and validity. Provided methodological support to audit teams (e.g., sampling designs and surveys). Developed training for the agency on sampling methods, analytics, Tableau, Arbutus, Excel.
  - Applied logit and linear regression and comparative statistics to city system data to test hypotheses related to risk and process issues. Used spatial analysis to compare city program locations to hot spots of program need.
- Research Assistant and Lecturer at University of Colorado Denver, School of Public Affairs - taught courses in research methods, evidence-based decision-making, and policy analysis.
- Research Industrial Engineer at Johns Manville
  - 6-sigma black belt; developed discrete event simulations to identify loss and streamline processes; time studies;

BACKGROUND:

- Ph.D. in Public Affairs at School of Public Affairs, University of Colorado Denver, May 2017.
- Master of Public Administration at School of Public Affairs, University of Colorado Denver, August 2011.
- Dual B.S. in Industrial and Manufacturing Engineering at Oregon State University, April 2004.

THOUGHT LEADERSHIP:

- May 2023 Association of Local Government Auditor's (ALGA) Conference Session speaker and Workshop Presentation
- June 2023 Certified Fraud Examiner Conference – Fraud Analytics Workshop
- July 2023 ALGA Webinar: "Unraveling Roles and Permission Risk with Analytics"
- Los Angeles Area Internal Audit Association – Government CPE webinar, February 6, 2023
- Multiple publications on audit analytics for the Association of Local Government Auditors.
- Adjunct Trainer for PwC-Middle East on Analytics

3.3.2.3 Nathan Pickard Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

NATHAN PICKARD, CIA

Head of Product, ThirdLine

Email: **npickard@thirdline.io**
Direct: **918-956-8673**

INDUSTRY EXPERTISE:
- State and Local Government Audit Software
- Internal Auditor, City of Tulsa, OK
- Previous Lead Internal Audit Analyst, Williams Energy

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:
- Institute of Internal Auditors (IIA)

ACTIVE & PRIOR CIVIC MEMBERSHIPS:
- Founder, The Joinery – Living Building Challenge
- Founder, Restoration Collective
- Board President, Up With Trees

Nathan ensures the ThirdLine product is exactly what auditors and management need to be successful. He has been an IT auditor and internal audit data analyst for 17+ years. Before co-founding ThirdLine, Nathan began his career as an auditor for the City of Tulsa where he worked on all kinds of projects from the police armory to broken-neck giraffes. He then helped start the data analytics internal audit function at Williams Energy, a publicly traded oil and gas company, where he found vendor overbillings in the tens of millions of dollars.

PROFESSIONAL EXPERIENCE:
- Co-founder and Head of Product at ThirdLine
- Founder of 9b Corp, a benefit corporation and B-corp, that provides analytics, data science, and software services to mission-driven organizations in Oklahoma
- Internal Audit Analytics Lead at Williams Energy, a Fortune 500 Company
- Internal Audit Analyst at the City of Tulsa, OK

BACKGROUND:
- Certified Internal Auditor
- Certified Information Systems Auditor
- Bachelor of Business Administration in Accounting Northeastern State University
- Master of Business Administration, Oklahoma Christian University

THOUGHT LEADERSHIP:
- June 2023 Public Sector Internal Audit Association Conference Presenter “Using Data Analytics in the Three Lines Model in Government”
- May 2023 Association of Local Government Auditor’s (ALGA) Conference Session speaker “Barriers to Analytics”
- May 2023 Association of Local Government Auditor’s (ALGA) Conference Workshop Presentation “Continuous Risk Assessment”
- Upcoming October 2023 Virginia Internal Audit Association Training Academy “Fraud Analytics”

3.3.2.4 Julian Metcalf Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

JULIAN METCALF, CIA, CFE

CEO and Partner, GPP Analytics Inc.

Email: jmetcalf@gppanalytics.com
Direct: (805) 242-2071

INDUSTRY EXPERTISE:

- State and local government audit, budget, and policy analysis
- Public finance and debt analyst at Moody's Investors Service
- Master of Public Administration in finance
- Certified Internal Auditor
- Certified Fraud Examiner

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- Institute of Internal Auditors, SFV Chapter President
- Association of Local Government Auditors, Strategy Committee
- Association of Certified Fraud Examiners, Chapter Board Member

Mr. Metcalf has spent his career managing performance and management audits, financial and policy analysis, and helping state and local organizations reduce risks while better meeting their stakeholders' needs. He brings a keen focus on enhancing transparency, efficiency, and financial robustness in the public sector

His work has encompassed a diverse array of audits and studies spanning sectors within government operations. His portfolio includes financial assessments such as tax and fee collection processes, management audits of information services and procurement processes, specialized studies on topics like vehicle telematics and effective use of real estate holdings, and evaluations in public safety and health services. With a Master of Public Administration from New York University and certifications such as the Certified Internal Auditor and Certified Fraud Examiner, Julian's extensive experience and credentials make him a trusted authority in audit, risk assessment, and public sector analysis.

PROFESSIONAL EXPERIENCE:

- CEO and Partner at GPP Analytics Inc.
- Recent projects include:
  - Performance Audit of the Port of Richmond, CA
  - Expenditure Audit of Waste Water Recycling Agreement for the County of Monterey, CA
  - Fee Analysis for the City of Oxnard, CA
- Examples of other prior engagements:
  - Audit of Tax and Fee Collection Processes and Information Sharing, City of Los Angeles
  - Management audit of Procurement Process, County of Santa Clara
  - Management Audit of Sheriff's Custody Bureau, County of Santa Clara
  - Analysis of Vehicle Telematics for City Vehicles, City and County of San Francisco
  - Analysis of City of Phoenix's financial condition and budgeting practices
  - Performance Audit of Wastewater Fees, Sacramento Regional County Sanitation District
- Harvey M. Rose Associates, San Francisco Municipal Transportation Agency, Moody's Investors Service, Empire State Development Corporation, and UC Berkeley.

EDUCATION:

- Master of Public Administration (MPA) Public and Nonprofit Management and Policy, New York University, Wagner Graduate School of Public Service, 2010

THOUGHT LEADERSHIP:

- Association of Local Government Auditor, April 2023, webinar, Vehicle Telematics and Monitoring for Audits and Controls
- Association of Local Government Auditors, March 2023, Start With Communication: Solutions For Internal Service Functions
- Association of Local Government Auditors, October, 2021, Lessons Learned Integrating Interactive Dashboards Into the Audit Process
- US Public Finance Weekly, July, 2013, All California School Districts to Benefit from New Funding Formula, but Some More than Others

3.3.2.5 Mara Vejby Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

MARA VEJBY, PhD

COO and Partner, GPP Analytics

Email: mvejby@gppanalytics.com
Direct: (650) 669-8790

INDUSTRY EXPERTISE:

- State and local government audit, budget, and policy analysis
- Research and data analysis
- Organizational analysis
- PhD, University of Redding England

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- Association of Local Government Auditors, Education Committee
- American Evaluation Association

Dr. Vejby brings a deep understanding of organizational dynamics and audit leadership to GPP's clients. She has previously managed performance audits, compliance audits, program audits, management audits, and special studies for counties and other governmental agencies. Prior to her audit work, she led research and data analysis in the academic sector. Her past work on community engagement, local government management, and consulting, includes leading the annual budget analysis and county-wide risk assessment for a $11.5 billion budget county.

PROFESSIONAL EXPERIENCE:

- COO and Partner at GPP Analytics Inc.
- Recent projects include:
  - Management Analysis for the Regional Transportation District of Denver
  - Performance Audit of the Port of Richmond, CA
  - Expenditure Audit of Waste Water Recycling Agreement for the County of Monterey, CA
- Developed and implemented the annual risk assessment methodology for Santa Clara County. Used 11 risk factors to assess risk and prioritize audits for an $11.5 billion organization with over 20,000 employees.
- Examples of other prior engagements:
  - Audit of the Medical Examiner-Coroner
  - Management Audit of the Capital Programs Division
  - Audit of In-Home Supportive Services program
  - Special Study of the Housing Authority
  - Audit of Valley Health Plan
  - Audit of Emergency Medical Services
  - Special Study of fatalities among 0–5-year-olds
  - Management Audit of the Public Defender Office

EDUCATION:

- Doctor of Philosophy, Anthropology, University of Reading, England, 2012, Upgraded from Master to Doctor of Philosophy candidate, Anthropology, University College Cork, Ireland, 2009

THOUGHT LEADERSHIP:

- Sufficient Evidence and the Generally Accepted Government Auditing Standards, Harvey Rose, LLC, April 15, 2022.
- Process Mapping: different approaches and lessons learned, Harvey Rose, LLC, February 18, 2022.
- Interview Tools and Techniques, Harvey Rose, LLC, October 2, 2020.

3.3.2.6 Eric Spivak Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

ERIC SPIVAK, CIA, CGAP, CRMA

Head of Data Science, ThirdLine

Email: espivak@gppanalytics.com
Direct: 503-899-8045

INDUSTRY EXPERTISE:

- State and local government audit, budget, and policy analysis
- Certified Internal Auditor
- Certified Government Auditing Professional
- Certification in Risk Management Assurance

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- Association of Local Government Auditors

Mr. Spivak has 28 years serving state and local governments in comprehensive expertise in compliance audits, performance audits, program audits, management audits, and special studies for government entities. With vast experience in the public sector, local government management, consulting, training, and analytical roles, he has led significant projects for counties, cities, and other governmental agencies.

He is a Certified Internal Auditor, Certified Government Auditing Professional, and holds a Certification in Risk Management Assurance.

PROFESSIONAL EXPERIENCE:

- Senior Manager at GPP Analytics Inc.
- Jackson County, Medford, OR, County Auditor for over ten years
  - Managed compliance, performance, and financial audits for a county with a $575 million annual budget.
- Audit Manager in the Federated States of Micronesia
- Examples of recent projects include:
  - Audit of Finance and Treasury Functions, Jackson County, OR
  - Audit of Compliance with Federal Awards (Single Audit), Jackson County, OR
  - Risk Assessment and Cash Control Audit of Vendor Operations, Metro Gov, Oregon
  - Citywide Benchmarking Study, Spokane, WA
  - Audit of Alaska Department of Corrections Prison Construction Project, Anchorage, AK
  - Training Program Evaluation, Adult Probation Department, Maricopa County, AZ
  - Audit of Passenger Facilities Charge Collection and Use, Rogue Valley International Airport

EDUCATION:

- Master of Public Administration (MPA) Program Evaluation and Policy Analysis, Arizona State University, School of Public Affairs (1994)

THOUGHT LEADERSHIP:

- Association of Local Government Auditors (ALGA) Webinar: “Cognitive Bias and Its Impact on Decision Making” May 2022
- University of Tulsa Conference of Accountants: “Simple Steps to Reducing Fraud” July 2019
- Fraud Prevention, Oregon Association of County Clerks, Ashland, OR August 9, 2018
- Performance Auditing: Moving Beyond Controls and Compliance, Indian Technical & Economic Cooperation Public Sector Expenditure Training Symposium, New Delhi, India February 28, 2012

3.3.2.7 Leah Wietholter Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

LEAH WIETHOLTER, CFE, CPA

CEO, Workman Forensics

Email:
leah@workmanforensics.com

Direct: **918-574-6616**

INDUSTRIES SERVED:

- State Government
- United States Government
- Tribal Government
- Banking
- Healthcare
- Investment Services
- Legal
- Manufacturing
- Mortgage
- Not-for-Profit
- Oil & Gas
- State Government

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- American Institute of Certified Public Accountants (AICPA)
- Association of Certified Fraud Examiners Advisory Board Member

ACTIVE & PRIOR CIVIC MEMBERSHIPS:

Leah is the CEO and Founder of Workman Forensics in Tulsa, Oklahoma. While working for the Federal Bureau of Investigation, Leah discovered an interest and talent for forensic accounting. After leaving the FBI, she served as a senior certified fraud examiner in a Tulsa public accounting firm before leaving to open Workman Forensics in 2010. With over 15 years of experience and more than 100 cases worked, Leah has honed her industry expertise to create the Data Sleuth® Process—a scalable, data-first approach to Forensic Accounting Engagements and Fraud Investigations. leah also hosts The Investigation Game Podcast. A bi-weekly podcast where she discusses all things investigation with other industry experts—providing tips and tools to help listeners become better investigators.

PROFESSIONAL EXPERIENCE:

- Workman Forensics, Tulsa, Oklahoma, Owner, Certified Fraud Examiner, 2010 – Present
- Report Fraud/EthiCall, Tulsa, Oklahoma, Owner, 2012 – Present
- Office of the State Auditor & Inspector, Tulsa, Oklahoma, Part-time Auditor, 2014
- Curzon, Cumbey & Kunkel, PLLC, Tulsa, Oklahoma, Senior Forensic Accountant, 2008 – 2010
- Federal Bureau of Investigation, Tulsa, Oklahoma, Student Trainee, Field Intelligence Group, 2006 – 2008

BACKGROUND:

- Licensed CPA in the state of Oklahoma
- Oklahoma Private Investigator since 2012
- Certified Fraud Examiner since 2009
- Bachelor of Science in Accounting, Oral Roberts University
- Master of Business Administration, Oklahoma State University

THOUGHT LEADERSHIP:

- Book: Wietholter, Leah (2022). Data Sleuth: Using Data in Forensic Accounting Engagements and Fraud Investigations. Wiley.
- Various. “Be a Data Sleuth.” 2021 – Present.
- Various. “The Investigation Game | Case of the Cash Flow Fiasco.” 2021 - Present.
- Various. “Finding Fraud in Revenue.” 2020.
- Various. “Finding Fraud in Expenses.” 2020.

3.3.2.8 Holden Mitchell Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

HOLDEN MITCHELL

CTO, ThirdLine

Email: hmitchell@thirdline.io

INDUSTRY EXPERTISE:

- Public Education
- IT, Data and Technology

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- Certified Scrum Master
- Certified Product Owner

Holden Mitchell leads the software development of the ThirdLine audit analytics tool. Before his role at ThirdLine he was the Lead Software Developer for Tulsa Public Schools.

In addition to his work with Tulsa Public Schools, he has also worked as an independent consultant on projects for clients such as the University of Oklahoma Center for Education Policy and the Massachusetts Department of Education. Holden has 10 years of experience building user friendly software from the ground up.

PROFESSIONAL EXPERIENCE:

- Head of Software at ThirdLine
- Tulsa Public Schools – Data & IT Department
  - Led a team of five developers, a designer, and several contractors while utilizing Agile practices (SCRUM). While leading the team, we migrated the district's asset management system from Microsoft Access solution to an AWS cloud solution of open source software.
  - Built and maintained multiple Ruby on Rails and React applications including the public facing Find A School website and an internal data system utilized by thousands of TPS employees weekly.
  - Served on the IT Leadership team helping to direct the overall technology strategy for the district.
- Teach for America, 2013 Corps Member

BACKGROUND:

- B.S. in Mechanical Engineering at University of Oklahoma, May 2013.

OTHER:

- The Mine: Social Innovation Fellowship

3.3.2.9 David Paddock Resume (RFP Sections 2.8.d., 5.4 Project Staffing)

DAVID PADDOCK

Head of Analytics, ThirdLine

Email: dpaddock@thirdline.io

INDUSTRY EXPERTISE:

- State and Local Government Audit Software
- Analytics Developer at Williams Energy
- Application Developer at Oklahoma State University

David masterminds all analytics to make sure they are continuously working and integrating with the ERP systems. David has worked as a developer at Oklahoma State University, an audit analyst at Williams Companies, and an analytics consulting professional.

PROFESSIONAL EXPERIENCE:

- Co-Founder and Head of Analytics at ThirdLine
  - Developed the audit and monitoring analytics platform.
  - Mapped the Tyler Munis ERP System.

BACKGROUND:

- Bachelor in Managing Information Systems
- Bachelor of Economics

3.4 Technical Approach (RFP Sections 2.8.d., 5.5 Technical Approach)

3.4.1 Operational/Performance Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.a. Operational/Performance Audit)

Below are common audit steps our team performs and a description of our approach.

