



Technical Proposal of Service for the Fitchburg State University

*Financial Auditing Services FY22 IFP#7
For the fiscal years ending June 30, 2022 through 2025*

Original

Submitted by:

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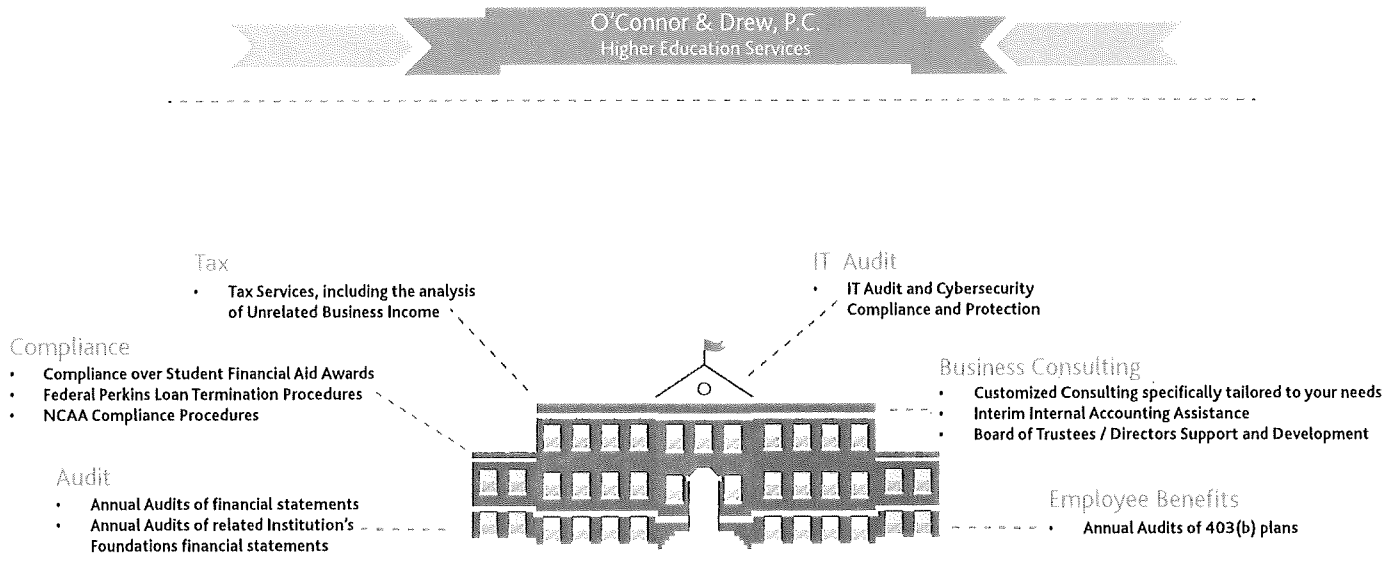
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Executive Summary

Our higher education practice is one of the Firm's major niches and is comprised of a large group of highly trained accounting professionals who service more than 50 public and private institutions and related entities and associations. Our team is well versed in the numerous complexities of the industry, offering detailed accounting advice catered to the institutions' unique needs and financial objectives. Each of the individuals assigned to Fitchburg State University engagement will have significant experience within the higher education industry.

We are aware that although institutions have numerous similarities, each one has its own unique short-term and long-term objectives. At O'Connor & Drew, P.C., we cater directly to these needs and objectives and partner with each institution to help to meet their financial goals, protect their interests, and provide strategic advice along the way. Our higher education practice is proud to offer a comprehensive service portfolio to our clients. The portfolio framework consists of the following service categories: Audit, Compliance, Tax, IT Audit, Business Consulting, and Employee Benefits.



Memberships



AICPA

M.S.C.P.A.
Massachusetts Society of CPAs



AGA



National Association of College and University Business Officers



NEW ENGLAND ASSOCIATION
OF SCHOOLS AND COLLEGES

AICUM

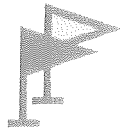
Association of Independent
Colleges & Universities in Massachusetts



O'Connor
& Drew P.C.
Certified Public Accountants

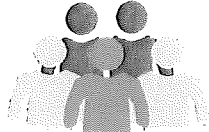
Firm Overview

Established in 1949, O'Connor & Drew, P.C. is one of the most well-respected regional accounting Firms in New England. A full-service Firm that thrives on close business and individual client relationships, O'Connor & Drew, P.C. is truly committed to providing clients with proactive and responsive financial advice based on their individual needs and overall business goals. We have two office locations that are located in Braintree and Winchester in Massachusetts. Our corporate office in Braintree would be the primary office that would be servicing Fitchburg State University. The firm is financially strong and we are willing to respond to any questions regarding its financial strength and stability.



1949

Year Founded



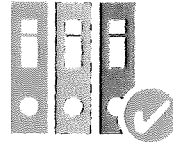
130

Dedicated Staff



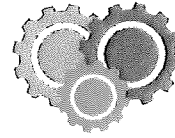
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Principals



15+

Services Available



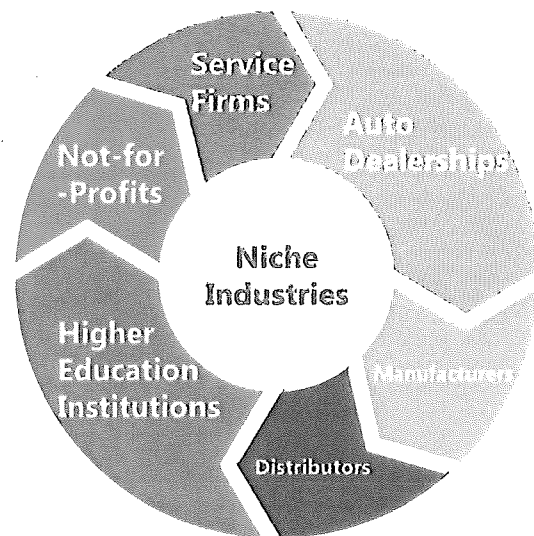
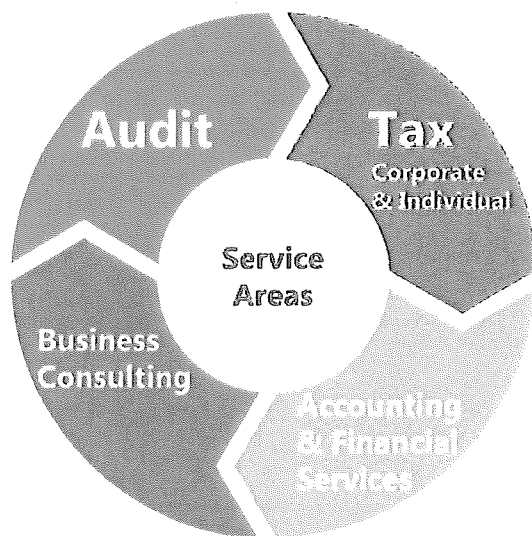
11+