Interviews and Observations
At the start of audits and studies, we invest time meeting with various levels of staff and stakeholders, conducting walk-throughs, and observing operations. These interviews and observations ensure we understand an organization, its unique needs, and its characteristics. The interviews also inform process mapping and can lead to subsequent areas of inquiry. We believe that listening is at the root of performance auditing and that simply crunching numbers and data alone isn't enough. Our knowledge of an organization means that our audit recommendations are not one-size fits all and instead meet the unique needs of our clients.

Data Gathering
Using our audit standards, all findings are supported by evidence and documentation. This begins in the data gathering step. Evidence is developed from sampling systems, testing controls, reviewing documents, processes evaluations, conducting field observations, and analyzing data and systems.

Risk Assessment
At the end of the initial audit phase, we perform a risk assessment to rank risks we've identified using criteria and establish outstanding questions and analysis needs. The Risk Assessment is used to prioritize audit tasks, develop testing plans, and get feedback from the auditee about our initial observations.

Analysis
We perform technical analysis needed to verify, support, or demonstrate our recommendations. Some examples of technical analysis we often perform include statistical modeling, staffing and workload analysis, process optimization, budget projections, financial analysis, and cost accounting estimations. The risks and recommendations identified in prior steps will determine the specific technical analysis needed. Any models and technical analysis developed during audits can be shared with the auditees with annotations and training for future use if appropriate.

Peer Benchmarking
Our analysis often includes benchmarking and survey interviews with peer jurisdictions. The interviews provide qualitative insight into other models and outcomes, and when available, data from the peer jurisdictions they can serve as benchmarking metrics. In

our experience, speaking with peer organizations can help develop insightful solutions and provide lessons learned from other organization's efforts.

Reporting
Audit results can be reported in a standard report format, presentation, memorandum, and interactive dashboard. Our report writing phase includes our parts of our quality control process where we perform an internal review of materials to ensure compliance with our professional audit standards and internal policies. Once a report is drafted, we'll hold an exit conference with staff to review the preliminary material and solicit feedback. We will provide a final report and be available to present the report and materials to staff, the elected officials, or others as requested.

Project Communication and Monitoring
We recommend that throughout the course of an audit or consulting engagement that we have regular check-in meetings with the primary point(s) of contact. We've found that these meetings help ensure that any challenges with the project can be identified and resolved quickly, and we can discuss preliminary findings early. Prior to finalizing the report, we will conduct an exit conference with staff and designated stakeholders to review the preliminary results and solicit feedback.

Quality Assurance and Control
Our work adheres to the International Professional Practices Framework (IPPF) and Generally Accepted Government Auditing Standards (GAGAS). These standards mean our work is rigorous, objective, and evidence-based. We perform quality reviews throughout the engagement. This helps review for clarity, alignment with our standards, and lends an outside perspective at key points in the engagement.

3.4.1.1 Key Personnel for Operational/Performance Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.a. Operational/Performance Audit)

North Carolina Position	Name	Years Experience	Education
Service Category Lead	Julian Metcalf, CIA, CFE	9	Master of Public Administration (MPA) New York University
Supervisor	Dr. Mara Vejby	9	Doctor of Philosophy, Anthropology, University of Redding, England
Staff	Eric Spivak, CIA, CGAP, CRMA	16	Master of Public Administration, Arizona State University

Staff	Dr. Samuel Gallaher	7	PhD University of Denver, School of Public Affairs
Staff	Nathan Pickard, CIA	11	MBA Oklahoma Christian University

3.4.1.2 Performs Operational/Performance Audit Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.a. Operational/Performance Audit)

1. Generally Accepted Government Auditing Standards (GAGAS) issued by the United States General Comptroller

   Team ThirdLine conduct performance audits in strict alignment with the Generally Accepted Government Auditing Standards (GAGAS) as promulgated by the United States General Comptroller. Our initial phase involves meticulous interviews and observations, ensuring a comprehensive understanding of the auditee's operations, fostering an environment of trust and transparency. Subsequent data gathering is anchored in the GAGAS principles, ensuring that all findings are bolstered by verifiable evidence and documentation, gleaned from an array of techniques such as sampling systems, controls testing, and document reviews. Our approach incorporates a rigorous risk assessment at the conclusion of the primary phase, thus ranking and addressing potential areas of concern. Furthermore, the utilization of peer benchmarking provides comparative insights and reinforces the robustness of our findings. Conclusively, our reporting mechanism adheres to GAGAS guidelines, emphasizing transparency, comprehensiveness, and stakeholder engagement.

2. International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditor’s (IIA)

   In alignment with the International Standards for the Professional Practice of Internal Auditing set forth by the Institute of Internal Auditors (IIA), Team ThirdLine ensures that our audit procedures are underpinned by the International Professional Practices Framework (IPPF). Our approach champions the tenets of rigorousness, objectivity, and an evidence-based methodology. The initial engagement phase is characterized by extensive interviews and walk-throughs, facilitating a nuanced understanding of the organization's intricacies. Our data gathering phase is rooted in IIA's standards, ensuring that findings are evidence-backed and derived from a mix of control tests, field observations, and data analysis. Risk assessment and technical analysis, tailored to the auditee's unique needs, further emphasize our commitment to the IIA standards. The integration of peer benchmarking amplifies the depth of our analysis. Our reporting process undergoes stringent quality control checks, ensuring alignment with IIA's

standards. Additionally, our emphasis on quality assurance and control, project communication, and optional ongoing monitoring accentuates our commitment to the IIA's best practices.

3.4.2 Investigative Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.b. Investigative Audit)

The Data Sleuth Process

Forensic accounting procedures and fraud investigations involve very thorough, detailed, evidence-driven processes that compare “what happened” to “what should have happened”. It is at this intersection that missing money is found and clarity emerges from confusion.

The Data Sleuth Process was developed by Workman Forensics to formalize our unique data-driven process that utilizes the combination of forensic accounting procedures and data analytics. The Data Sleuth Process allows our expert data analysts and forensic accountants to quantify the amount and identify the means by which money has gone missing. The Data Sleuth Process is founded on traditional investigative methods enhancing them with thoroughness and efficiencies gained using the best data sources and evidence. This type of analysis combined with personal case management, the power of technology, and the collective expertise of our professional team provides the best, most accurate, simple results that help our clients find what they are missing.

It is through this process that our Data Sleuths follow patterns to find money.

Data Processing and Analysis

Using our proprietary data processing and analysis tools, we digitize and process financial information into tabular formats for further analysis. All of our data processing services include the results of data analytics findings in a summary report format.

Tracing Money and Finding Assets

Through data analysis of financial records (personal or business) and open source intelligence, we assist clients in answering the questions "Where did money come from and where did it go?" Tracing money and finding assets services include a summary of the findings, or formal report, and corresponding charts, tables, or graphs as necessary.

Quantify Losses

Through data analysis of financial records, we quantify losses associated with missing money in divorce, estates and trusts, embezzlement, shareholder disputes, and bankruptcy. Our data-driven process is highly effective in quantifying and verifying the loss calculated by the prosecutor in criminal defense cases. This service includes a summary of our findings, or formal report, and supporting exhibits.

Case Management and Ongoing Support

Our expert case managers are here to keep you informed throughout the engagement and to answer your questions throughout the life of your case.

3.4.2.1 Key Personnel for Investigative Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.b. Investigative Audit)

North Carolina Position	Name	Years Experience	Education
Service Category Lead	Leah Wietholter, CFE, CPA, PI	15	MBA, Oklahoma State University
Supervisor	Julian Metcalf, CFE, CIA	9	Master of Public Administration (MPA) New York University
Staff	David Obsorn, CPA	2	BBA in Accounting, University of Oklahoma

3.4.2.2 Performs Investigative Audit Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.b. Investigative Audit)

All work is conducted in accordance with the Association of Certified Fraud Examiners Code of Professional Standards and the AICPA Professional Standards for Forensic Services.

3.4.3 Compliance Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.c. Compliance Audit)

Compliance Audit Approach:

Preliminary Understanding and Scoping:
At the commencement of compliance audits, we dedicate time to understanding the specific regulations, laws, and internal policies applicable to the organization. We liaise with varying levels of staff and stakeholders to garner a holistic view of the organization's compliance landscape. This phase ensures we are aligned with the auditee's compliance obligations and sets the scope for our audit activities.

Document Review:
Our compliance audit standards mandate that all findings are backed by tangible evidence. The document review phase involves a thorough examination of policies, procedures, previous audit reports, regulatory filings, and any other pertinent documentation. This serves as the foundation for our subsequent inquiries and helps in identifying potential areas of non-compliance.

Risk Assessment for Compliance:
Upon concluding the preliminary phase, we conduct a risk assessment to identify areas of high regulatory or policy non-compliance exposure. This assessment is used to prioritize audit activities, design test plans, and engage with the auditee regarding our initial findings.

Compliance Analysis:
Our team delves into a detailed analysis to ascertain adherence to the identified regulations and policies. This may encompass legal interpretations, evaluation of controls in place to ensure compliance, and any other technical assessments relevant to the compliance framework in focus.

Peer Benchmarking for Compliance:
To provide a broader perspective, we often engage in benchmarking with peer organizations. This enables us to gauge industry-wide compliance practices, offering insights into best practices and highlighting potential areas of improvement.

Reporting on Compliance Findings:
Our compliance audit findings are compiled into a comprehensive report that outlines areas of adherence, potential violations, and recommendations for remediation. As part of our commitment to quality, we ensure that our reports undergo internal reviews to meet professional audit standards. An exit conference is scheduled with the auditee's staff to discuss our preliminary findings and gather feedback before finalizing the report.

Regular Communication and Feedback:

Throughout the compliance audit engagement, we recommend periodic meetings with the primary contact points. These sessions enable us to address any emerging challenges swiftly, present our interim findings, and ensure that the audit progresses seamlessly. Before finalizing our report, an in-depth review is conducted with the auditee to ensure accuracy and relevance.

Quality Assurance and Control for Compliance Audits:
In line with the International Professional Practices Framework (IPPF) and Generally Accepted Government Auditing Standards (GAGAS) from the Institute of Internal Auditors, our compliance audits are characterized by rigor, objectivity, and an evidence-based approach. Continuous quality reviews are undertaken throughout the audit, ensuring that our findings and recommendations are aligned with both external regulations and internal policies.

3.4.3.1 Key Personnel for Compliance Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.c. Compliance Audit)

North Carolina Position	Name	Years Experience	Education
Service Category Lead	Julian Metcalf, CIA, CFE	9	Master of Public Administration (MPA) New York University
Supervisor	Dr. Mara Vejby	7	Doctor of Philosophy, Anthropology, University of Redding, England
Staff	Eric Spivak, CIA, CGAP, CRMA	16	Master of Public Administration, Arizona State University
Staff	Dr. Samuel Gallaher	7	PhD University of Denver, School of Public Affairs
Staff	Nathan Pickard, CIA	11	MBA Oklahoma Christian University

3.4.3.2 Performs Compliance Audit Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.c. Compliance Audit)

1. Generally Accepted Government Auditing Standards (GAGAS) issued by the United States General Comptroller

Team ThirdLine conducts compliance audits meticulously aligned with the Generally Accepted Government Auditing Standards (GAGAS) as issued by the United States General Comptroller. Our preliminary understanding and scoping phase is foundational, emphasizing a comprehensive grasp of the regulatory and policy landscape governing the auditee. Our document review process, rooted in GAGAS principles, ensures a systematic evaluation of all pertinent compliance materials, from internal policies to regulatory filings. The risk assessment phase, tailored for compliance, identifies areas of heightened non-compliance exposure, providing direction for subsequent audit activities. Our compliance analysis, benchmarking, and reporting mechanisms are stringent, emphasizing transparency, accuracy, and stakeholder engagement, all in line with GAGAS guidelines. Regular communication, ongoing monitoring options, and rigorous quality assurance further underscore our commitment to GAGAS standards in the realm of compliance auditing.

2. International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditor’s (IIA)

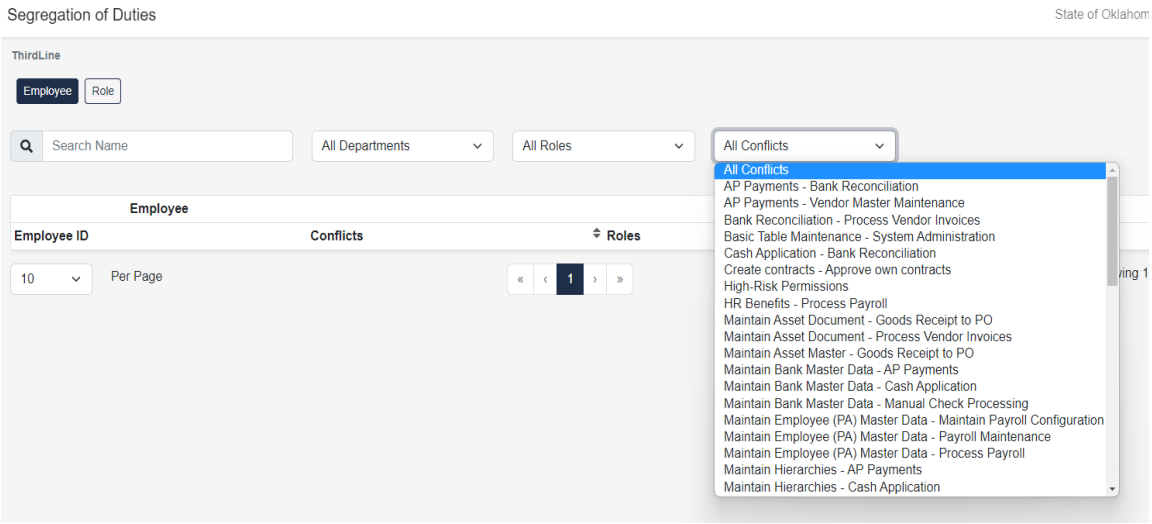
Aligned with the International Standards for the Professional Practice of Internal Auditing set forth by the Institute of Internal Auditors (IIA), Team ThirdLine’s compliance audit approach champions the tenets of the International Professional Practices Framework (IPPF). Our initial engagement centers on a detailed understanding of the organization's compliance obligations, ensuring a tailored and nuanced audit process. The document review phase, grounded in IIA standards, guarantees that our findings are evidence-based and rooted in a deep analysis of compliance documentation. Our risk assessment for compliance, analysis phase, and peer benchmarking exercises are meticulous, reflecting IIA's commitment to thoroughness and integrity. The reporting process, complete with internal reviews, quality checks, and feedback mechanisms, exemplifies our dedication to IIA's best practices in compliance auditing. Quality assurance, regular communication, and optional ongoing monitoring further emphasize our adherence to IIA standards, ensuring a comprehensive and objective compliance audit.

3.4.4 Information Systems Audits (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.d. Information Systems Audit)

Team ThirdLine is not proposing to conduct Information Systems Audits. However, ThirdLine software can be used to help other Vendors, Suppliers, or the State of North Carolina audit or monitor Roles and Permission settings within their respective ERP systems.

ThirdLine software has over 55 analytics looking for specific role and permission combinations that identify potential segregation of duties issues. More analytics can be created if the criteria are known. We understand access control to be either policies or technology-based rules deployed to protect an organization's security needs. Our Segregation of Duties analytics are one such access control. Our clients also use our roles and permissions analytics to assess another access control: the principle of least privilege. We understand these two types of controls to be of high importance in today's climate of data loss and fraud. Below in **Figure 1.1 Permission Pairs** is a screenshot of some of the 55 permission pairs we examine through our software to assess segregation of duties risks.

Figure 1.1 Permissions Pairs



Segregation of Duties(SoD) Assessment automatically shows users potential SoD conflicts based on the ISACA standards. The software provides tables and visualizations of the conflicts and shows the user which roles are giving the permissions with the conflicts. ThirdLine also identifies which employees have the most conflicts and which permissions are associated with the most conflicts to help the auditor identify recommendations to address SoD risk. An example of this report with conflict is seen in **Figure 1.2 SoD Example** and **Figure 1.3 Team SoD Example**.

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Figure 1.2 SoD Example. The software reports in this example that Employee 3 has 45 conflict pairs. Three of those permission-pairs are shown in this example.

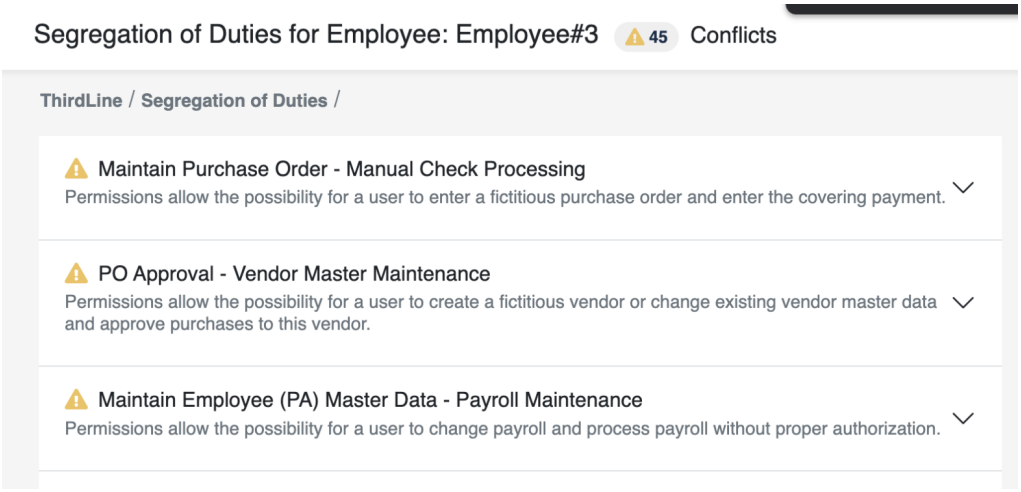
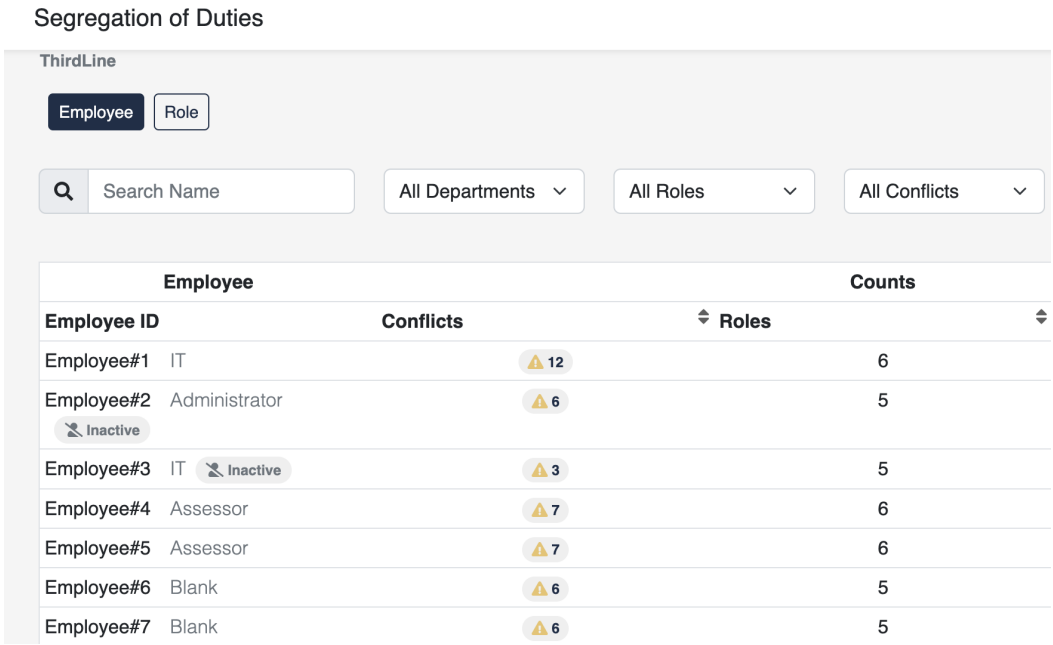


Figure 1.3 Team SoD Example. Thirdline also provides a report for each employee and shows if the department the employee is in, if the employee is inactive (i.e. terminated), the number of conflicts, and the number of roles of that employee.



Employee		Counts	
Employee ID	Conflicts	Roles	
Employee#1	IT	12	6
Employee#2	Administrator Inactive	6	5
Employee#3	IT Inactive	3	5
Employee#4	Assessor	7	6
Employee#5	Assessor	7	6
Employee#6	Blank	6	5
Employee#7	Blank	6	5

3.4.4.1 Key Personnel for Information Systems Audits (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.d. Information Systems Audit)

n/a

3.4.4.2 Performs Information Systems Audits Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.d. Information Systems Audit)

n/a

3.4.5 Data Analytics/Continuous Monitoring (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.e. Data Analytics/Continuous Monitoring)

To address data analytics and continuous auditing/monitoring requirements, Team ThirdLine provides services in this area in two ways:

1. Using ThirdLine software which integrates with an organization's finance, accounting, payroll, ERP, and other systems of records to apply over 300 analytics ready for use, or apply other custom built analytics. All Products are powered by analytics and work together. Software Products include:
    a. Continuous Risk Assessment
    b. Risk-based Audit Reports
    c. Continuous Monitoring
    d. Segregation of Duties analysis on ERP Roles and Permissions settings

2. Using the consulting skills of Team ThirdLine in
    a. Data Analytics: Python, Arbutus, ACL, IDEA, Microsoft Power BI, Einblick
    b. Data Science: Python, Stata
    c. Data Visualization: Microsoft Power BI, Tableau, Python
    d. Geospatial: QGIS, ESRI

Below we provide more details on our approaches to conducting descriptive, diagnostic, predictive and prescriptive analytics for individual audit engagement and audit planning or risk assessment purposes.

Scheduling and management

To accomplish SOWs in which an agency identifies analytical, or continuous risk assessment, or monitoring tasks we will engage to develop timelines for the specific deliverables and required outputs. Our team follows an agile methodology to break up each request into smaller tasks and plan out two-week sprints of effort. While the length of time for each schedule varies depending on the complexity of the request, for data analytics continuous monitoring the schedule is developed into the following steps:

1) Refine the scope of work into specific analytics/monitoring required to meet the audit objective(s).
2) Connect with appropriate information technology specialists to identify relevant data sets and requirements to access each data set.
3) Request an initial, representative data set to use for analytical purposes while working on automating the data pipeline
4) For each agency objective, create a timeline and apply the agile methodology to break the work into 2-week sprints.

5) Meet with the agency either weekly or bi-weekly to show results, update timelines, and make adjustments as needed.
6) Once analytics are developed, complete a validation process with Agency subject matter experts.
7) Complete analysis with the analytics and provide report
8) Provide the information technology specialist with SQL scripts to complete automation of data pipeline. Validate data flow, and connect to the analytics for continuous monitoring purposes as needed/request for the SOW.
9) Monitor data pipeline and continuous risk assessment results on scheduled agreed upon with the Agency.

We also understand the necessity for quality data. Therefore we have a formal process for gathering, merging, data cleaning, normalizing, validation, and automation. We extract data from the system audit logs, transaction files, workflow tables, roles, permissions tables, and more. This process includes profiling the data to identify outliers and anomalies that may indicate a data issue; transformation and standardization of data. For example, we conduct completeness checking of data loads and verify the data ranges found in the data match our query parameters, as well as vendor, employee and department counts. We also check ranges of data fields for validity checks and anomalies. Next we use sampling of our analytics as a final protocol to verify the data systems and ThirdLine are connected appropriately. An example of this is below in **Figure 2.1 and 2.2 Example of completeness checking.**

Figure 2.1 Example of completeness checking. We examine the total counts read by the SQL queries against the total counts shown in ThirdLine software. Here we show 12,123 employees loaded into our database.

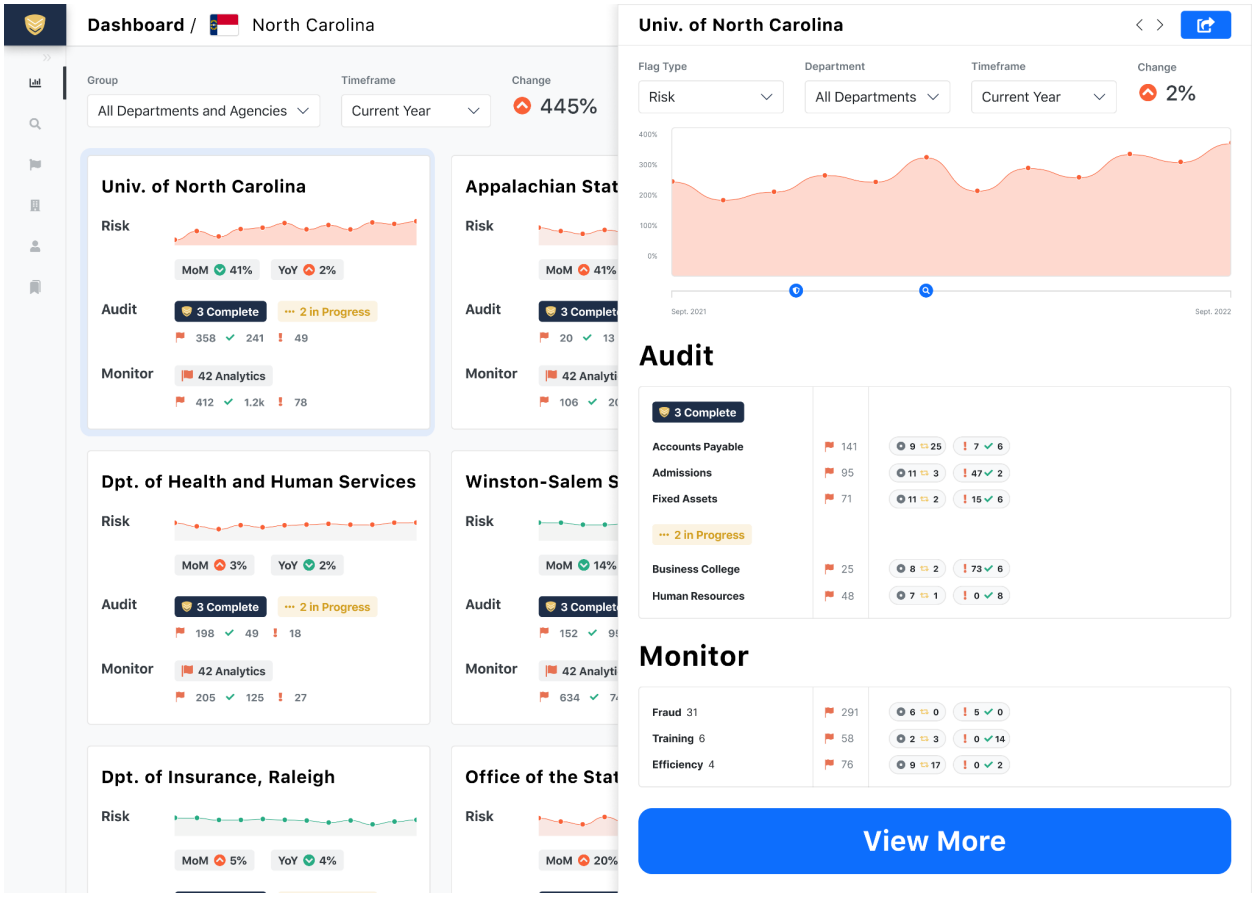
Figure 2.2 Example of completeness checking. We then check and verify 12,123 employees are loaded into the application.

Descriptive and Diagnostic Analytics

When an agency or vendor's SOWs ask for risk assessment and monitoring or descriptive and diagnostic analytics we will develop a data pipeline from the source through our ThirdLine's no-code analytics software. Once implemented, State leadership and individual organizations

and Universities will be able to continuously analyze multiple data sets pulled from their respective Enterprise Resource Planning, accounting, payroll, and other data systems for fraud risk, performance issues, separation of duties risks and control failures. Further, the client will be able to set up monitoring capabilities to receive notifications of high-risk events or control failures from which the client can immediately investigate and act (**See Figure 2.3 ThirdLine Software Dashboard**).

Figure 2.3 ThirdLine Software Dashboard. ThirdLine Software Dashboard of organizational risk analysis for the State of North Carolina with multiple Agencies and Universities.



ThirdLine focuses on delivering analytics that provide greater insights from financial and accounting data. Our analytics have been developed to answer questions quickly about risk, fraud, and waste with clear, easy-to-understand data visualizations. Our method and technology allows users to

- **Increasing audit coverage and assurance by testing larger samples, including 100% of populations.** Our platform automatically applies hundreds of analytics to all transactions, employees, and vendors. Our platform also facilitates risk-based and random sampling for detailed attribute testing. By connecting directly to the data source and reviewing 100% of transactions, ThirdLine will save the client hundreds of hours a

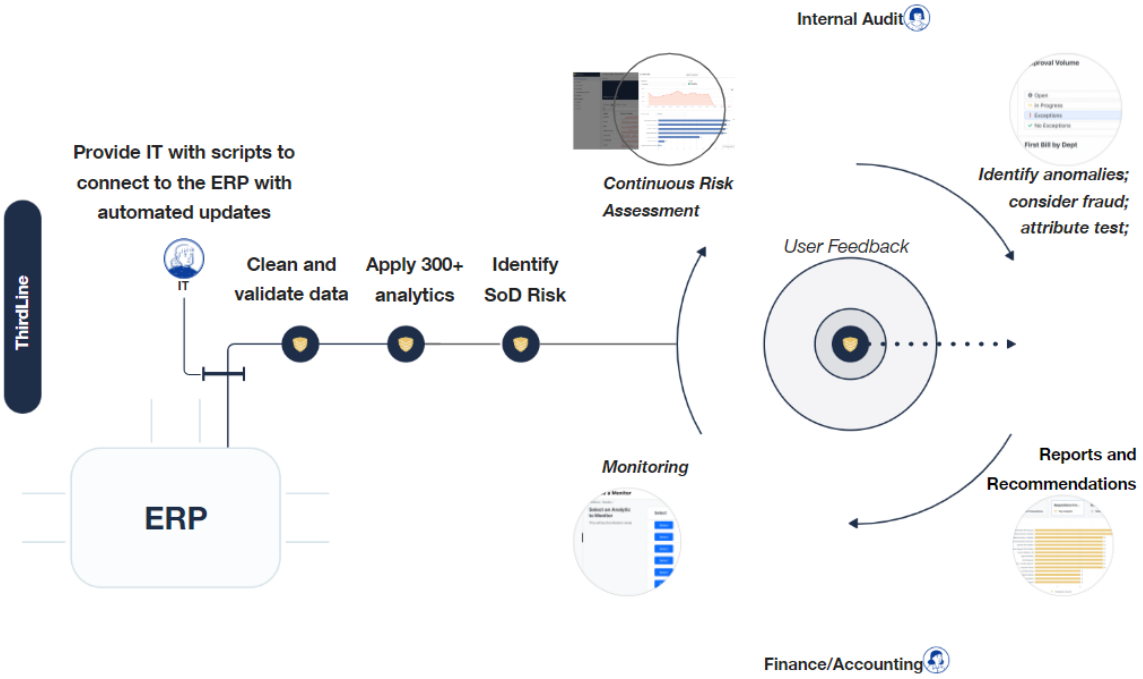
year and help deliver more quality coverage on every audit. Our staff have implemented audit analytics for numerous governments and created and managed audit analytics teams for government auditors. The audit analytics from these programs have informed dozens of audits and decreased the planning and fieldwork for each.

- **Provide more effective audit planning and fieldwork.** We have built our platform to summarize the analytics at different levels of analysis including transaction area (e.g, general ledger), the organizations department, accounts, employees, and vendors. This allows the user to quickly identify where the risks are highest and plan accordingly. Our continuous risk assessment feature automatically synthesizes the 300+ analytics across millions of transactions and connects them to employees, vendors, and departments. We visualize the results to show risk over time, risk by types (e.g., fraud risk vs. training risk), and by module (e.g., purchase card or general ledger).
- **Improve specificity of results communicated in audit reports using data visualization.** ThirdLine can show through multiple visualizations and other diagnostic analytics where risks are within the organization. Users can quickly see risk over time, and identify which risk flags are most common. We use user experience research to identify the best way to show this information to facilitate quality information in an easy to understand format. ThirdLine's workflow adds efficiency to each scoped audit with built-in reporting features to get the attribute testing results into report-ready tables. These workflows and reports instantly show, through built-in graphics, any summary of risk flags, transactions, vendors, or employees, modules, or departments. We instantly provide dozens of graphics that would each hours or days for an auditor to prepare for a report. If a custom graphic is desired, we can create those by request in our software, in Microsoft Power BI, or Tableau.
- **Exponential increase for audit and management efficiency and productivity.** ThirdLine is uniquely qualified to address this deliverable in that we have automated nearly every step of the analytics process. We deliver a package of queries and work with the Information Technology departments or individuals to read system tables into the ThirdLine software. Then, the analytics are automatically applied to the data, summarized, and reported in the risk assessment page.