Industries Served



100%

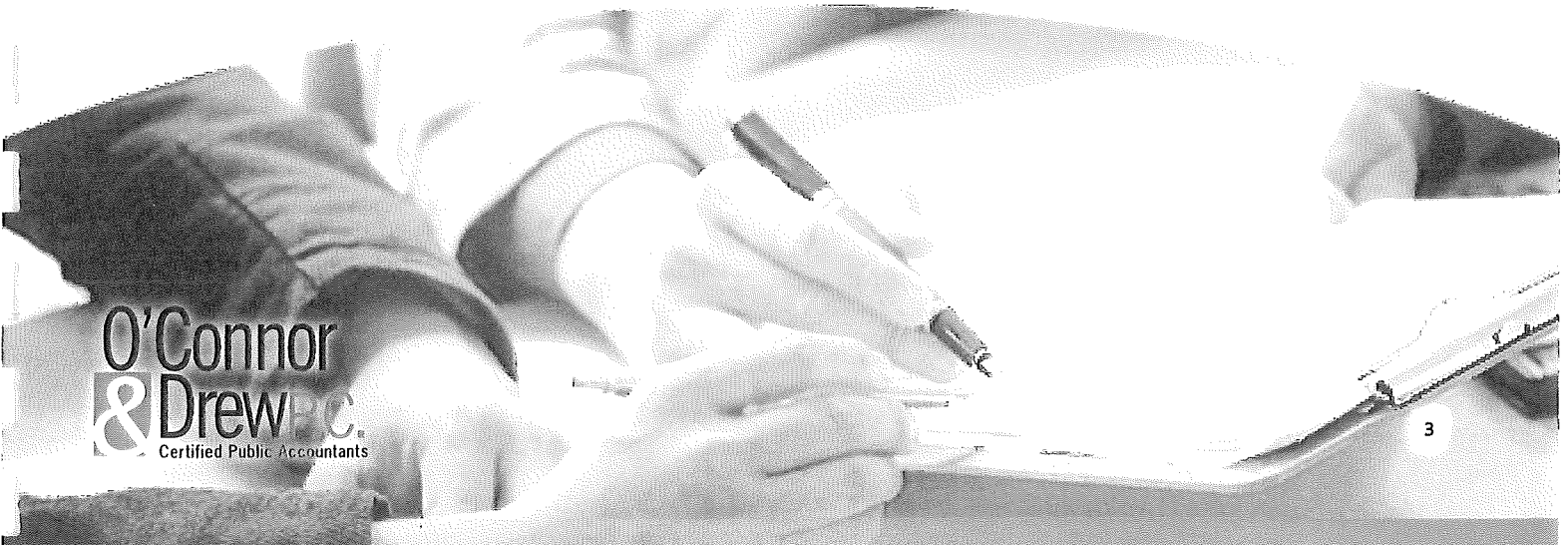
Focused on Quality
and Exceptional
Client Service



Required Information/Representations

The following addresses the requirements cited under the General Requirements Section 2.1 "Required Information" of the Request for Proposal.

- O'Connor and Drew, P.C. is licensed for public practice as a Certified Public Accounting Firm. We have attached a copy of the Firm's License within the Appendix of this proposal.
- We confirm that the firm will conduct the audit in accordance with Government Auditing Standards.
- O'Connor and Drew, P.C. has a peer review every third year. We have attached a copy of our most recent peer review report within the appendix of our proposal. Please note that we did not have a letter of comment and that the reviewing firm selected a number of higher education audit engagements as part of their sample to review.
- We have extensive experience and knowledge of Massachusetts State Finance Laws as well as Commonwealth of Massachusetts Audit Rules and Regulations due to the volume of work we perform within the Commonwealth. We currently audit 22 of the 24 State Universities and Community Colleges within the System. We have also established a great long-term working relationship with the state comptroller's office as a result of experience with the public higher education system.
- We have disclosed a listing of the firm's higher educational clients along with related entities within "Client Listing" section of this proposal.
- We have contracted with two new higher educational clients during the past two years (Fisher College and Framingham State University).
- Over the past seven years, several institutions have left the firm (Salem State University, Mass Bay Community College) via a competitive bid process but have since rejoined the firm as clients once again.
- Please refer to the Appendix for resumes of all senior individuals who will be assigned to the engagements.
- We have completed the section referred to as "Statement of Qualifications". (Appendix A)
- We have included, under a separate cover, a pricing proposal along with respective billing hourly rates for additional work that may be requested by the individual institutions (Appendix C).
- Billing hourly rates are included in the pricing proposal (Appendix C)



Diversity & Inclusion

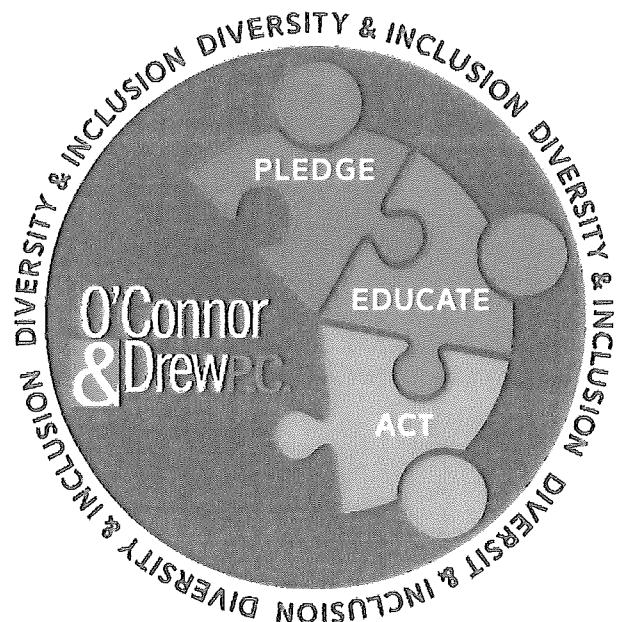
Focus and Commitment

O'Connor & Drew, P.C. prides itself on its rich history of providing our growing clientele with exceptional service. This is a direct result of the fact that our employees believe in what our Firm stands for and truly want to not only meet client expectations but to exceed them. Although as a Firm we have numerous similarities, we know that our differences are equally important. We are proud to promote a workplace culture that celebrates our uniqueness as individuals and views our employees as our greatest asset; rewarding them for their high-quality work.

Our Firm is dedicated to facilitating a strong team culture. Staff members at all levels have close interaction with coworkers, partners, and clients alike. O'Connor & Drew's leadership team understands that communication is key — both with the entire engagement team as well as with the clients that we serve. When the lines of communication are open, employees at every level can feel confident in sharing in each other's successes as well as using their voices if any issues arise that need to be worked through.

Pledge, Educate, Act

- **CEO Action Pledge**
Change comes from the top! OCD CEO, Mark Dow, signed the CEO Action Pledge for Diversity & Inclusion in February 2020. The pledge is the largest CEO driven business commitment to advance diversity and inclusion in the workplace.
- **Diversity and Inclusion and Unconscious Bias Training**
Key Management is engaged in in-depth and continuous training in the area of Diversity and Inclusion. Providing this type of ongoing training to senior-level staff solidifies our commitment to equality and empowerment at all levels of the firm. Unconscious bias training is offered firm-wide.
- **Recruitment**
OCD is executing strategies to attract candidates from diverse backgrounds. Currently, OCD has strong female representation with women making up over 40% of the firm overall; many of whom are in key roles.
- **Participation**
Participation in the AICPA Diverse Student Internship Program



Partnership

Partners and staff members are actively involved in national and local professional organizations specific to their areas of industry expertise and service lines including:

- American Institute of Certified Public Accountants
- Massachusetts Society of Certified Public Accountants
- Association of Independent Colleges & Universities in Massachusetts
- National Association of College and University Business Officers
- Eastern Association of College and University Business Officers
- New England Commission of Higher Education
- South Shore Chamber of Commerce



Services Summary

Accounting & Audit Services

Our accounting and auditing staff consist of well trained professionals with significant experience auditing institutions of higher education. The Firm has been very fortunate to experience low turnover within the department which contributes to staff continuity on the engagements and increased efficiencies. Each engagement is supervised by an audit principal and audit manager and each is well versed within the specific industry assigned. The staff works in unison with our quality control department to ensure that we adhere to our professional standards. Some of the typical services provided by the accounting and audit department include the following:

- Audits of Financial Statements;
- Performance and reporting on Single Audit engagements;
- Massachusetts Office of Student Financial Aid Examinations;
- Agreed upon procedure engagements;
- Review and compilation engagements;
- Perkins Loan Termination engagements;
- Financial projections;
- NCAA Reporting.