Our typical onboarding of the ThirdLine application solutions follows a similar schedule as noted earlier with respect to data identification and automating the data acquisition process. However, because the software is a no-code solution, the analytics development time is eliminated. A no-code analytic means that an end-user does not need an analyst to be able to use and understand our software and methodology.

To implementation includes providing IT with SQL scripts to acquire the data, validate the process is working, and then the software applies hundreds of analytics, as seen below in **Figure 2.4 ThirdLine Implementation Process**. Auditors use the continuous risk assessment and reporting features to conduct audits and provide recommendations based on descriptive and diagnostic analytics. Management uses the monitoring to watch for new, high risk transactions. ThirdLine is built to receive user feedback to improve its risk-finding abilities using predictive analytics.

Figure 2.4 ThirdLine Implementation Process



Our services will deliver an organization-wide, risk-based continuous audit platform in a fraction of the time it would take each organization to develop in-house. For example, our implementation is completed in a few months and results in hundreds of risk and control test analytics with automated data refreshes and agile reporting protocols. To do this from the ground-up, organizations spend multiple years to get to this point of functionality. As such, we save organizations an average of $450k to implement and over $200k per year to maintain and build-upon the analytics and reporting functions.

ThirdLine will work with the appropriate information technology specialist to generate an agreed access protocol, perform the initial configuration, set up users with secure access, and provide management documentation through our knowledge base. ThirdLine is experienced in each of these steps. We provide SQL scripts of exactly what we need from the systems to the information technology specialist. These scripts request only the required information for the analytics and can be edited if the agency or vendor does not want to provide certain information. The data is read, transmitted and processed through secure protocols. We will validate the initial refresh and work with the information technology specialist on any updates needed. For analytics not covered in our no-code platform, our team will perform data discovery and develop the scripts required to obtain relevant data from other data systems and integrate them into the ThirdLine application.

Team ThirdLine sets weekly meetings with the agency or vendor throughout the implementation process to ensure a successful implementation of each module or process area desired from

their specific SOWs. We implement one module at a time to ensure delivery in a timely manner. Our suite of analytics for financial process areas like accounts payable, general ledger, or purchasing cards, can be set up in as little as 2-3 weeks each, whereas more complex process areas like payroll or human resources take 3-4 weeks to complete the initial implementation. The vast majority of the work is performed by the ThirdLine team. We will develop a project timeline with intermediate deliverables and provide weekly progress updates as described above.

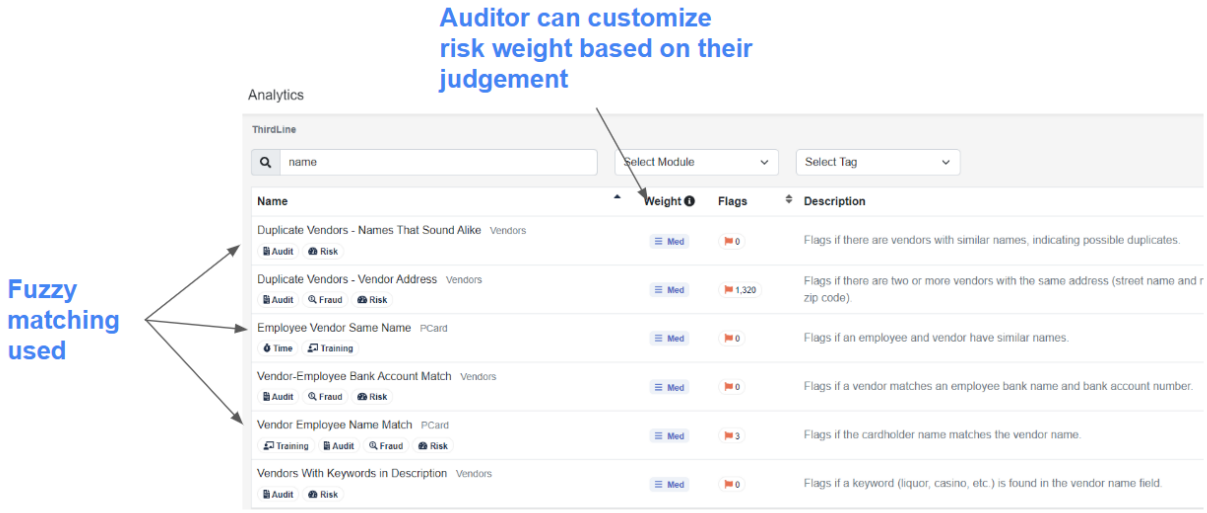
Out-of-the box, we have over 300 analytics to describe and diagnose risk in areas such as Procurement, Accounts Payable, Accounts Receivable, Cash Collections, Purchasing Cards, Travel & Expense, Vendor Management, General Ledger, Roles & Permissions, Payroll & Time Collection, Human Resources, Utility Billing, and Tax. Each analytic provides a fact about a data point or set of data with respect to a risk. It is from these analytics that auditors and managers can build a larger understanding of risk on the data set, process, system, or organization.

Our 300 analytics include **descriptive analytics** which helps auditors and managers understand what has happened, or is happening, within their systems that include, but not limited to financial and human resources transactions and audit logs. For example, through our analytics auditors, management and **other vendor suppliers** will be able to analyze the effectiveness of internal controls, reliability of financial data, safeguarded assets, law and regulation compliance, and assessing separation of duties. Our software has built-in workflows to guide the user to find risk within the organization, develop a sampling approach, conduct attribute tests, and set monitoring events.

Our ability to pull data from multiple sources, merge, and match i*m*proves our **descriptive and diagnostic analytic capabilities.** From a descriptive standpoint, particularly on risk analytics, our solution and services will gather and pull the requested and relevant data requested by the agency or vendors from a variety of sources from which we will clean, merge, and match using unique or fuzzy indicators. Fuzzy matching is the process of matching two similar looking names together for possible duplicates. This matching process informs multiple analytics. For example, as seen in **Figure 2.5 Fuzzy Matching and Weighting**, we have fuzzy matching across vendor tables and employee tables to look for specific risks related to vendor fraud and internal conflicts of interest.

Additionally, the software allows users to weight each risk analytic to fine-tune the assessment to each organization’s context and incorporate the experience of the auditor or manager.

Figure 2.5 Fuzzy Matching and Weighting.



At a high level, each of our single analytics are then combined to create a descriptive analysis of risk summarized with a risk score at various units of analysis (e.g., employee, vendor, organization, department, accounting code). Users examine the descriptive risk analytics to find areas of high risk within any organization for anomalies, fraud, and control issues. The software presents the results of the analysis through visualizations using multiple real-time and historical charts and graphs and reported within the tool. Users also have the capability to print to multiple formats including Word, PDF, or export data to Power BI, Tableau, and Excel. **Figure 2.6 Continuous Risk Assessment, 2.7 Anomalous Transactions, 2.8 Transaction Review, and 2.9 Continuous Risk Evaluation,** illustrate how ThirdLine guides auditors to interpret the descriptive analysis results to find the highest risk areas.

The ThirdLine platform includes results from data mining and **diagnostic analytic information** to help the auditor or manager of each organization or vendor understand why risk scores are high or low, or why a specific employee or vendor was tagged with a high risk score. For example, showing risk over time alongside other detailed information can help discern trends and emergent issues. With ThirdLine you can drill down from the organizational risk analysis to the individual transactions causing the risk in seconds. **Figure 2.6 Continuous Risk Assessment, 2.7 Anomalous Transactions, 2.8 Transaction Review, and 2.9 Continuous Risk Evaluation,** illustrate how ThirdLine provides diagnostic information to the user.

Figure 2.6 Continuous Risk Assessment. Use the Continuous Risk Assessment to see how risk changes over time by employee, department, module, or account.

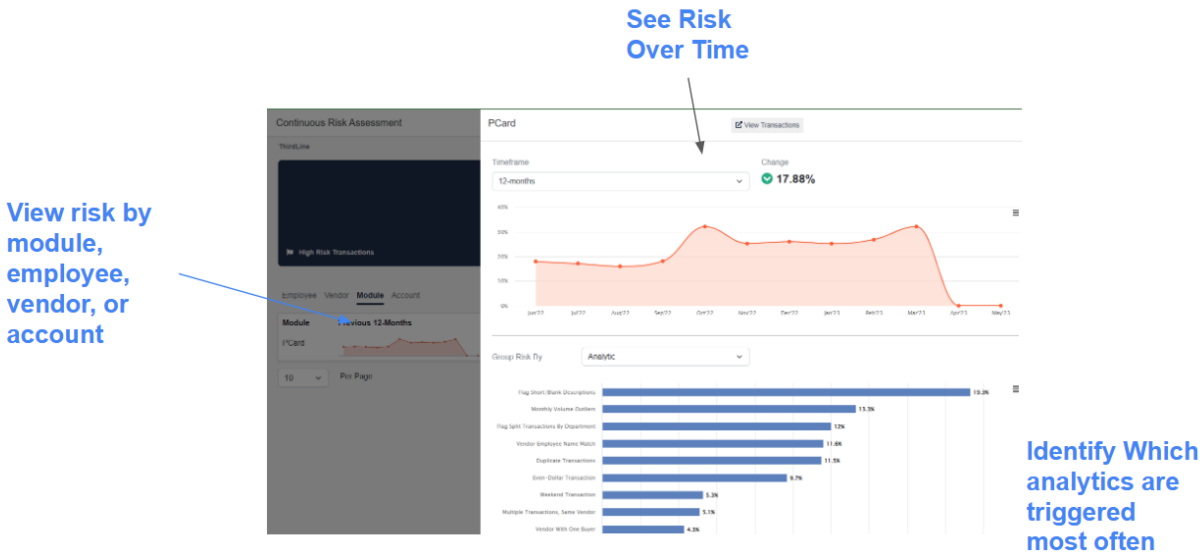


Figure 2.7 Anomalous Transactions. Identify anomalous transactions using our weighted risk score algorithm. With ThirdLine you can drill down from the organizational risk analysis to the individual transactions causing the risk in seconds.

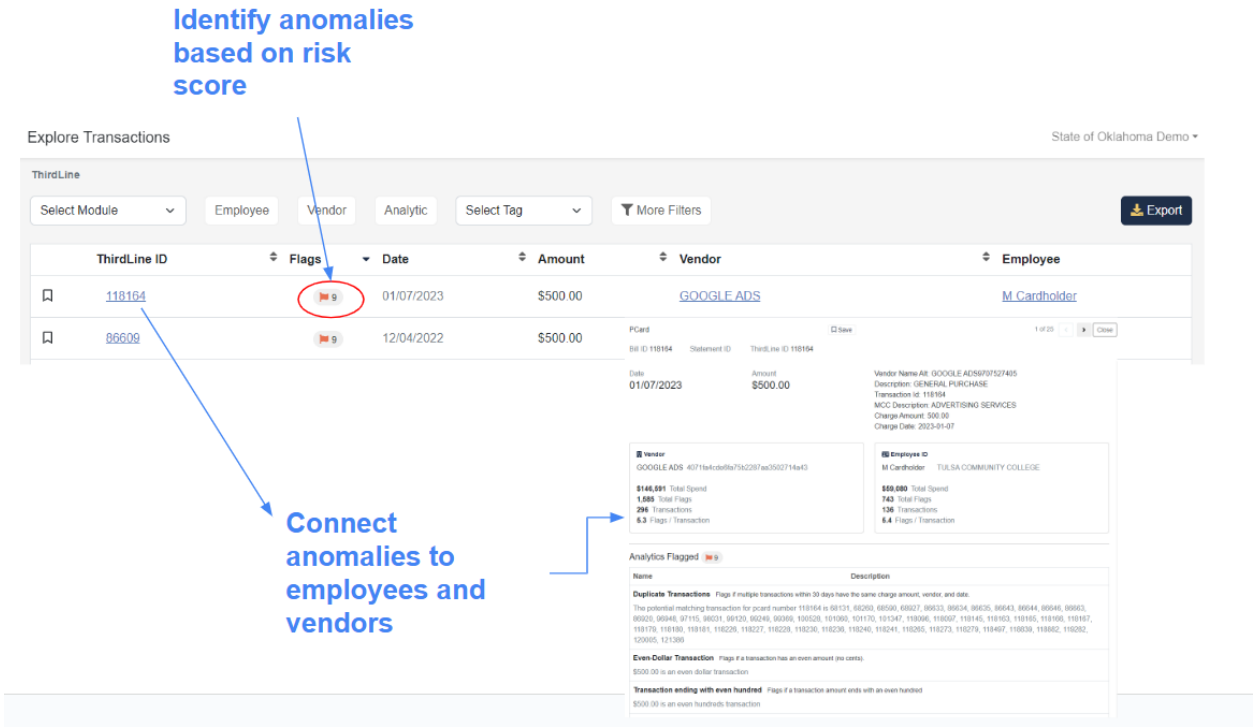


Figure 2.8 Transaction Review. Review transactions for fraud using our custom fraud analytics.

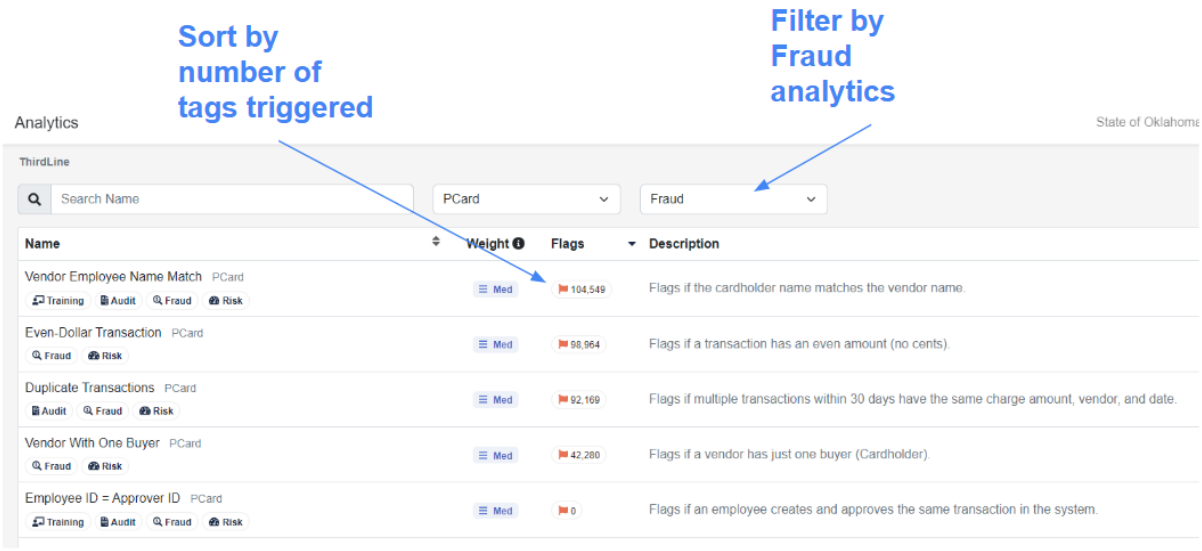
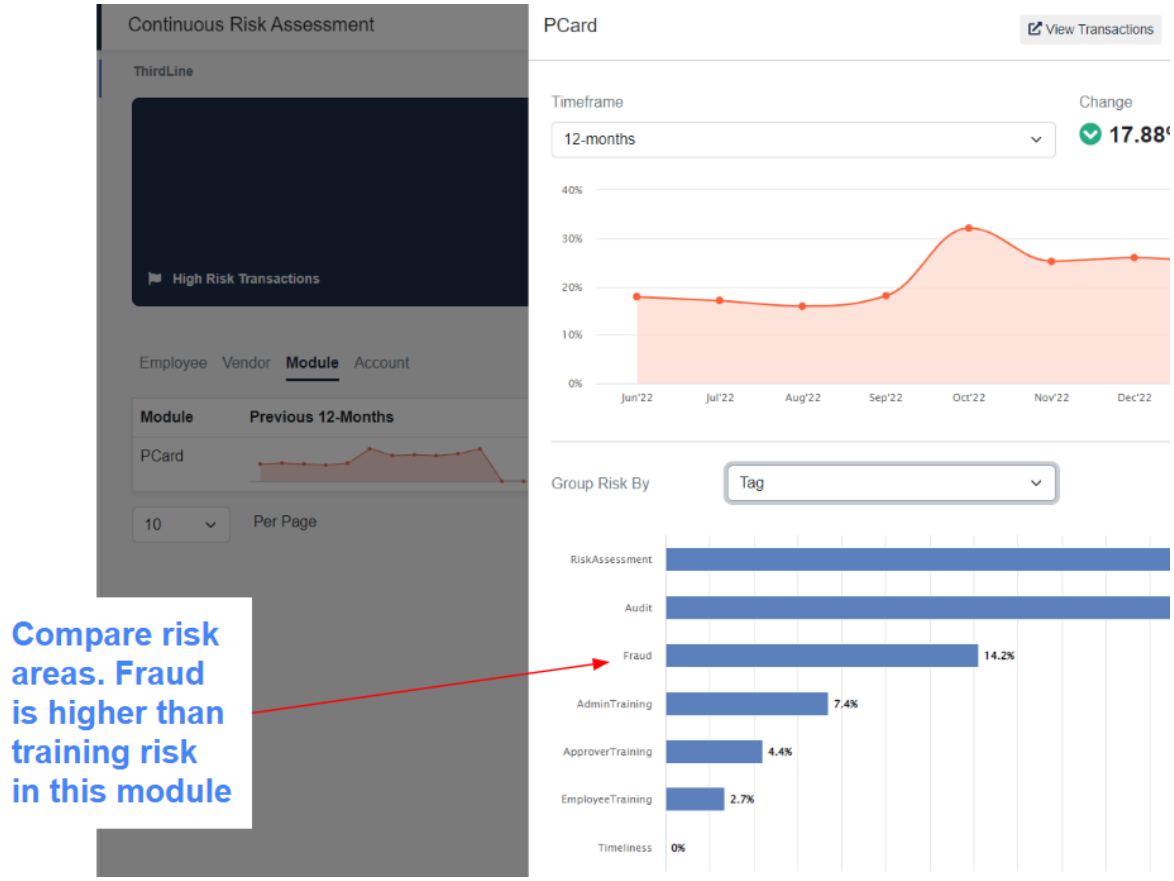