Tax Services

Since our inception, the Firm has emphasized the importance of timely tax planning, as well as assisting clients with the critical task of tax compliance. The Firm maintains a dedicated tax department. The professionals in this department maintain a wide breadth of expertise on both technical and industry-specific tax issues. The department has members with Master's Degrees in Taxation, Certified Valuation Credentials and Law Degrees. The staff who are engaged in the field generally prepare the corporate tax returns. This provides continuity and efficiency on this important task. Our tax department then performs a quality control review on the return, which consists of the following:

- Resolution of technical matters
- Review for proper classification on the return
- Review of industry specific issues
- Review for proper tax elections
- Review of pertinent disclosures
- Review of possible tax credits and other tax deductions

If your Institution becomes the subject of a governmental audit, we will function as your representative. We have successfully defended various Internal Revenue Service challenges. We also have represented organizations in state income, sales, and use tax examinations.

Our Firm was at the forefront defending a number of our institutional clients that were subject to the initial 1098-T penalties assessments prior to the IRS granting relief to the higher educational industry. Our tax professionals spend significant time reviewing and researching changes in tax policy and revisions to federal and state tax laws throughout the year. Our tax department routinely addresses questions from our higher education portfolio and responds immediately to all inquiries. We have several dedicated individuals within our tax department that are available to address any industry specific questions related to higher education.

Services Summary

Employee Benefit Plans – We currently audit approximately sixty employee benefit plans, including both defined contribution and defined benefit plans. These audits range from plans with 100 to 7,000 participants and assets up to \$735,000,000. Included in these employee benefits plans are eleven 403(b) plan audits, including six higher education institutions. Our largest 403(b) plan has approximately 1,100 participants and assets of approximately \$180,000,000. The Department of Labor (DOL) during 2019 selected one of our audit engagements as part of their plan to ensure audit quality and had no findings.

IT Audit & Cybersecurity Services – In addition to the testing of IT controls during the course of the regular audit engagement, O'Connor and Drew, P.C. also has an IT Audit & Security Department that has the capability to perform the following services:

General IT Controls Review – Technology is key to supporting an entity's business processes. O'Connor and Drew, P.C. can review the policies, procedures, and activities that contribute to an institution's controls. These can include infrastructure configuration, change and patch management, virus and malware coverage, and user account security.

Service Provider Assurance – Institutions depend on internal and external IT service providers to keep systems running. O'Connor & Drew, P.C. can provide an independent review and provide an assessment of internal and external relationships such as measuring risk associated with Wi-Fi security, data security, backup restoration, and whether the institution is receiving the services it is paying for.

Threat and Vulnerability Assessments – Threats come from multiple sources: the insider employee and the outsider agents via the Internet. All software and hardware have inherent vulnerabilities. O'Connor & Drew, P.C. can test your security posture and provide you with the details needed to make appropriate decisions to mitigate risk and decrease exposure to these threats.

Penetration Testing - Not to be confused with regular vulnerability testing, penetration testing is the active testing to validate IT infrastructure and applications are working as designed. Penetration testers will try to exploit vulnerabilities in operating systems, databases, networks, and applications to find problems and exploit those problems. O'Connor & Drew, P.C. penetration testers have experience in performing penetration testing which includes not only the IT, but physical protections as well. Have you considered what happens when someone leaves the back door ajar (even just for a minute), or a well-intentioned receptionist who provides just a little bit too much information to an unknown caller? O'Connor & Drew, P.C. will review these areas as well.

Staff Co-Sourcing – When you have a staffing shortage or require specialized skills, on-boarding new staff or retaining infrequently used skills may not be efficient or cost effective. Co-sourcing your IT Audit staff stabilizes your employee overhead costs and allows you to focus on the more important task of translating observations into business risk. O'Connor & Drew, P.C. can perform the hands-on testing of controls with our staff certified in a wide range of technologies.

Quality Control

The Firm is dedicated to quality control. The accounting and auditing work, professional procedures, staff qualifications and continuing education requirements have been examined under the Peer Review program of the American Institute of Certified Public Accountants (AICPA). O'Connor & Drew was one of the first Firms to participate in this program, beginning in 1978. With fourteen successfully completed reviews, the Firm is one of only a few to achieve this standing nationally. Our most recent peer review is included in the appendix. Our peer review did not produce a letter of comments. Please note that the peer review team selected a number of governmental and not-for-profit entities which had a Single Audit component as part of the engagement. We recently underwent our fifteenth peer review and are awaiting the acceptance letter from the Massachusetts Board of Public Accountancy.

The Firm is also a member of the Government Audit Quality Center (GAQC) and the Employee Benefit Plan Audit Quality Center (EBPAQC). The Firm is also a member of the AICPA's G400 Group which identifies the largest 500 CPA Firms across the United States.

Firm members regularly attend accounting and auditing educational seminars to stay abreast of all relevant pronouncements regarding accounting standards and their relevant application. Principals and staff regularly attend the AICPA not-for-profit and government annual conferences, student financial aid training programs, and the employee benefit plan annual conference.

The Firm has experienced professionals in its Quality Control Department. The department performs an annual inspection of a broad range of industries for audit, review, and compilation engagements. The department always selects a number of higher educational institutions and Single Audit engagements as part of their respective sample. Each fall the department conducts a Firm-wide annual auditing and accounting conference to convey the results of the inspection process and to offer suggestions/recommendations for improvements for subsequent engagements.

Every financial statement issued by the Firm is required to be reviewed by our Quality Control Department prior to it being released in draft form. The Quality Control Department reviews the financial statements to ensure that the Firm has adhered to our professional standards. They also are a resource to our staff as well as our clients in assisting with complex accounting transactions and issues.



Quality Control

Seminars, Presentations & Other Resources

The Firm presents a number of seminars during the year and our clients are always welcome to attend. Generally, we present on a number of topics which range from general accounting and auditing practices/procedures and implementation of new accounting pronouncements to current income tax updates. We also conduct student financial aid seminars and various yellow book workshops as well as an ethics seminar for staff and clients.

O'Connor and Drew, P.C. also presents timely topics on a frequent basis to a number of our institutional clients. We present at least twice a year to the State University and Community College System in Massachusetts on an array of topics. Presentation topics in the past have included Clery Act compliance, a summarization of frequent Single Audit findings, implementation guidance on new accounting pronouncements, IT Risk alerts, and 1098-T compliance. We also calculate various benchmark ratio analyses for our client base individually as well as a comparison among institutions.

Due to the significance of the Firm's higher education practice, all of our staff are trained in performing Single Audits, with a specialization towards student financial aid programs and federal grant compliance. We send two to three staff annually to a three-day student financial aid conference to ensure that we are up to date with the relevant compliance standards. Subsequent to the staff attending this seminar, an additional seminar is presented by these individuals to the entire Firm. We believe that everyone involved in the audits of our institutional clients should be well versed with the Single Audit standards as we utilize the same team for the financial statement and Single Audit components of the audit engagement.

Emerging Issues

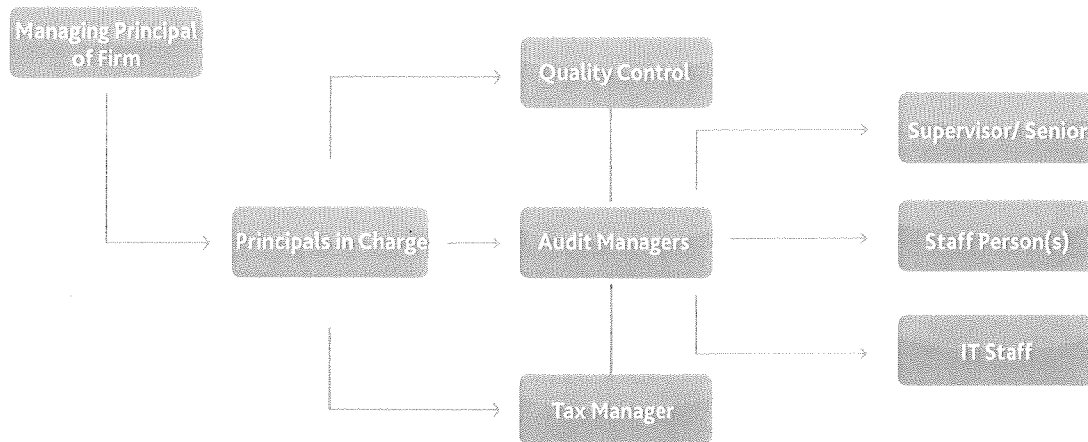
We believe that we are a proactive Firm communicating any new and/or evolving accounting and tax issues. Footnote disclosures generally discuss new accounting pronouncements that will be considered in future reporting periods. These new pronouncements are also included within our presentation of our required communications to the Board of Trustees. We anticipate assisting our clients in the near future in the implementation of GASB 87 related to leases.

Quality Control

Protection of Personal and/or Financial Information

O'Connor and Drew, P.C. (OCD) uses the Microsoft Office 365 suite of products and Citrix ShareFile to secure client information transferred via the internet or email. File transfers between our clients and the Firm are transmitted via Citrix ShareFile. All communication transmissions to Citrix ShareFile across the internet are encrypted by SSL/TLS connections. These are the same encryption protocols and algorithms used by e-commerce services and online banking institutions. Emails sent from OCD to clients are scanned for viruses, malware, and personally sensitive information. Through Office 365 Message Encryption (OME) and/or Citrix ShareFile, emails are encrypted in transit to people outside of our organization, regardless of the destination email address (e.g. Gmail, Outlook, Client Company). To view these encrypted emails, recipients can either get a one-time passcode or sign in with either a Citrix ShareFile account or an Office 365 account. The email messages are also encrypted using SSL/TLS connections and SSL connections when viewed via a web browser. Here, users are required to acknowledge a phone call, text message, or app notification on their smart phones after correctly entering their passwords before viewing. They can sign in only after this second authentication factor has been satisfied.

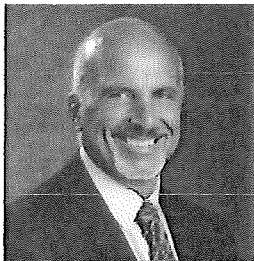
Organization Chart - Audit of The Massachusetts State and Community Colleges



Staffing

We will assign several principals and managers to supervise the various engagements. They will ensure the timely completion of all services that are provided for you. At any time during the year, you can feel at liberty to contact any assigned staff member. By committing several senior personnel to your engagement, we believe that you will receive our highest level of service and we will be a significant resource for accounting, tax, and operational matters. Along with the individuals used for fieldwork, a tax individual will also be assigned to your engagement. This individual will review all aspects of the case surrounding taxes to ensure compliance with the law as well as the most advantageous tax strategies are utilized when necessary.

Engagement Team



David A. DiIulis

CPA, MBA, CGFM

PRINCIPAL

David directs O'Connor & Drew's government, educational, and non-profit services area and has a wealth of experience in the financial audits of governments and institutions of higher education. David is a certified government financial manager (CGFM) and he received the Governmental Accounting and Auditing Certificate of Educational achievement for performing Single Audits. David oversees the higher education practice within the Firm which includes over 40 institutions throughout New England.

Engagement Team

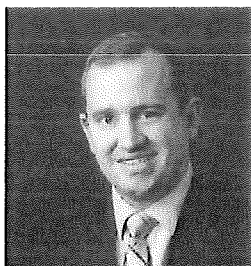


Zachary LaFlash

CPA

PRINCIPAL

Zach joined the firm in 2007 and was promoted to Manager in 2017 and most recently to Principal in 2022. He oversees accounting, auditing, and tax services for a wide range of clients and variety of engagements including; audits, reviews, compilations and agreed upon procedures.



Michael Cronin

CPA

MANAGER

Mike joined the firm in 2008 and was promoted to Manager in 2017. Mike is responsible for managing audit and tax services for a wide variety of clients including closely held businesses and their shareholders, as well as non-profit, higher education and governmental entities.

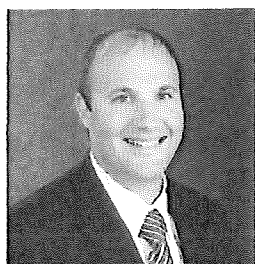


Steven J. Cohen

CPA, CGFM

PRINCIPAL - QUALITY CONTROL

Steven is in charge of Quality Control at O'Connor & Drew, P.C. He is also a Principal in the Accounting and Auditing Department specializing in the audits of higher education, government entities, not-for-profit organizations and automobile dealerships. Steven's responsibilities include the review of all financial statements and assurance reports that are issued by the Firm.



Michael W. Hammond

CISA, CRISC, CISSP

PRINCIPAL - IT AUDIT

Michael is Director of IT Audit and Security with the Firm. Joining in 2012, Michael was previously with State Street Corporation for fifteen years. Michael has twenty years of extensive IT expertise in various disciplines, including server, network, and storage technology control design and testing. Michael graduated from the University of Massachusetts with a BA in Community Studies and is a veteran of the United States Air Force.

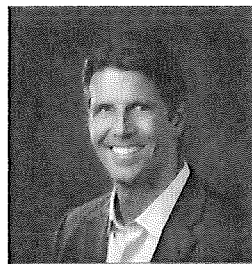


Lauren A. Carnes

CPA, MST

PRINCIPAL - TAX

Lauren is a Tax Principal of O'Connor & Drew, P.C. Ms. Carnes graduated from University of New Hampshire with a Bachelor of Arts in Economics and from Bentley University with a Master of Science in Taxation. She joined the Firm in 1988 and became a principal and manager of the tax department in 1997. She has extensive experience with corporate and individual tax planning, financial planning and in dealings with government agencies, and is a Fellow of the Massachusetts Society of Certified Public Accountants, a member of Nexia International, South Shore Chamber of Commerce and Bentley University's Women's Chapter Alumnae.