Figure 2.9 Continuous Risk Evaluation. Drill down to evaluate employees, modules, vendors, or accounts by type of risk. Here we see fraud risk is relatively high compared to training risks in the purchasing card Module.



Descriptive and diagnostic analytics for considering Fraud in every audit. ThirdLine has over 100 analytics that are mapped to the Association of Certified Fraud Examiners' fraud schemes. As ThirdLine can provide fraud and risk assessment at the department level, nearly every audit can "consider fraud". We have found true instances of fraud, particularly around vendor takeover fraud. This occurs when a scammer impersonates a vendor, whether by email or phone, and requests that a clerk change a bank account number, payment method, phone number. An invoice is then submitted and payment is sent, often in the hundreds of thousands of dollars.

If deeper diagnostic analytics are needed than the built-in explanatory abilities to drill into each risk score to see the specific transactions, risk flags, employees, and accounts associated with with each risk, Team ThirdLine has decades of experience using tools like Python and STATA to run more **explanatory models such as chi-square correlations, ANOVA, MANOVA, and simple and multiple regressions.**

Predictive and Prescriptive analytics for decision makers.

The ThirdLine software is set up to build the data needed for **predictive analytics when it comes to predicting fraud or custom attribute tests**. Our workflow allows auditors and managers to develop risk-based sampling strategies and to then record the outcome of their investigative work on a transaction-level. In other words, we have a platform that allows us to link the testing of transactions, workflows, vendors, or employees, through the work of audits and investigations back to the risk analytics. **Figure 2.10 Starting a Report and 2.11 Testing with Custom Attributes and Workflows illustrates** the process in the ThirdLine software.

From this process, we can mine millions of data points from an organization's transaction and audit tables to assign our 300 analytics. These analytical flags, which identify certain risky conditions related to process issues, control failure, and fraud, are quickly stacked and summarized at the transaction, employee, vendor, account, and organization levels. At this point the auditor or manager can narrow their sampling and test work down to the riskiest areas. **Our work flows then take feedback loops from the testing results to provide the supervised learning information for clustering. Team ThirdLine also uses predictive analytics methods such as regression to link risk flags to fraud or inappropriate behavior within the data system.**

This approach eliminates purely academic applications of machine learning techniques that find anomalous transactions from a data perspective. **Rather, our emphasis on building training models from experts in the organizations (i.e, auditors) we can set the organization up for more useful predictive algorithms.**

Figure 2.10 Starting a Report. Start a report by selecting analytics and scope of the audit.

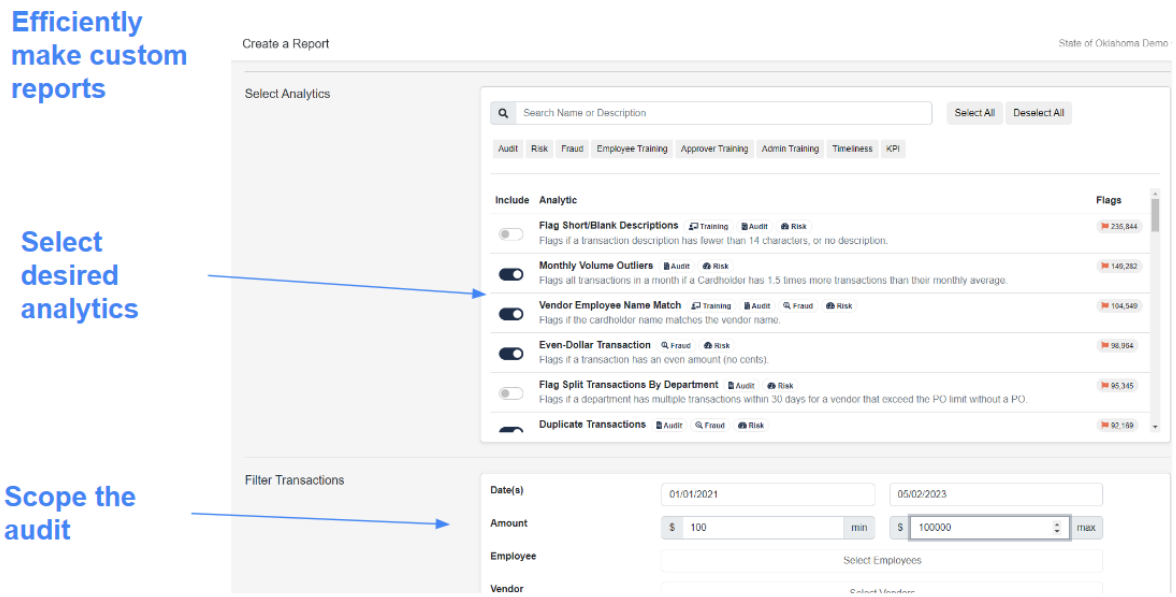
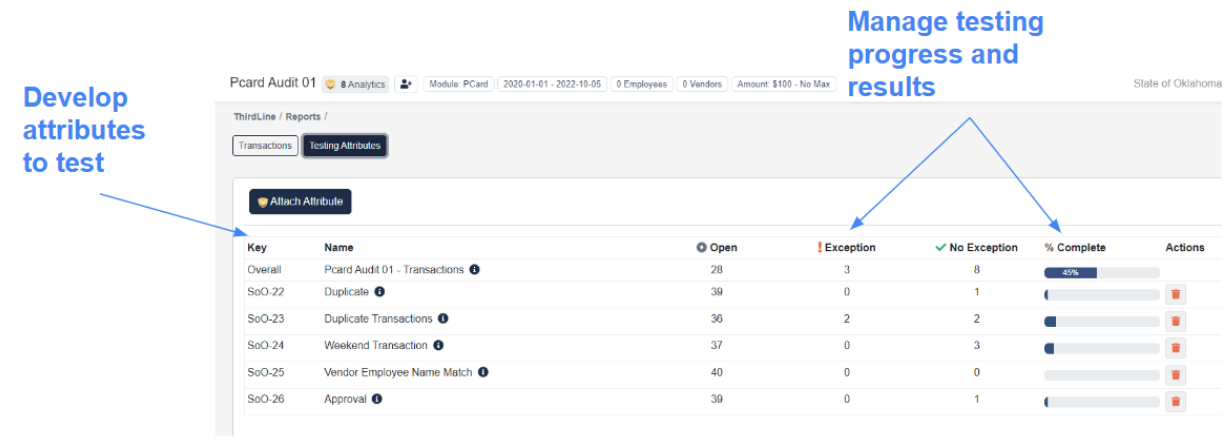


Figure 2.11 Testing with Custom Attributes and Workflows. Complete testing with custom attributes and workflow tools.



For other **predictive and prescriptive requirements** in an agency or vendor's SOWs that do not apply the premade analytics Team ThirdLine has decades of experience using STATA and Python to run regressions, factor analyses, clustering, and other supervised and unsupervised machine learning techniques to learn the conditions that help predict specific outcomes.
We specialize in analytics for decision makers. For example, we have used these types of analyses to identify what leads to greater (or short) process time increases or learning what increases or decreases the odds of an employee clicking on a phishing email. These kinds of

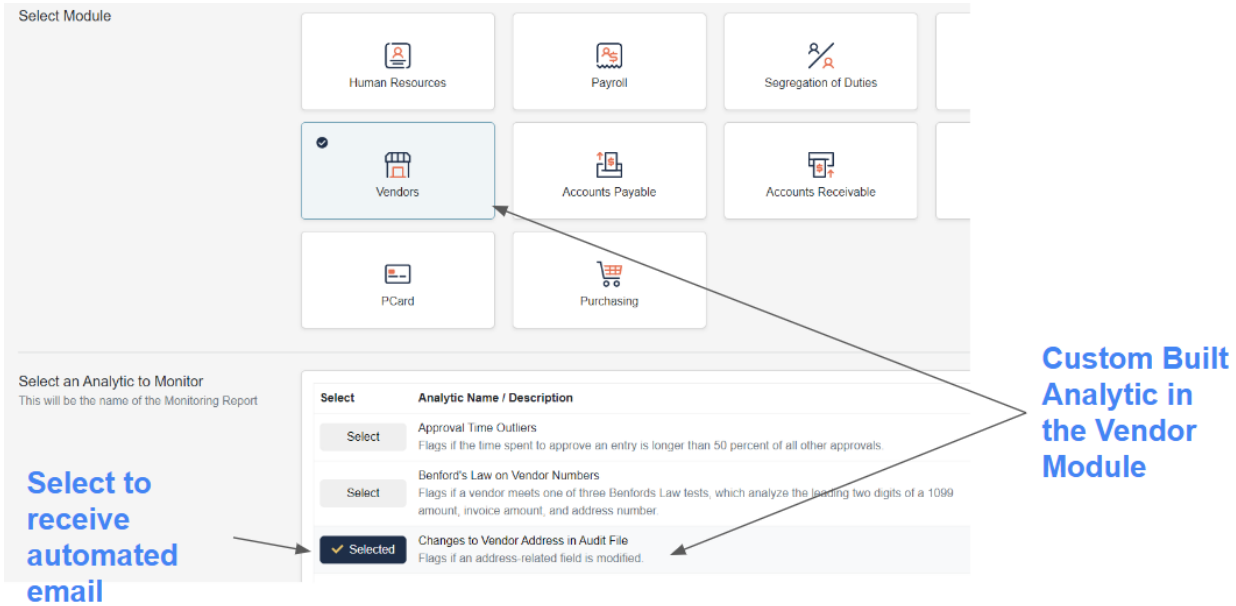
predictive analytics have been used to create specific audit recommendations to improve training and make policy changes for better organizational outcomes.
Finally, we have experience in discrete event simulations, a kind of prescriptive analytics. This technique is used to examine an entire process or set of processes, the resources within each process, the capacity of those resources, and the time to complete each discrete step within the process. Discrete event simulation is used to estimate changes to system outputs due to small changes in process inputs, resource capacity changes, or time-to-complete step changes. Our staff has used these techniques to conduct ‘‘what-if’ scenarios as a prescriptive technique to estimate future outcomes if staffing changes are made, process changes, policy changes, or entire business processes are changed.

Continuous Monitoring

Once the analysis is complete, the ThirdLine software comes ready to implement internal controls related to the organization’s highest risk. Monitoring is a key internal control that can help management stop fraud, find mistakes, train employees, and correct efficiency issues.

The ThirdLine software Monitoring Product allows users to set up email alerts that alert them when certain analytics are triggered in the system on a nightly, weekly, monthly, or quarterly basis. For example, if a vendor’s payment method is changed, an email can be sent for a user to investigate if it is a legitimate change. ThirdLine will automatically send out a report via email that the recipient clicks on to open up the list of flagged transactions within the ThirdLine application, as seen in **Figure 2.12 Automated Email Report**. From these monitoring reports, the auditor or manager assesses if the transactions are inappropriate or not and records this information in the software.

Figure 2.12 Automated Email Report. ThirdLine will send an automated email report with high risk transactions based on the risk flags the user identifies and selects for monitoring.



If auditors recommend monitoring for management, they can easily use ThirdLine software to know if management is following their recommendation. Auditors will have access to the monitoring event emails sent to the managers and records of whether the risky transactions were reviewed as inappropriate or not.

Analytics and Monitoring for Segregation of Duties issues on Roles and Permission settings

Segregation of Duties(SoD) Assessment automatically shows users potential SoD conflicts based on the ISACA standards. The software provides tables and visualizations of the conflicts and shows the user which roles are giving the permissions with the conflicts. ThirdLine also identifies which employees have the most conflicts and which permissions are associated with the most conflicts to help the auditor identify recommendations to address SoD risk. An example of this report with conflict is seen in **Figure 2.13 SoD Example.** and **Figure 2.14 Team SoD Example.**

Figure 2.13 SoD Example. The software reports in this example that Employee 3 has 45 conflict pairs. Three of those permission-pairs are shown in this example.

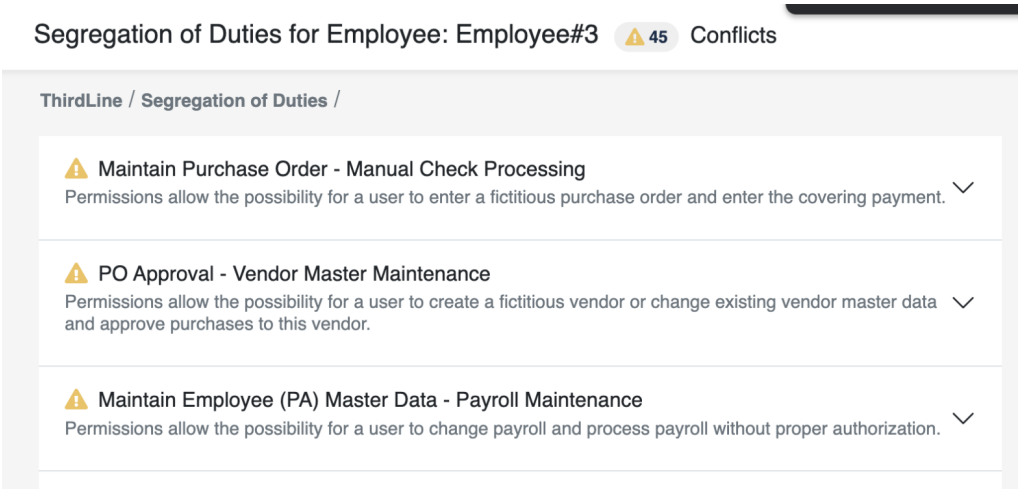
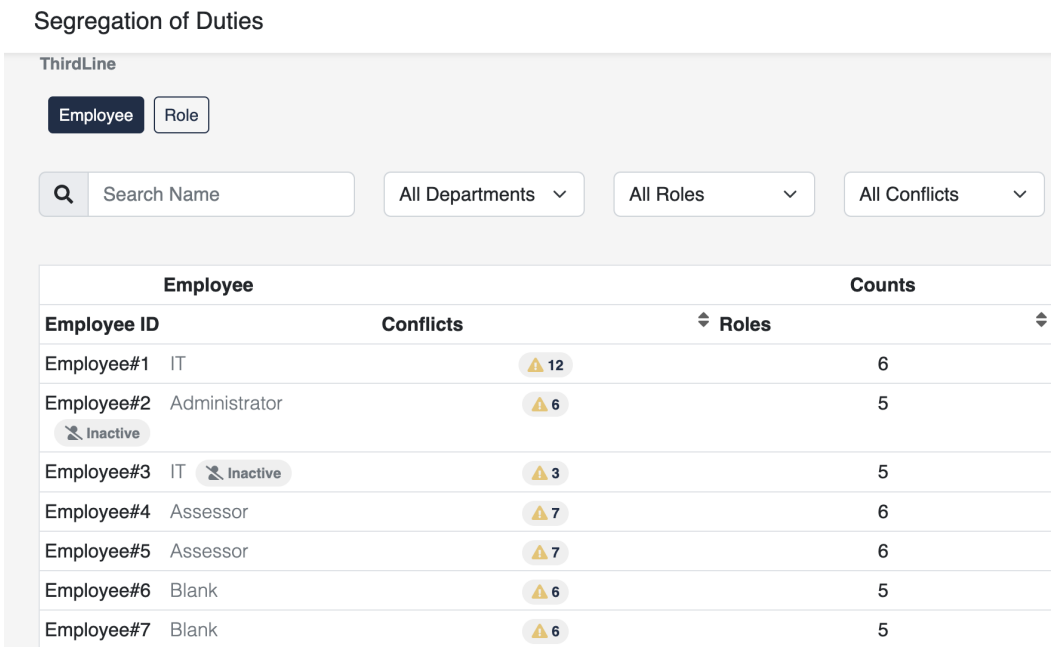


Figure 2.14 Team SoD Example. Thirdline also provides a report for each employee and shows if the department the employee is in, if the employee is inactive (i.e. terminated), the number of conflicts, and the number of roles of that employee.



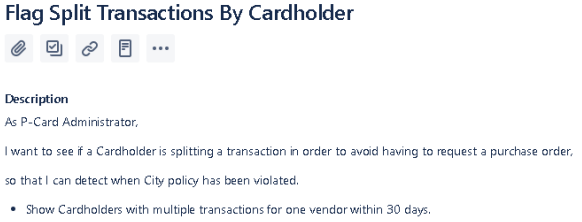
All reports discussed above can be created in a few minutes by ThirdLine or any user, and the data is frequently refreshed from the Data System of Record either daily, weekly, monthly, or quarterly based on the Agency's preferences.

Data Visualization, Reporting, and Exporting

As important as analysis, data science, and accuracy is, so is data visualization, design, and the end user's experience of the represented data. In modern software development this is called user experience and user interface (UI/UX). All **core tables, dashboards, analysis, ongoing studies, and reports are available anytime to our clients via the ThirdLine cloud-based App.**

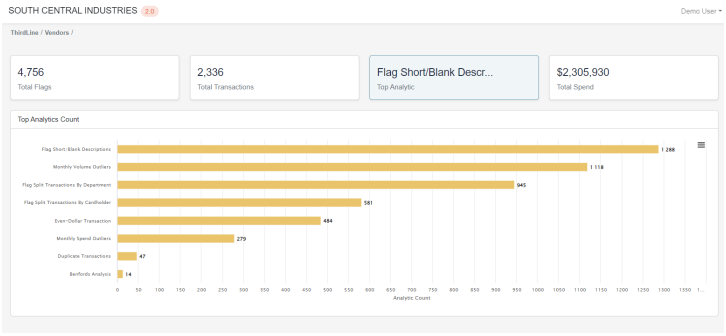
Our philosophy of visualization includes:

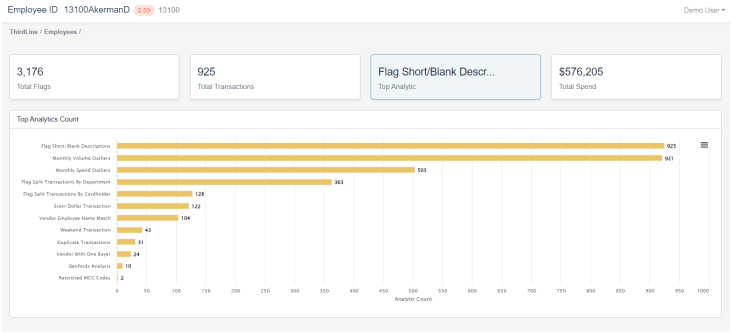
- **Telling a story**: Many analysts and dashboard developers create data visualizations without taking into consideration the end goal of their client. That is why we use best practices rooted in Agile Theory to create User Stories for every analytic we make for our clients. A user story follows the following prompts:
    - As a [end user]
    - I want…
    - So that…
    - Show that…



On the right is the user story for our “flag split transactions by cardholder” analytic.

- **Visuals that create feedback loops to power data science**: When we began ThirdLine we visualized analytics in Tableau and Microsoft Power BI. We believed their flexibility is fantastic, but we also encountered limitations in a dashboard's ability to receive “feedback” from an end user. Our software has a built-in workflow that enables auditors and management to tell us if transactions are fraudulent or inappropriate. This feeds our data science models and makes the Government Agency even better at finding the riskiest transactions.





- **Consistency in visualization:** Across our software you will find similar visuals so that users become accustomed to a standard x-axis and y-axis. This allows users to navigate and understand quickly. **The images on the right show the same visual for a Vendor and an Employee when viewing the “Top Analytics” of each.**

- **Flexibility in visualization**: We can visualize data in at least three mediums that provide flexibility for our clients. Each provides ample ways to drill down to underlying data and create any chart or visualization required:
    - ThirdLine software: Our software has embedded visuals and reports that have been tested and critiqued under the best practices of UI/UX design by a professional designer. Our software also includes a workflow that auditors and management can use for auditing and monitoring.
    - Microsoft Power BI: Our team includes experts in Power BI who have been using it since it was released by Microsoft. Power BI is extremely flexible and it is easy to make visualization changes based on our client’s feedback.
    - Tableau: Our team has experts in Tableau who have been using it for over 10 years. Similar to Power BI, we can easily make changes to visualizations according to our clients request.
- **Flexibility in creating visuals quickly:** Our team follows Agile methodology where we have daily stand-up and weekly or bi-weekly meetings with our clients. As part of Agile, we turn work products around every 2 weeks, enabling quick results and extreme flexibility for our clients.

- **Comparison and Design**: It is important to make visualization as simple as possible when comparing data. As visuals become more complex with multiple lines and bars, it becomes difficult for an end user to understand what is happening. We prefer simplicity over complexity in visualization. An end user should be able to understand what a graph is communicating in 5-10 seconds.
- **Create/print output in various formats (pdf, excel, word, etc.):** All data in the ThirdLine software can be exported to excel, pdf, png, jpeg, svg. Furthermore, as already discussed, all outputs can be visualized in other visualization tools and exported to pdf.

3.4.5.1 Key Personnel for Data Analytics/Continuous Monitoring (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.e. Data Analytics/Continuous Monitoring)

North Carolina Position	Name	Years Experience	Education
Service Category Lead	Dr. Samuel Gallaher	16	PhD University of Denver, School of Public Affairs
Supervisor	David Osborn, CPA	10	BBA in Accounting, University of Oklahoma
Staff	Nathan Pickard, CIA	18	MBA Oklahoma Christian University
Staff	Julian Metcalf, CIA, CFE	16	Master of Public Administration (MPA) New York University
Staff	Dr. Mara Vejby	13	Doctor of Philosophy, Anthropology, University of Redding, England
Staff	Holden Mitchell	10	B.S. in Mechanical Engineering, University of Oklahoma
Staff	David Paddock	10	BBA in MIS BBA in Economics

3.4.5.2 Performs Data Analytics/Continuous Monitoring Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.e. Data Analytics/Continuous Monitoring)

1. Generally Accepted Government Auditing Standards (GAGAS) issued by the United States General Comptroller

ThirdLine's analytics platform is designed to uphold the principles and standards set forth by the Government Auditing Standards (GAGAS). The platform's emphasis on evaluating internal controls, verifying the reliability of financial data, and ensuring compliance with laws and regulations aligns with GAGAS's requirements for ensuring the integrity, objectivity, and professionalism of audit processes. Additionally, ThirdLine's commitment to assessing risk, fraud, and waste support GAGAS's mandate for auditors to consider fraud in their assessments. The platform's ability to provide detailed and comprehensive audit coverage, including the examination of 100% of data samples, ensures thoroughness and accuracy, which are fundamental to GAGAS's principles of audit quality and reliability.

2. International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditor’s (IIA)

ThirdLine's services are aligned with the standards established by the Institute of Internal Auditors (IIA). The IIA emphasizes the importance of risk-based assessment, and ThirdLine's platform facilitates risk-based and random sampling, allowing auditors to focus on high-risk areas. The IIA standards advocate for clear communication of results, and ThirdLine's data visualization and reporting features ensure that audit findings are presented in a clear, concise, and actionable manner. Furthermore, the IIA underscores the significance of continuous improvement and professional proficiency. ThirdLine's white-glove consulting approach, coupled with its commitment to providing ongoing analytics support, ensures that audit departments remain updated, proficient, and in line with the IIA's principles of professionalism and competency.

3.4.6 Risk Assessment and Audit Plan Development (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.f. Risk Assessment and Audit Plan Development)

Our approach blends the strength of all partners on this proposal. We advocate for annual organization-wide risk assessments, with a clearly defined methodology that encompasses every department, facilitating the categorization and ranking of risks. This systematic methodology would be the cornerstone for an annual audit plan. The additional continuous monitoring services leveraged using Thirdline's services would reinforce the risk assessment, provide insight into future year's assessment and plan development, and of course provide near-real time alerts to possible risks that emerge sooner.

1. **Control Environment Review**

Before delving into the risk assessment and audit planning, a thorough examination of the organization's control environment is pivotal. The control environment serves as the bedrock upon which all other audit activities are built, setting the tone for the organization and influencing the consciousness of its people. Our review approach encompasses:

- Understanding Organizational Structure: A comprehensive study of the organization's hierarchical structure, decision-making processes, and reporting lines. This assists in identifying potential control points and areas of vulnerability.
- Review of Policies and Procedures: A meticulous examination of established policies, procedures, and internal guidelines. This aids in determining if they are adequately designed, effectively communicated, and consistently implemented.
- Assessment of Ethical and Integrity Framework: Evaluating the ethical values promoted by the leadership and ensuring they permeate through all levels. This includes a review of codes of conduct, whistleblowing mechanisms, and training programs related to ethics and integrity.
- Financial and Budget Review: Conducting a thorough analysis of the organization's financial statements, budget allocations, and financial projections. This includes assessing the accuracy of financial reporting, the effectiveness of budgetary controls, and the alignment of financial strategies with organizational objectives. It also involves reviewing deviations from budgets, ensuring transparency in financial disclosures, and evaluating the robustness of financial policies and procedures in place.
- Human Resources Practices: Understanding practices related to recruitment, training, performance evaluation, and succession planning. Ensuring that employees are equipped with the necessary skills and knowledge to perform their roles while upholding the organization's control environment.
- Communication Mechanisms: Evaluating the effectiveness of communication channels within the organization, ensuring that essential information related to controls, risks, and other pertinent areas flows seamlessly across all levels.

- Technology and Information Systems: Assessing the role of technology in bolstering the control environment, including access controls, data integrity checks, and system audit trails.

2. Development and Execution of Organization-Wide Risk Assessment

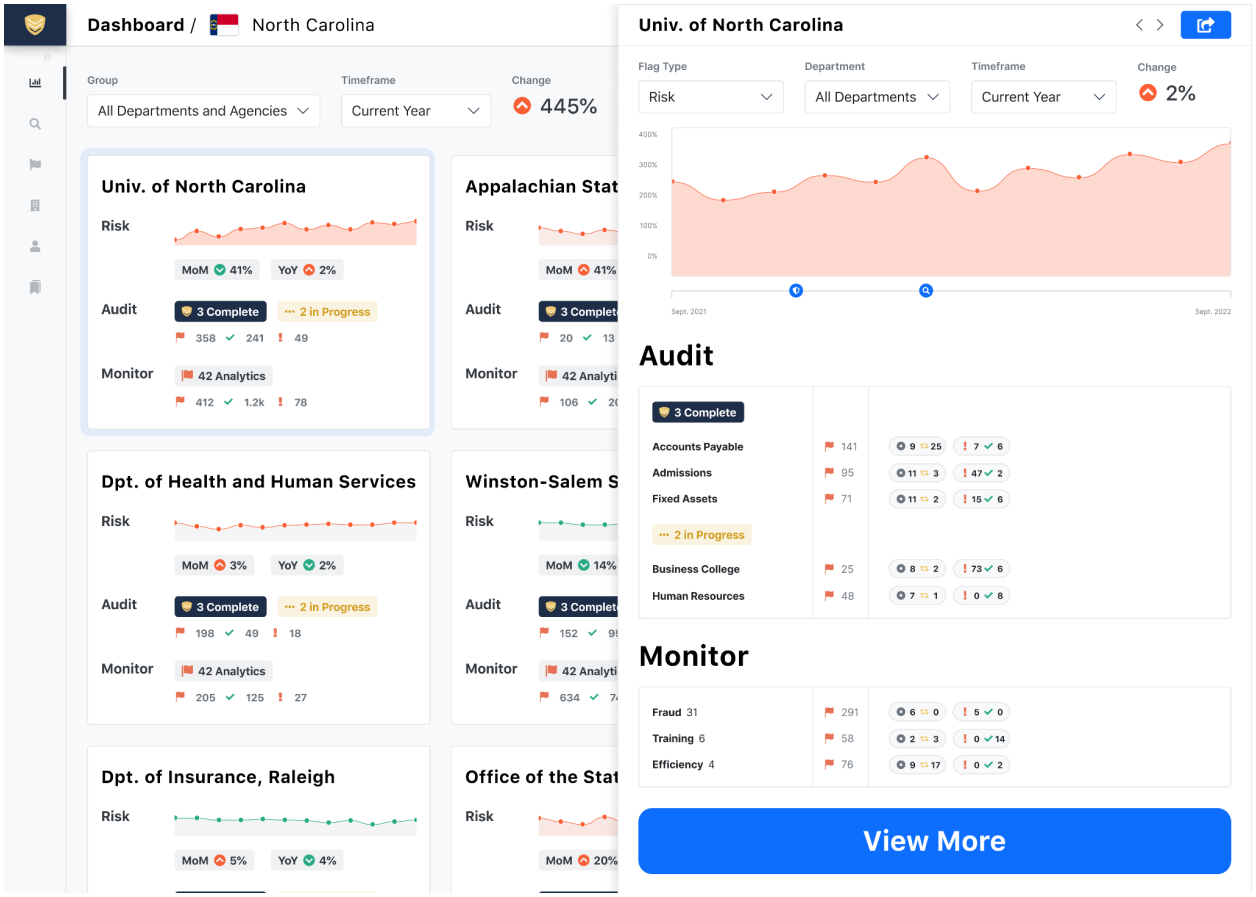
Our purview will encapsulate all departments and operations within the organization. Drawing on insights from the control environment review, our methodological approach involves:

- Collaborative endeavors with organizational staff to pinpoint and structure feasible metrics and indicators. This aligns them with the risk areas identified during the control environment review.
- The design and refinement of a digital instrument, tailored for the annual collection and scrutiny of risk assessment data. During its developmental phase, this tool will be instrumental in garnering feedback regarding the proposed risk assessment's precision and efficacy.
- Upon finalization of the methodology and digital tool, we commit to crafting, refining, and presenting an inaugural risk assessment. This will include an internal audit schedule anchored by the risk assessment.
- Drawing from our historical engagements, such as with jurisdictions like Santa Clara County, we've championed the implementation of an annual risk assessment procedure. This culminated in an interactive dashboard presentation, which proved invaluable for audit committees when dissecting assessment outcomes and formulating the yearly audit plan.