Francis X. O'Brien

CPA, CIA, CFE

PRINCIPAL

Frank is the Internal Audit Principal for the Firm. A graduate of Villanova University, Frank joined the Firm in 1998 and has worked both with non-profits and closely held businesses. Under Mr. O'Brien's supervision, the Firm has performed agreed-upon procedures relating to Clery compliance, presented on Clery for the Massachusetts Comptrollers and CFO's and AICUM, written several articles pertaining to the Clery Act, and has performed forensic investigations at State Universities. Frank is a member of the American Institute of Certified Public Accountants, a Fellow of the Massachusetts Society of Certified Public Accountants, a member of the Institute of Internal Auditors and Association of Certified Fraud Examiners.

We will also assign staff that have relevant College/University experience at levels below the manager level.

Staff Hiring & Training

At O'Connor & Drew, our objective is to optimize your profitability, manage your risk, help you comply with state and federal laws, and give you peace of mind. We accomplish this through creative and innovative service offerings that enable you to better realize your financial goals.

We hire our staff with the objective of maintaining a low turnover rate. We recruit from the top business schools in the area and generally hire individuals who graduated with honors in accounting. Our philosophy is to attract and retain outstanding individuals. We do not hire in excess of our needs and avoid the practice of hiring and firing. With this philosophy, our Firm has avoided significant turnover. If the Firm should experience any turnover within the staffing of your engagement, the partner and manager will ensure that you will not have any disruption in services.

We require all staff to participate in continuing professional education programs. Each staff person assigned to the engagement will have the continuing education credits necessary to perform an audit in accordance with Government Auditing Standards. Our staff is trained under a myriad of programs which include courses sponsored by the Massachusetts Society of CPAs, the American Institute of Certified Public Accountants, the National Association of College and University Business Officers (NACUBO) and the Eastern Association of College and Business Officers (EACUBO) and various other organizations. We also host an annual auditing and accounting conference which all employees are required to attend. Lastly, due to our significant expertise within the higher education industry, we also send a number of our staff annually to the Student Financial Aid (SFA) Audit Seminar.

Each staff person assigned to the engagement will be trained to perform Single Audits; specifically in auditing federal / state student financial aid programs and research grants / contracts. Each one of our higher education clients requires a Single Audit so we consider ourselves to be experts in this area.

Staff Rotation

We understand the concerns of our clients in regard to staff continuity. O'Connor and Drew, P.C. does not have an internal policy in regard to partner or manager client rotation. Our goal is to maintain, at a minimum, the same staffing at the principal and manager level unless there is a request by the client to change personnel. In that case, O'Connor & Drew, P.C. has a number of other resources within the Firm familiar with the educational and not-for-profit industry who would have the ability to resume the services at little or no significant interruption. If any individuals who are assigned to the engagement leave the Firm, you will be notified and introduced to the new in-charge of the engagement immediately. With the quality control system we have in place, we are confident that we comply with professional standards in this area.

Communication

We believe that communication throughout the year between the auditing Firm and the Institution is key to a timely and efficient audit engagement. The level of communication includes meeting with the BOT Finance Committee and the Board of Trustees and/or the management of Fitchburg State University prior to the commencement of the interim work to discuss the scope of the engagement and to discuss any new risks/concerns and to review any new accounting pronouncements that may affect the audit engagement.

We also believe that continuous communication during the course of the audit engagement whether it be weekly meetings, or periodic updates of progress through status reports, is beneficial towards meeting the deadlines as well as avoiding any unnecessary surprises. Our goal is to keep management abreast of any areas of concern which may impede the progress of the engagement.

All audit work will be substantially completed prior to leaving the field and will be reviewed by the manager. In addition, an exit conference will be scheduled with management prior to leaving the field (or once the work is completed in the case of working remotely) to discuss the results of the engagement as well as communicating any open items.

Lastly, we meet with the BOT Finance Committee and/or the Board of Trustees to deliver the results of the audit engagement. This includes reviewing the financial statements, the management letter, which identifies any material weaknesses, significant deficiencies and other matters along with recommendations for improvements as well as our required auditor communications as dictated by our professional standards. Our overall responsibility is to the boards of the respective institutions, and, to convey the results of the engagement to them. At this year-end meeting we generally discuss within our required communications any new pronouncements which would affect the following year's engagement. We believe that we are very proactive as a Firm in communicating any new pronouncements that may affect the individual institution.

We encourage constant communication throughout the year with our client base. We believe that we are business partners with our clients and there are significant benefits to keeping us involved with any changes that may occur outside the course of the audit. We do not charge our clients for these routine calls as we believe this is an investment of our time to produce a more efficient audit engagement.

O'Connor and Drew, P.C. has several mailings which are sent to each of our clients. One of the mailings is specific to the higher education industry. The second is more general in nature and applies to our entire client base. We have also implemented "constant contact" which gives us the opportunity to mass email to specific clients/industries of any newsworthy issues pertaining to new IRS regulations, HR policies, record safeguard issues, and a variety of other related topics.

Deliverables

Base Price Deliverables - Fitchburg State University

We will perform an annual audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We will also conduct a compliance audit of federal awards in accordance with the Uniform Guidance (formerly known as OMB Circular A-133).

The annual financial audit will cover the fiscal years ending June 30, 2023 through 2025 and will be presented on a comparative basis and in accordance with standards established by Governmental Generally Accepted Accounting Principles promulgated by the Government Accounting Standards Board.

Each Institution will be accounted for as a business activity and the financial statements will consist of the following:

- Management's Discussion and Analysis (Unaudited)
- Independent Auditor's Report
- Consolidated Statement(s) of Net Position (primary and component units)
- Consolidated Statement(s) of Revenues and Expenses (primary and component units)
- Consolidated Statement(s) of Cash Flows
- Notes to Consolidated Financial Statements (primary and component units)
- Supplemental information:
 - Independent Auditor's Report on Supplemental Information
 - Residence Hall Fund and Residence Hall Damage Fund Activity Statement of Net Position and Statement of Revenues and Expenses (Required for State Universities)
 - Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - Any other required reporting now or in the future.

The financial statements will comprise its discretely presented component unit.

We will provide any necessary and appropriate support related to GASB pronouncements and/or State Comptroller guidelines in the preparation of the above mentioned financial statements.

We will provide a comprehensive management letter to the Institution which provides findings and recommendations relating to the statements, internal controls, accounting systems and other matters which come to our attention during the course of the audit engagement if deemed necessary.

We will provide ongoing support to the Institutions in connection with new as well as evolving accounting issues. An issue that will impact the Institutions significantly in the near future is accounting for long term leases.

We will attend meetings to review draft financial statements and management letters with the personnel of the Institution as well as the BOT Finance Committee and the Board of Trustees. These meetings will include briefings related to implementation of new accounting pronouncements, directives from the State Controller's Office as well as the review of our required communications. We will also meet with the BOT Finance Committee prior to the commencement of fieldwork for each engagement year to discuss the audit approach and address any areas of potential concerns.



Deliverables

The annual audit services include the printing and binding of copies of the audited financial statements and related footnotes and the management letter, if issued. The Uniform Guidance reports will also be printed and bound. We will also be responsible for submission of the aforementioned reports to the State Comptroller's Office, the State Auditors Office as well as the Department of Higher Education.

We will assist in the preparation and submission of the Data Collection Form to the National Clearinghouse in accordance with the Uniform Guidance reporting requirements.

We will provide assistance with the financial information relevant to the Comptroller's Office for their preparation of its annual Comprehensive Annual Financial Report.

We will provide general advice, as requested periodically, by the board of trustees, related committees and/or management. We will also provide technical advice regarding business compliance and regulatory issues as they arise. We will be available during the period of this agreement for general consultations.

Base Price Deliverables-Component Units (Fitchburg State University Foundation, Inc. and FSU Foundation Supporting Organization, Inc.)

We will perform an annual audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The following will be issued for each component unit:

- Statements of Financial Position;
- Statements of Activities and Changes in Net Assets;
- Statements of Cash Flows;
- Notes to the Financial Statement;

We will also issue an auditor's report on Compliance and on Internal Control over Financial Reporting in Accordance with Government Auditing Standards.

We will provide a comprehensive management letter to the component unit which provides findings and recommendations relating to the statements, internal controls, accounting systems and other matters which come to our attention during the course of the audit engagement if deemed necessary.

We will attend meetings to review draft financial statements and management letters with the personnel of the component unit as well as their respective Board of Directors.

Preparation and submission of the Internal Revenue Service Form 990 and the Massachusetts Form PC.

We will provide ongoing support to the component unit in connection with new as well as evolving accounting issues.

Detailed Plan

Engagement Planning and Scope of Services

The keys to the successful completion of any engagement is planning and communication. We emphasize planning in each aspect of our services. We believe that hands-on involvement by the principals and managers assigned to your engagement is critical to providing first class service. David Dilulis, CPA, and Zachary LaFlash, CPA, (along with the assigned manager) will coordinate all of our services. They will provide the focal point of our services and ensure that adequate resources are utilized in completing your engagement.

Our understanding is that the audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government auditing standards issued by the Comptroller General of the United States. The audit will include tests of the accounting records and other auditing procedures as deemed necessary in order to ensure the ability to certify Fitchburg State University ' financial statements.

Our fieldwork will be coordinated with your accounting staff. To ensure an efficient engagement, your staff will be given a list of schedules and account analyses to be completed prior to our arrival(at least a month in advance). Since our staff is knowledgeable and experienced in the industry, the interruptions to your normal operations will be minimal. A team of experienced accountants, who will have the expertise to serve you effectively and on a timely basis, will be assigned to your engagement. Any working papers prepared during the course of the engagement will be retained for a minimum of five years. In addition, all working papers will be made available to Fitchburg State University upon request.

We pride ourselves at our ability to communicate during the course of the engagement. We focus on constant interaction with the management of our institutions and set up weekly status meetings to review the progress of the engagement to date. This serves as a great tool and avoids any unnecessary surprises. During these meetings we also review any potential management letter issues so to avoid any last-minute surprises.

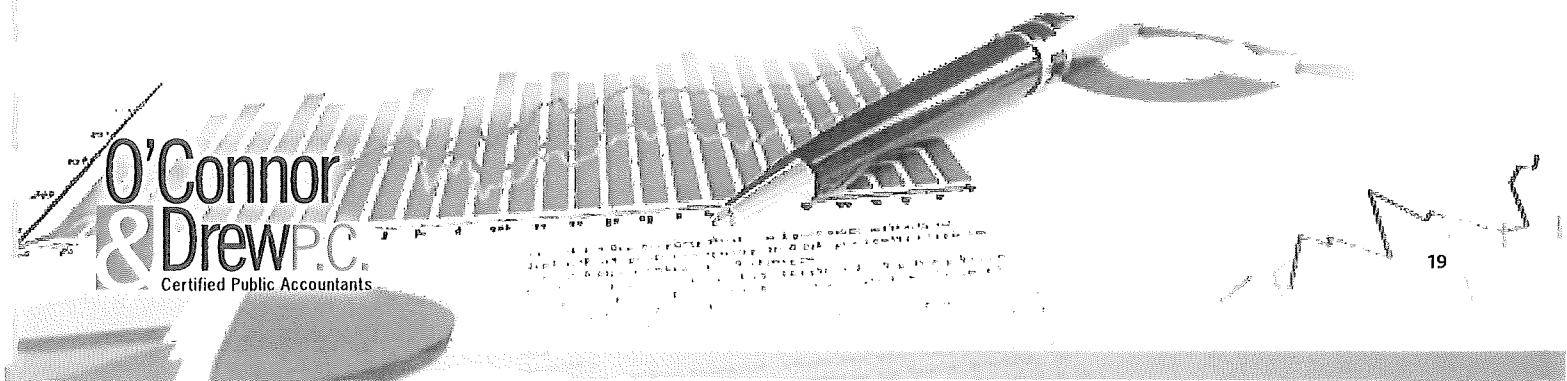
Work Plan

The following is a brief description of the significant audit procedures to be performed for the audit of Fitchburg State University for the year ending June 30, 2023. This preliminary plan is based on our experience with other organizations similar to yours. Please note that the procedures listed are not intended to be all-inclusive and represent only a portion of procedures to be performed.

Major Audit Area	Principal Audit Procedures
Planning	• Conduct a pre-audit conference with the senior financial management team to discuss the audit approach and any areas of concern. • Review of Internal Controls by conducting interviews with key personnel. • Review the prior audit and accompanying recommendations. • Determine the scope of the audit programs based on our review of Internal Control and accounting procedures. We will use sampling and other auditing methods deemed appropriate. We will also review the general controls over the IT environment as part of our testing. • At least one month prior to the start of fieldwork, we will provide each institution with a listing of all information to be accumulated for the audit. • Obtain confirmation requests for cash, investments, receivables, bonds and notes payable, legal representation, insurance, and any other requests that we deem necessary.
Cash and Equivalents	• Obtain confirmations of bank account balances at year-end. • Review and test reconciliations for reconciling items. • Review cutoff at year-end, including transfers between banks. • Testing of internal controls over cash receipts and disbursements
Tuition, Fees, Room, Board and Other Related Receivables	• Analytically review tuition, fee, room and board revenue through comparison of revenue to prior periods, budgeted amounts, and formulated expectations to determine reasonableness of recorded amounts. • Evaluation of revenue system controls. • Compare tuition, fees, room and board revenue per unit to approved fee schedules. • Assess collectability. • Examine supporting documentation and systems for scholarships, contracts and grants receivables. • Confirm significant receivable balances.

Major Audit Area	Principal Audit Procedures
Student Loans and Other Assets	• Evaluation of system controls. • Analytical review. • Confirm selected balances. • Assess collectability.
Investments	• Confirm account balances at year-end. • Evaluate controls of third-party custodians. • Analytical review of investment results.
Capital Assets	• Agree subsidiary ledgers to amounts recorded on the general ledger. • Review supporting documentation for large purchases and disposals made during the year. • Review large expenses for repairs and maintenance to determine propriety of expense charge. • Review methods for recording depreciation for consistency and reasonableness. • Review of lease agreements to determine appropriate classification between operating or capital. • Consider recoverability of assets.
Debt	• Confirm balances at year-end. • Evaluate compliance with covenants. • Analytically review interest expense.
Employee Compensation Expenses and Accrued Payroll	• Analytically review accrual for salary and other salary related costs. • Analytically review expense for salary and salary related costs by comparison with prior years, budgeted amounts and formulated expectations using such factors as average number of employees and pay rates. • Review employee termination agreements where applicable.