Continuous Risk Assessment

ThirdLine software provides a product for continuous risk assessment of ERP, finance, accounting, and payroll data. Each State Department, University, or Entity has their own interface, and the leadership of North Carolina have a view of everything as seen below in **Figure 3.1 State of North Carolina Leadership Level View** Every transaction in the ERP and other data systems will be analyzed and assigned analytic flags numbering from between 0 to many. The software then assigns a risk score based on those flags. The risk score for each transaction is attached to each associated employee, vendor, process area, account, department, and time stamp. Users can jump into the software to view Continuous Risk Assessment.

Figure 3.1 State of North Carolina Leadership Level View of continuous risk assessment, audits, and monitoring.

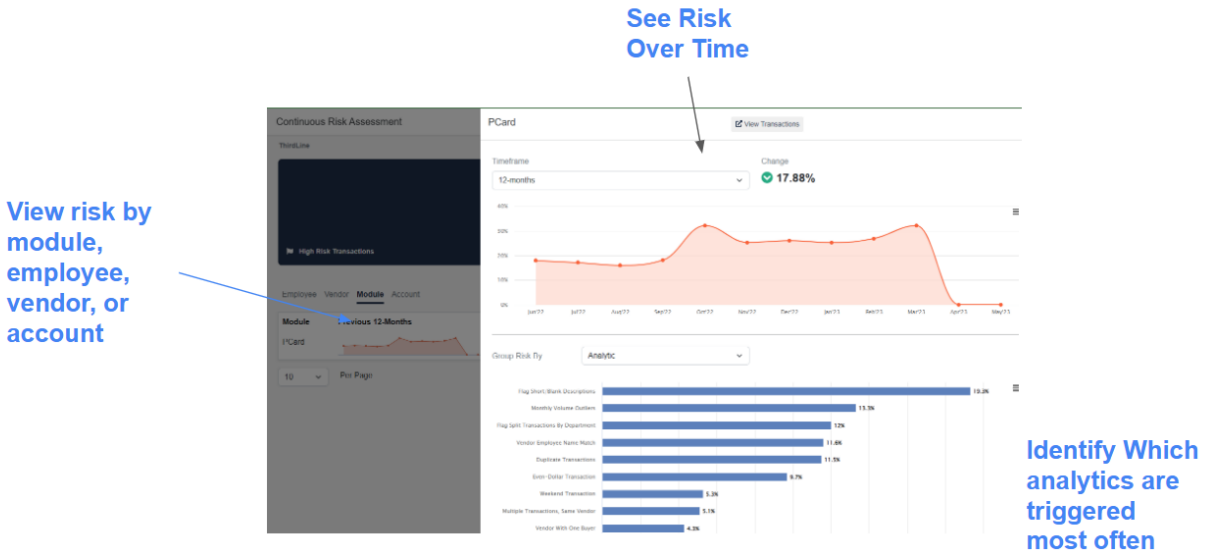


It is possible for every Organization or Entity in North Carolina to have their own ThirdLine software instance where they can use continuous risk assessment which provides up-to-date summaries of all risk scores over time by Vendor, Employee, Department, Fund, GL Account String, or Process area, as seen below in **Figure 3.2 Continuous Risk Assessment**. All of

these can be viewed by risk type including fraud, training, risk, audit, and more. This information is automatically synthesized by the software once implementation of the module is completed. From here the auditor can:

a. Explore risky transactions and save those for an audit report.
b. Explore risky vendors and then scope an audit for high risk vendors.
c. Explore risky employees and then scope an audit for high risk employees.

Figure 3.2 Continuous Risk Assessment. Use the Continuous Risk Assessment to see how risk changes over month to month and year to year by employee, department, module, or account.



3.4.6.1 Key Personnel for Risk Assessment and Audit Plan Development (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.f. Risk Assessment and Audit Plan Development)

North Carolina Position	Name	Years Experience	Education
Service Category Lead	Dr. Mara Vejby	7	Doctor of Philosophy, Anthropology, University of Redding, England
Supervisor	Julian Metcalf, CIA, CFE	9	Master of Public Administration (MPA) New York University
Staff	Eric Spivak, CIA, CGAP, CRMA	29	Master of Public Administration, Arizona State University
Staff	Dr. Samuel Gallaher	6	PhD University of Denver, School of Public Affairs
Staff	Nathan Pickard, CIA	11	MBA Oklahoma Christian University

3.4.6.2 Performs Risk Assessment and Audit Plan Development Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.f. Risk Assessment and Audit Plan Development)

1. Generally Accepted Government Auditing Standards (GAGAS) issued by the United States General Comptroller

ThirdLine's analytics platform is designed to uphold the principles and standards set forth by the Government Auditing Standards (GAGAS). The platform's emphasis on evaluating internal controls, verifying the reliability of financial data, and ensuring compliance with laws and regulations aligns with GAGAS's requirements for ensuring the integrity, objectivity, and professionalism of audit processes. Additionally, ThirdLine's commitment to assessing risk, fraud, and waste support GAGAS's mandate for auditors to consider fraud in their assessments. The platform's ability to provide detailed and comprehensive audit coverage, including the examination of 100% of data samples, ensures thoroughness and accuracy, which are fundamental to GAGAS's principles of audit quality and reliability.

2. International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditor’s (IIA)

ThirdLine's services are aligned with the standards established by the Institute of Internal Auditors (IIA). The IIA emphasizes the importance of risk-based assessment, and ThirdLine's platform facilitates risk-based and random sampling, allowing auditors to focus on high-risk areas. The IIA standards advocate for clear communication of results, and ThirdLine's data visualization and reporting features ensure that audit findings are presented in a clear, concise, and actionable manner. Furthermore, the IIA underscores the significance of continuous improvement and professional proficiency. ThirdLine's white-glove consulting approach, coupled with its commitment to providing ongoing analytics support, ensures that audit departments remain updated, proficient, and in line with the IIA's principles of professionalism and competency.

3.4.7 Financial Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.g. Financial Audit)

Team ThirdLine is not proposing to conduct Financial Audits. However, ThirdLine software can be used to help other Vendors, Suppliers, or the State of North Carolina audit or monitor with analytics.

3.4.7.1 Key Personnel for Financial Audit (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.g. Financial Audit)

n/a

3.4.7.2 Performs Financial Audit Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.g. Financial Audit)

n/a

3.4.8 Accounting, & Financial Services (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.h. Accounting, & Financial Services)

n/a

3.4.8.1 Key Personnel for Accounting, & Financial Services (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.h. Accounting, & Financial Services)

n/a

3.4.8.2 Performs Accounting, & Financial Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.h. Accounting, & Financial Services)

n/a

3.4.9 Managerial Advisory Services (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.i. Managerial Advisory Services)

Team ThirdLine can deliver a variety of Managerial Advisory Services. Below is a summary of their key technical approaches.

Organizational Efficiencies

- Operational Review: Examination of current operational processes to identify bottlenecks, redundancies, and inefficiencies.
- Best Practices Benchmarking: Comparing organizational processes with industry standards and best practices.
- Recommendation and Implementation: Offering strategies to enhance efficiency, streamline operations, and monitor improvements.

Cost Reductions

- Cost Analysis: Detailed examination of organizational expenditures to identify potential areas for savings.
- Strategic Sourcing and Procurement: Recommending efficient procurement strategies and vendor negotiations.
- Operational Optimization: Proposing process improvements and technological solutions to drive cost-effectiveness.

Budget and Revenue Forecasting

- Historical Analysis: Reviewing past budgetary and revenue trends as a foundation for forecasting.
- Predictive Modeling: Utilizing advanced analytical tools to forecast future budgetary needs and potential revenue streams.
- Scenario Planning: Crafting multiple financial scenarios to prepare for uncertainties.

Research & Analysis of Unmet Demand for Public Services

- Stakeholder Surveys: Conducting surveys and interviews to understand public needs and expectations.
- Gap Analysis: Identifying discrepancies between current services and public demands.
- Strategic Planning: Proposing initiatives to bridge the service gap and meet public expectations.

Policy and Other Analysis

- Policy Review: Evaluating existing policies for relevance, effectiveness, and alignment with organizational objectives.
- Stakeholder Engagement: Facilitating sessions to garner feedback on policy implications and effectiveness.

- Recommendation and Implementation: Crafting enhanced or new policies based on in-depth analysis and stakeholder feedback.

3.4.9.1 Key Personnel for Managerial Advisory Services (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.i. Managerial Advisory Services)

North Carolina Position	Name	Years Experience	Education
Service Category Lead	Dr. Mara Vejby	13	Doctor of Philosophy, Anthropology, University of Redding, England
Supervisor	Julian Metcalf, CIA, CFE	16	Master of Public Administration (MPA) New York University
Staff	Eric Spivak, CIA, CGAP, CRMA	29	Master of Public Administration, Arizona State University
Staff	Dr. Samuel Gallaher	16	PhD University of Denver, School of Public Affairs
Staff	Nathan Pickard, CIA	18	MBA Oklahoma Christian University
Staff	David Osborn	8	BBA in Accounting, University of Oklahoma

3.4.9.2 Performs Managerial Advisory Services in Accordance to Professional Standards (RFP Sections 2.8.d., 5.5 Technical Approach, 5.2.i. Managerial Advisory Services)

1. Generally Accepted Government Auditing Standards (GAGAS) issued by the United States General Comptroller

Team ThirdLine's approach to managerial advisory services, encompassing organizational efficiencies, cost reductions, economic and revenue forecasting, research, and policy analysis, is firmly rooted in the principles outlined by the Generally Accepted Government Auditing Standards (GAGAS). Our meticulous examination of operational processes, detailed cost analysis, and predictive budgetary modeling ensure transparent, objective, and evidence-based advisory. Furthermore, our commitment to stakeholder engagement, especially when assessing unmet public service demands or

crafting policy recommendations, exemplifies GAGAS's emphasis on public accountability and stakeholder interests. Whether we're leveraging advanced analytical tools or conducting macro-economic analysis, our services consistently prioritize the public interest, transparency, and the rigorous standards set by GAGAS. Additionally, we maintain a steadfast commitment to identifying and mitigating any potential conflicts of interest, safeguarding the independence and integrity of any potentially overlapping auditing activities.

2. International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditor’s (IIA)

In alignment with the International Standards for the Professional Practice of Internal Auditing set forth by the Institute of Internal Auditors (IIA), Team ThirdLine’s approach to managerial advisory services champions the tenets of the International Professional Practices Framework (IPPF). Our in-depth policy reviews, strategic sourcing recommendations, and sector-specific economic insights resonate with IIA's emphasis on thoroughness, integrity, and stakeholder collaboration. Our methodologies, whether in forecasting, research, or policy analysis, are always evidence-based, reflecting the IIA's commitment to rigorous and objective advisory services. The continuous collaboration with organizational stakeholders, especially when discerning public needs or formulating policies, mirrors the IIA's advocacy for engagement and tailored solutions, ensuring that our advisory services are not only comprehensive but also organization-specific. Furthermore, we stringently ensure that there are no conflicts of interest, upholding the independence essential for any concurrent or subsequent auditing endeavors.

4.0 Cost Proposal (RFP Sections 2.8.e., 4.9 Cost Proposal)

Services Category	Staff Base Rate	Staff Upper Rate	Supervisor	Executive
Operational/Performance Audit	100	150	175	200
Investigative Audit	100	150	175	325
Compliance Audit	100	150	175	200
Information System Audit	n/a	n/a	n/a	n/a
Risk Assessment and Audit Plan Development	100	150	175	200
Financial Audit	n/a	n/a	n/a	n/a
Data Analytic Services	100	150	175	200
Managerial Advisory Services	100	150	175	200
Accounting Services	n/a	n/a	n/a	n/a

5.0 North Carolina License to Practice (RFP Sections 2.8.k.a., 4.6 Legal Right to Practice in North Carolina)

ThirdLine, Inc is registered in the State of Delaware and can legally practice in North Carolina. If required, we can register as a foreign corporation immediately upon request.

Please find our Delaware “Certificate of Incorporation” below.

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:36 AM 09/08/2021
FILED 10:36 AM 09/08/2021
SR 20213186701 - File Number 6221322

CERTIFICATE OF INCORPORATION
OF
ThirdLine, Inc.

FIRST: The name of the corporation is: ThirdLine, Inc. (the "Corporation").

SECOND: The Corporation's registered office in the State of Delaware is located at 16192 Coastal Highway, Lewes, Delaware 19958, County of Sussex. The registered agent in charge thereof is Harvard Business Services, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

FOURTH: The Corporation is authorized to issue a total number of shares of 10,000,000 shares having a par value of $0.0000100 per share. All shares shall be common shares and of one class.

FIFTH: The business and affairs of the Corporation shall be managed by or under the direction of the board of directors (the "Board"), and the directors comprising the Board (the "Directors") need not be elected by written ballot. The number of Directors on the Board shall be set by a resolution of the Board.

SIXTH: The Corporation shall exist perpetually unless otherwise decided by a majority of the Board.

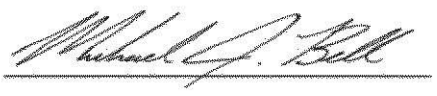
SEVENTH: In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is authorized to amend or repeal the bylaws.

EIGHTH: The Corporation reserves the right to amend or repeal any provision in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware.

NINTH: The incorporator is Harvard Business Services, Inc., the mailing address of which is 16192 Coastal Highway, Lewes, Delaware 19958.

TENTH: To the fullest extent permitted by the DGCL, a Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director. No amendment to, modification of, or repeal of this item Tenth shall apply to or have any effect on the liability of a Director for or with respect to any acts or omissions of such Director occurring prior to such amendment. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then this Certificate should be read to eliminate or limit the liability of a Director of the Corporation to the fullest extent permitted by the DGCL, as so amended.

I, the undersigned, for the purpose of forming a corporation under the laws of the State of Delaware do make and file this certificate, and do certify that the facts herein stated are true; and have accordingly signed below, this September 08, 2021.

Signed and Attested to by: 

Harvard Business Services, Inc., Incorporator
By: Michael J. Bell, President

6.0 External Review/Regulatory Action (RFP Sections 2.8.k.b., 4.7 External Reviews and Regulatory Action)

6.1 Team ThirdLine's Formal Internal Quality Control Program/Process (RFP Sections 2.8.k.b., 4.7.b.)

To ensure the highest standards of quality and integrity, our team has instituted a comprehensive Quality Control and Assurance Program for its audit, advisory, and analysis services. This program is grounded in the principles of the GAGAS and IIA standards, and it encompasses several key components:

1. Engagement Planning: Prior to the commencement of any audit or service, a meticulous planning phase is undertaken. This involves a thorough understanding of the client's requirements, identifying potential risks, and setting clear objectives for the engagement. It ensures that all team members are aligned and that the scope and objectives of the audit are clearly defined.

2. Continuous Monitoring: Throughout the engagement, continuous monitoring mechanisms are in place. These mechanisms track the progress of the project, ensuring that it aligns with the initial objectives and that any deviations are promptly addressed.

3. Documentation Standards: Every step of the process, from planning to execution and reporting, is meticulously documented. This ensures transparency and provides a clear trail of all actions taken, decisions made, and evidence gathered.

4. Training and Professional Development: Recognizing the importance of staying updated with the latest in auditing standards and practices, all staff members undergo regular training and professional development sessions. This ensures that our team is always equipped with the latest knowledge and best practices in the field. For audit engagements, all team members meet or exceed minimum continuing professional education requirements.

5. External Peer Reviews: As an added layer of quality assurance, GPP Analytics' work is subjected to peer reviews by an external organization. This independent review provides an unbiased assessment of our audit processes, methodologies, and outcomes. It serves as a validation of our commitment to quality and offers insights for continuous improvement.

6. Conflict of Interest Checks: Before the initiation of any engagement, a rigorous conflict of interest check is conducted. This ensures that there are no relationships or circumstances that could compromise the objectivity or independence of the audit team. Team members with a potential conflict of interest or potentially overlapping advisory work are excluded from any subsequent audit related to the auditee for appropriate periods.

7. Feedback Mechanisms: Post engagement, feedback is actively sought from clients. This feedback is invaluable in refining our processes and ensuring that we consistently meet and exceed client expectations.