Major Audit Area	Principal Audit Procedures
Other Expenses, Accounts Payable and Accrued Expenses	• Agree accounts payable subsidiary ledger with general ledger. • Examine supporting documentation for significant payable balances at year end. • Review supporting documentation for significant accrued expenses at year-end. • Perform search for unrecorded liabilities by reviewing disbursements made subsequent to year-end. • Review for reasonableness the method used for allocating expenses to categories.
Contribution Revenue and Related Receivables	• Analytically review contribution revenue through comparison of revenue to prior years, budgeted amounts and formulated expectations to determine reasonableness of recorded amounts. • Examine supporting documentation for significant contributions to determine if classified correctly. • Review the cutoff for recording all significant contributions at year-end. • Confirm significant receivable balances. • Assess collectability.
Income Taxes	• Review areas pertinent to the Institution's retention of tax-exempt status. • Review areas of potential risk.
Operating Expenses	• Verify proper classification of balances between net position categories.
Statement of Activities	• Analytically review comparison of expenses between current and prior year as well as budgeted amounts. • Analysis of various expense accounts and trace to supporting source documents.
Student Financial Aid (Uniform Guidance)	• Determination of compliance requirements that are direct and material to the Institution. • Obtain an understanding of and perform tests of the internal controls over compliance. • Test major programs for adherence to direct and material compliance requirements. • Agreement of reported federal expenditure amounts to financial statements, general ledger, program cost centers and grant award agreements.



Engagement Approach

Proposed Time Frame for the Completion of All Services

ENGAGEMENT APPROACH



We will continue to make a significant investment to deepen our knowledge and understanding of the Massachusetts State and Community Colleges. This, combined with our quality control standards, will help to ensure that excellent service is provided to you and the Institutions for many years to come.

We will discuss with you the final year-end results, review proposed adjusting entries with you (if any), and submit to you a preliminary draft of the financial statements for each entity for your review before issuing the final draft. In addition, upon completion of the engagement, a management report will be submitted containing our specific observations and recommendations relating to internal controls, safeguards, accounting practices, policies, systems and procedures, and such other matters as may come to our attention during the course of our work. This report will be in addition to our verbal communications with management during the engagement on any issues or observations noted.

One source of pride of the Firm is to value the deadline dates of our clients. We are committed to meeting the September 30 deadline date as specified within the request for proposal (providing information from state sources are received in a timely manner).

Each of the deliverables will be completed timely and will be issued in order to allow sufficient lead time so that they may be reviewed by management, the BOT Finance Committee, and the Board of Trustees of Fitchburg State University.

Public Institutions - Community Colleges - Massachusetts

Berkshire Community College, Berkshire Community College Foundation Inc.
Bristol Community College, Bristol Community College Foundation
Bunker Hill Community College, Bunker Hill Community College Foundation
Cape Cod Community College, Cape Cod Community College Educational Foundation, Inc.
Greenfield Community College
Holyoke Community College
Massasoit Community College, Massasoit Community College Foundation
Mass Bay Community College, Mass Bay Community College Foundation
Middlesex Community College
Mount Wachusett Community College, Mount Wachusett Community College Foundation
Northern Essex Community College, Northern Essex Community College Foundation
North Shore Community College, North Shore Community College Foundation
Quinsigamond Community College, Quinsigamond Community College Foundation
Roxbury Community College, Roxbury Community College Foundation
Springfield Technical Community College, Springfield Technical Community College Foundation

Public Institutions - State Universities- Massachusetts

Bridgewater State University, Bridgewater State University Foundation
Framingham State University
Massachusetts College of Art and Design, Massachusetts College of Art and Design Foundation
Massachusetts College of Liberal Arts, Massachusetts College of Liberal Arts Foundation
Massachusetts Maritime Academy, Massachusetts Maritime Academy Foundation
Salem State University, Salem State University Foundation, Salem State University Assistance Corporation
Westfield State University, Westfield State University Foundation

Client Listing

Public Institutions - Community Colleges - Maine

University of Maine (NCAA engagement)

Public Institution - New Jersey

Brookdale Community College

Public Institutions - Rhode Island

Community College of Rhode Island

Rhode Island College

University of Rhode Island

Public Institutions - Vermont

Vermont State College System

- Community College of Vermont
- Castleton State College
- Northern Vermont University
- Vermont Technical College

List of clients lost in the past seven years and the reasons for the discontinuation of work with them:

- Mass Bay Community College - Competitive bid process; College subsequently returned to the firm as a client.
- Salem State University - Competitive bid process; University subsequently returned to the firm as a client.

Client Listing

Private Institutions

Boston Architectural College

Bay Path University

Eastern Nazarene College

Baptist College

Fisher College*

Montserrat College of Art, Inc.

American International College

Showa Institute for Learning

Urban College

Other Educational Associations

AICUM, Inc.

New England Association of Schools and Colleges

New England Commission of Higher Education

New England Board of Higher Education

*New client for audit year-ended June 30, 2020

Appendix A - Statement of Qualifications

Why O'Connor & Drew, P.C.?

Our high standards of practice and commitment to client needs, combined with personal attention from dedicated partners and managers, help us stand apart from other firms. We understand that each industry and each client has a unique set of issues and concerns, and we offer individualized service that draws on the talent and expertise of the entire firm.

With over 20 years of service in the higher education sector, you will benefit from our unwavering commitment to this industry, including:

- Staff that are trained in the higher education sector that contribute to an efficient audit approach and services over 40 Colleges and Universities annually;
- Currently audits twenty-two of the twenty four Massachusetts public institutions, and delivers each audited statement to the Comptroller's Office, Auditor's Office and Massachusetts Department of Higher Education's Office by October 15th each year without exception;
- Principals and managers that specialize in the higher education sector, and frequently lecture at CFO and Controller meetings organized by the State Universities and Community Colleges. Past topics include GASB 68 and GASB 75 implementation issues; the Uniform Guidance (new A-133), Annual Single Audit Results, 1098-T Compliance, Clery Act Compliance, IT Risk Concerns, Responsibilities of Board of Trustees, and Benchmark Ratios;
- Active sponsors of the Association of Independent College and Universities in Massachusetts (AICUM), the New England Board of Higher Education (NEBHE); and the New England Associations of Schools and Colleges (NEASC);
- Members of the firm who were acknowledged in the Commonwealth of Massachusetts Conversion Guide for GASB 34/35/37 and 39 for Institutions of Higher Education;
- Principals and staff who regularly attend seminars organized by NACUBO and EACUBO;
- Staff who routinely attend seminars (including specialized student financial aid conferences) that keep them abreast of new laws and developments in the higher education sector, so we can provide you with the most current, insightful, and timely advice, helping you make informed financial decisions that maximize your resources;
- Our philosophy to treat our clients as business partners with a hands on approach on the specific engagement;
- Immediate responsiveness to emails and voicemails;
- Significant visibility of the Principal and Manager on the respective engagement;
- Compliance with regulatory requirements.;
- Assistance with the application of emerging Government Auditing Standards Pronouncements-key contributor within the implementation of GASB 68 and GASB 75;
- Sound internal control processes;
- Excellent client retention thanks to a reputation for quality, responsiveness and a deep understanding of the higher education sector;



Appendix A - Statement of Qualifications

- Excellent relationship with the State Comptroller's Office which facilitates generating answers to technical questions;
- Timely, concise and accurate financial reporting;
- Consistent annual sponsor for the CFO Joint State University and Community College Conferences;
- Consistent sponsor of events for each of the State University and Community College Foundations that we currently service.