8. Regular Internal Reviews: In addition to external peer reviews, regular internal reviews are conducted. These reviews assess the adherence to standards, the effectiveness of the audit methodologies employed, and the overall quality of the audit outcomes.

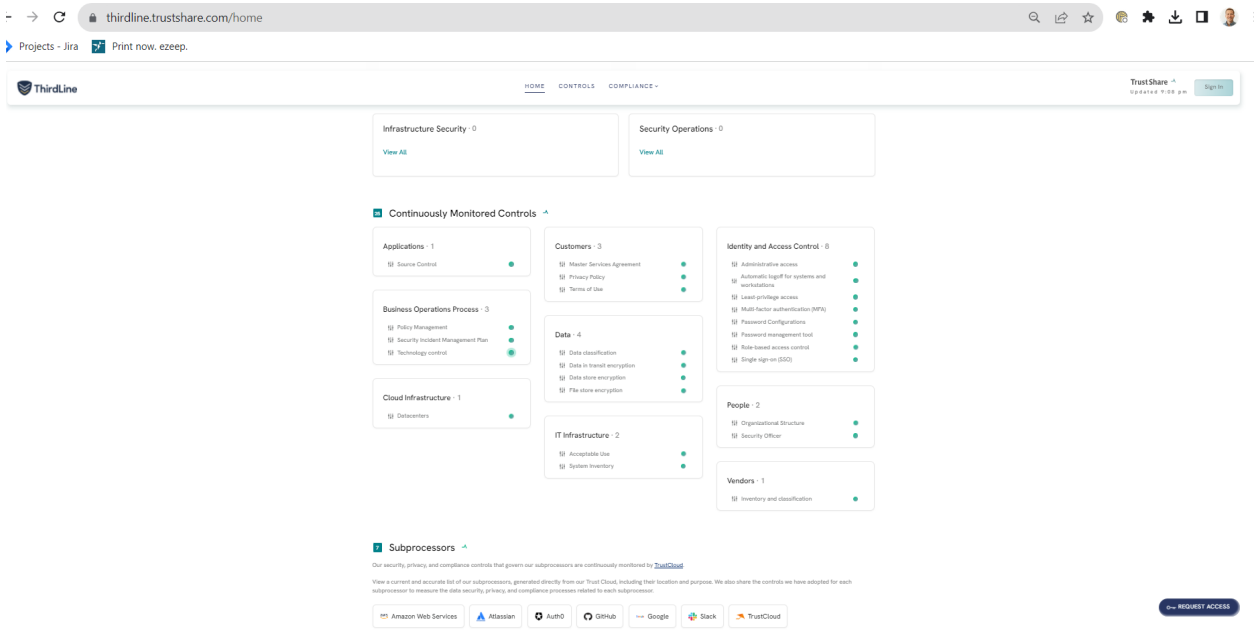
9. Post-Mortem Evaluations: After the conclusion of each engagement, a post-mortem evaluation is conducted. This is a critical reflection session where the entire team involved in the audit or service gathers to discuss the successes, challenges, and lessons learned from the engagement.

10. Cross-Firm Perspective: The collaboration between ThirdLine, GPP Analytics, and Workman Forensics is a unique advantage. Each firm brings distinct expertise, offering a multifaceted review and a broader perspective. This collective approach enhances precision, provides richer insights, and ensures comprehensive solutions. The cross-firm review process serves as an added quality assurance layer, with each firm's work benefiting from the combined expertise.

By integrating these quality control and assurance processes, our team ensures that every engagement is executed with the highest standards of professionalism, objectivity, and excellence.

ThirdLine software Cybersecurity and Data Security practices

ThirdLine uses Trustcloud.ai for our security documentation and monitoring. Our prospective customers can view our Trust Cloud Trust Share to see how we are meeting security requirements including documented Disaster Recovery and Business Continuity Policy Implementation and testing. ThirdLine maintains Cybersecurity Insurance for all customers. An example of our continuously monitored controls on Trust Share is below:



At the current time we are on the path toward SOC 2 Certification and expect to be SOC 2 certified in the next 6 months. If required we can expedite the SOC 2 process to be completed within three months. The major systems we use, AWS, Heroku, and Auth0, are all SOC 2 certified among many other certifications.

Data Process

ThirdLine will work with the Information Technology department of any State Organization to automate an agreed regular export of data:

1. We provide SQL scripts and assist the IT department in automating a job that can export the required data on a continuous basis. Most of the data we require is similar to open records request data. We have the ability to hash any sensitive fields. Furthermore, we can eliminate the transfer of certain data fields if the organization desires and provide fewer analytic results.
2. We transmit the data via SFTP (encrypted during transfer) to our secure Amazon Web Services Cloud.
3. ETL and analytics processes are completed within Amazon Web Services where it is encrypted at rest and in transit.
4. All analytics and software code is thoroughly tested and reviewed by multiple team members.
5. The ThirdLine app imports summarized analytics data.
6. The app web traffic is encrypted and requires multi-factor authentication.
7. ThirdLine will work with the State of North Carolina to meet any other necessary security requirements.

Security

ThirdLine uses AWS S3 private buckets to store all data received from clients. When processing customer data through our analytics platform, we work in AWS where your data never leaves the AWS environment. At ThirdLine, we use multifactor authentication to access all our tools.

ThirdLine Users

Authentication and identity management within the ThirdLine analytics platform is handled through an identity provider platform. This allows us to provide simple secure authentication. All users are required to set up multi-factor authentication.

6.2 Team ThirdLine Regulatory Sanctions Statement (RFP Sections 2.8.k.b., 4.7.c.)

No regulatory sanctions have been levied against and organization on Team ThirdLine or any of its partners, officers, directors, employees, or agents by any state or federal regulatory agencies within the last three (3) years.

6.3 Team ThirdLine Regulatory Investigations Statement (RFP Sections 2.8.k.b., 4.7.d.)

No regulatory investigations are pending against any organization on Team ThirdLine or any of their officers, directors, employees, and agents by state or federal regulatory agencies.

6.4 Team ThirdLine Outstanding Liabilities (RFP Sections 2.8.k.b., 4.7.e.)

No Organization on Team ThirdLine has outstanding liabilities to the Internal Revenue Service, other government entities or unpaid final judgments for which it remains liable.

Attachments

ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION (RFP Sections 2.8.f.)

ATTACHMENT E: CUSTOMER REFERENCE FORM (RFP Sections 2.8.g.)

ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR (RFP Sections 2.8.h.)

ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION. (RFP Sections 2.8.i.)

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL (RFP Sections 2.8.j.)

ATTACHMENT D: HUB Supplemental Vendor Information

Solicitation #: DPC-646236801-MT

Vendor Name: ThirdLine, Inc.

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
GPP Analytics, Inc		https://gppanalytics.com/	Julian Metcalf	metcalf@gppanalytics.com	(805) 242-2071	No	45%
Workman Forensics, LLC	822 E 6th St, Tulsa, OK 74120	https://www.workmanforensics.com/	Leah Wietholter	leah@workmanforensics.com	918-574-6616	NO	10%

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: ThirdLine, Inc.

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

Name of Customer Organization:	City of Tulsa, Oklahoma
Customer Reference Name:	Cathy Carter, Elected City Auditor
Customer Reference Address:	175 East 2nd Street, Suite 1405 Tulsa, OK 74103
Customer Reference Email:	auditor@cityoftulsa.org
Start Date:	January 1, 2018
End Date:	Ongoing
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	City of Tulsa required an auditing and analytic solution t hat helped audit and monitor their entire ERP (accounting, finance, and payroll systems). ThirdLine reviewed the systems, setup more than 400 analytics across 10 ERP modules and assisted with visualization and reporting.

Name of Customer Organization:	Sarpy County, NE Outsourced Internal Audit Work
Customer Reference Name:	Jack Reagan, Lead Partner - Governments, UHY Accounting Firm
Customer Reference Address:	8601 Robert Fulton Dr #210, Columbia, MD 21046
Customer Reference Email:	JReagan@uhy-us.com
Start Date:	March 31, 2023
End Date:	August 31, 2023
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	The County required an Information Systems audit of Roles and Permissions settings on the ERP system. ThirdLine provided analysis of Roles & Permission setting in the ERP system including segregation of duty issues, terminated employee access, and analysis of NIST Least Privilege access

Name of Customer Organization:	County of Santa Clara, Public Defender Office
Customer Reference Name:	Molly O'Neal, Chief Public Defender
Customer Reference Address:	120 West Mission Street, San Jose, CA 95110
Customer Reference Email:	molly.oneal@pdo.sccgov.org
Start Date:	June 2020
End Date:	January 2022
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Management Audit of Santa Clara County's Public D efender Office. Assessed the efficiency, effectiveness, and compliance of the office's operations in accordance with the IIA and Yellow Book standards. Provided i nsights and recommendations to enhance the performance and adherence to best practices.

ATTACHMENT E: CUSTOMER REFERENCE TEMPLATE

Name of Customer Organization:	President Norman Yee's Office, San Francisco Board of Supervisors, for the Budget and Legislative Analyst Office
Customer Reference Name:	Erica Maybaum, Former Chief of Staff
Customer Reference Address:	1 Dr. Carlton B. Goodlett Place, City Hall, Room 244, San Francisco, CA 94102
Customer Reference Email:	erica.maybaum@sfgov.org
Start Date:	August 2019
End Date:	August 2020
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	San Francisco's Vehicle Fleet Telematics System included an analysis of compliance with laws and policy, barriers to system adoption, cost and saving estimates, and recommendations to improve overall compliance, efficiency, and safety.

Name of Customer Organization:	State of Oklahoma, Office of Auditor and Inspector
Customer Reference Name:	Cindy Byrd, CPA, State of Oklahoma Elected Auditor
Customer Reference Address:	2300 N. Lincoln Boulevard Suite 123, Oklahoma City, OK 73105
Customer Reference Email:	405-521-3496
Start Date:	2013
End Date:	2013
Explanation of contract, service agreement, or type of products and quantity provided to the organization:	Investigative Audit Services. Type text here

ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR

Solicitation #: DPC-646236801-MT

Vendor Name: ThirdLine, Inc.

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?

Oklahoma, California, Idaho, Oregon

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: ThirdLine, Inc.

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

☒ 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.)

☒ The Vendor has no outstanding liabilities, including tax and judgment liens, to the Internal Revenue Service or any other government entity.

☒ The Vendor is current in all amounts due for payments of federal and state taxes and required employment-related contributions and withholdings.

☒ The Vendor is not the subject of any current litigation or findings of noncompliance under federal or state law.

☒ The Vendor has not been the subject of any past or current litigation, findings in any past litigation, or findings of noncompliance under federal or state law that may impact in any way its ability to fulfill the requirements of this Contract.

☒ He or she is authorized to make the foregoing statements on behalf of the Vendor.

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

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

ThirdLine, Inc, as a small business, has no requirement to have an Audit.

David Osborn Digitally signed by David Osborn Date: 2023.09.05 20:47:52 -05'00' — 9/6/2023

Signature — Date

David Osborn — CEO

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, ThirdLine, 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.

David Osborn Digitally signed by David Osborn
Date: 2023.09.05 22:37:50 -05'00'

Signature of Vendor's Authorized Official

David Osborn, CEO

Name and Title of Vendor's Authorized Official

09/05/2023

Date

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB
0348-0046

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

1. Type of Federal Action:	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)

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.

Proposal Number DPC-646236801-MT

ATTACHMENT A: PRICING FORM

COST SCHEDULE

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

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

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

					OTHER PROFESSIONAL STAFF *Vendors may enter provide rates for additional staff categories, if applicable.*		
Services Category	**Staff Base Rate**	**Staff Upper Rate**	**Supervisor**	**Executive**			
Operational/Performance Audit	100	**150**	175	200			
Investigative Audit	100	150	175	325			
Compliance Audit	100	150	175	200			
Information System Audit	n/a	n/a	n/a	n/a			
Risk Assessment and Audit Plan	100	150	175	200			
Development	100	150	175	200			
Financial Audit	n/a	n/a	n/a	n/a			
Data Analytic Services	100	150	175	200			
Managerial Advisory Services	100	150	175	200			
Accounting Services	n/a	n/a	n/a	n/a			

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)**:**

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

Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
1	2.8 Proposal Contents	Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's proposal, in the State's sole discretion. Vendor shall include the following items and attachments in the Sourcing Tool: d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.4, 5.5, 6.1 e) Completed version of ATTACHMENT A: COST PROPOSAL f) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION g) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM h) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR i) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL	Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's proposal, in the State's sole discretion. Vendor shall include the following items and attachments in the Sourcing Tool: d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 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.

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

Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. “Professional manner” means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. Names of any third-party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor’s obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).</td><td></td></tr>
<tr><td>3</td><td>Section 5.3 Vendor Responsibilities</td><td>Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least one (1) qualified vendors in the requested category.</td><td>Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least two (2) qualified vendors in the requested category.</td></tr>
<tr><td>4</td><td colspan="3">Section 3.4 Evaluation Criteria - Original RFP Evaluation Criteria
<table>
<tr><th>Evaluation Criteria</th><th>RFP Section</th><th>Points</th></tr>
<tr><td>Vendor’s Relevant Background and Experience</td><td>4.4, 4.5</td><td>300</td></tr>
<tr><td>Financial Statements</td><td>4.8</td><td>200</td></tr>
<tr><td>Personnel</td><td>4.11</td><td>350</td></tr>
<tr><td>Cost Proposal</td><td>4.9, Attachment A</td><td>150</td></tr>
<tr><td>TOTAL</td><td>700 required for the award</td><td>1000</td></tr>
<tr><td>NC License to Practice</td><td>4.6</td><td>Pass/Fail</td></tr>
<tr><td>External Review/Regulatory Action</td><td>4.7</td><td>Pass/Fail</td></tr>
</table>
Modified RFP Evaluation Criteria
<table>
<tr><th>Evaluation Criteria</th><th>RFP Section</th><th>Points</th></tr>
<tr><td>Vendor’s Relevant Background and Experience</td><td>4.4, 4.5</td><td>275</td></tr>
<tr><td>Financial Statements</td><td>4.8</td><td>150</td></tr>
<tr><td>Project Staffing</td><td>5.4</td><td>250</td></tr>
<tr><td>Technical Approach</td><td>5.5</td><td>200</td></tr>
<tr><td>Cost Proposal</td><td>4.9, Attachment A</td><td>125</td></tr>
<tr><td>TOTAL</td><td>700 required for award</td><td>1000</td></tr>
<tr><td>NC License to Practice</td><td>4.6</td><td>Pass/Fail</td></tr>
<tr><td>External Review/Regulatory Action</td><td>4.7</td><td>Pass/Fail</td></tr>
</table></td></tr>
<tr><td>5</td><td>Attachment A: Cost Proposal</td><td>See Current Attachment A</td><td>See Updated Attachment A – to provide for optional additional labor categories.</td></tr>
</table>

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.

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

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

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

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

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

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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.

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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.

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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.

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

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

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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.

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

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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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME

David Osborn
Authorized Signature

9/6/2023
Date

David Osborn
Printed Name

CEO
Title

REQUEST FOR CLARIFICATION

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

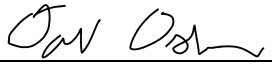
I. INSTRUCTIONS

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

II. ITEMS REQUIRING CLARIFICATION

Clarification #	Response Section/Item	Clarification	Vendor Explanation
1	Proposal	Will NC data be stored in the vendor's proprietary software? ☒ YES ☐ NO	We provide an interactive web interface for clients to explore, sample, audit, and monitor analytic results. We provide unique logins for each user in order to ensure an individual can only access the appropriate information. If the client prefers, we can provide raw data exports of the analytic results in lieu or in addition to loading the data into the web interface. Additionally, a user can export data and analytic results out of the software application.
2	Proposal	Will any NC data be provided to subcontractors, e.g. GPP Analytics and Workman Forensics? ☐ YES ☒ NO	This is completely up to the State of North Carolina. ThirdLine can give the subcontractors access to help with specific Audits and Investigations if the State of North Carolina desires, but it is not required.

III. VENDOR'S AUTHORIZED SIGNATURE

Vendor Name:	ThirdLine, Inc.
Authorized Signature:	
Name & Title:	David Osborn, CEO
Date:	9/28/2023