Statement of Qualifications - Approach to Audit of Automated Systems

- O'Connor and Drew, P.C. uses Pro System Engagement (Engagement) to assist in the audits of our clients
- The benefits of the software is that it assists us in judging materiality, performing preliminary as well as final analytical review procedures, preparation of electronic working papers and the ability to access and download client trial balances which helps to ensure timely and accurate preparation of the Institution's financial statements. Our audit programs for each specific area are also linked to the individual component of the audit engagement.
- Engagement is licensed for private use by the Firm and is not available directly from O'Connor and Drew, P.C.
- Our approach to the audit of automated systems include testing transactions within the receipt and disbursement modules of the clients system as well as utilizing the State's HRCMS payroll system. We generally select, based on our risk assessment of the internal control environment, anywhere between 25 to 40 transactions of each related system to trace and agree original source documents. The transaction tests include a number of attributes to examine in order to ensure that the system is functioning as intended. If we encounter errors/findings within the sample, we make an assessment as to whether or not to increase the sample size in order to maintain our original risk assessment albeit low, moderate or high.
- O'Connor and Drew, P.C. has an Information Technology Department that consists more than 30 individuals. In addition to the testing of IT controls during the course of the regular audit engagement, the IT Department performs on a routine basis, General IT Controls Review, Service Provider Assurance, Threat and Vulnerability Assessments, Staff Co-Sourcing and Software License Compliance. Any projects over and above the general IT testing during the course of the audit engagement are considered special projects and a separate engagement letter and fee arrangement would be negotiated with the respective Institution

Appendix A - Statement of Qualifications

Assessing Control Risk

Control risk assessment is a vital part of our review of the internal control structure. The goals of an internal control system are to maximize the effectiveness and efficiency of operations and the ability to place reliance on generating reliable financial information and the compliance with applicable laws and regulations.

We test the internal control structure as we are required under Government Auditing Standards in order to issue the Report on Compliance and on Internal Control Over Financial Reporting Based on the Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Also, if we can rely on the internal control structure of the Institution, we can reduce our substantive testing during fieldwork.

We test transactions representing major and certain other cycles of the Institution to assess control risk. The major cycles include student revenue, cash receipts, cash disbursements, payroll and financial aid. Under our approach, we first understand the organizational structure and the control procedures of the Institution through inquiry of personnel and review of source documents. After an understanding of the processes is attained, transactions are randomly selected to test each system cycle. The specific control attributes for each transaction include authorization, source documentation, and safeguards of the asset and segregation of duties. Control risk is then assessed based upon the results of the testing of transactions.

O'Connor and Drew's Experience within the Higher Education Industry

O'Connor and Drew, P.C. pride ourselves as a key player within the Massachusetts State and Community College system. We currently serve as the auditor for twenty-two public colleges within the State of Massachusetts. The firm is committed to continuing our strong involvement in the higher education sector. Principals and staff are highly active in professional organizations which include the National Association of College and University Business Officers (NACUBO) and the Eastern Association of College and University Business Officers (EACUBO). We are active leaders in a number of conferences and training programs provided by the State Universities and Community Colleges and the State's Comptroller's Office. Each June, the firm participates in the State Universities and Community College joint comptroller and CFO meeting and presents timely topics to the group such as Clery Act Compliance, new GASB implementation issues, IT Risk Alerts and Single Audit Compliance. More recently, the firm hosted a question and answer session related to CARES Act compliance and a discussion related to benchmark ratios.

We understand the challenges facing the higher education industry and our objective is to provide you with cost effective services to help your institution prosper. We offer a myriad of services to our institutions including, but, not limited to the following:

- Financial statement audits
- Uniform guidance audit engagements
- MOSFA engagements
- Internal audits
- Benchmarking
- UPMIFA compliance
- Tax compliance and consulting services
- NCAA agreed upon procedure engagements
- Termination of Perkins Loan Programs
- Board support and development
- Assurance and accounting services
- Clery Act Compliance
- Assistance with financing relationships and tax exempt funding

Appendix A - Statement of Qualifications

Knowledge of and Experience with Uniform Guidance and Government Auditing Standards

All of our staff members are in compliance with the requirements of Government Auditing Standards relating to the General Standards, Fieldwork Standards and Reporting Standards. The General Standards of Government Auditing Standards require staff assigned to the specific engagement to possess adequate professional proficiency for the task required, exercise due professional care and are independent in fact and appearance of the auditee. Under the General Standards the firm must have an internal quality control system in place and undergo an external quality control review. The staff members assigned to the Institutional engagements possess the adequate professional proficiency and exercise due professional care for the tasks required for the audit through experience of auditing other higher educational institutions and our program of continuing education and training. Also, we have a Quality Control Division that is independent of the Auditing Division. The Quality Control Division of the Firm approves all financial statements before they are issued.

The Fieldwork Standards of Government Auditing Standards require us to properly plan the engagement, design tests to report on internal controls and compliance with laws and regulations and maintain adequate working papers. We believe that the planning stage is the most important part of the engagement. We always incorporate management and the BOT Finance Committee and the Board of Trustees in our planning process. Proper planning will identify any problems or obstacles early in the process to have enough time to solve them. Also, in the planning stage we develop our approach to test internal controls and compliance with laws and regulations. Our vast experience in higher education leads us to test internal controls and compliance with laws and regulations effectively and efficiently and to document our working papers which comply with Government Auditing Standards.

The Reporting Standards of Government Auditing Standards require us to communicate the results of the audit with the responsible individuals and report on the internal controls and compliance with laws and regulations. At the end of the audit, we conduct meetings with management, the BOT Finance Committee and the Board of Trustees. Our reports are in the format as instructed by the Massachusetts State Comptroller's Office.

All of our staff are required to obtain 24 credits of Government Auditing Standards (yellow book) training every two years which is in compliance with the general standards. This training applies to all personnel from the principal in charge to the entry level staff performing internal control transaction testing.

Our staff is also adequately trained with the Uniform Administrative audit requirements (formerly A-133). O'Connor and Drew, P.C. issues Uniform Guidance Audit Reports for each of the Institutions on an annual basis. Additionally, the majority of our Massachusetts client base requires MOSFA engagements every third year. All of our audit staff are trained to perform these engagements, and, more specifically, compliance testing over student financial aid. The firm also sends a number of staff each year to a National training conference related to Student Financial Aid.

As part of our current year Single Audit engagements, the Firm was required to test the CARES Act funding. There was significant confusion as to how the funds could be spent due to the late issuance of the Compliance Supplement as well as the ever changing dynamics on how the funds could be expended. The firm held several sessions with the state universities and community colleges in assisting in determining whether expenses were high or low risk.

We believe that the most relevant factor for the Massachusetts State University and Community Colleges to consider is the level of experience of the individuals who will lead the engagement. A complete understanding of the Institution environment and Federal compliance requirements are prerequisites to a timely, effective and efficient audit.

Appendix A - Statement of Qualifications

Knowledge of and Experience with Uniform Guidance and Government Auditing Standards (continued)

We hire our staff with the objective of maintaining a low turnover rate. We recruit from the top business schools in the area and generally hire individuals who graduated with honors in accounting. Our philosophy is to attract and retain outstanding individuals. We do not hire in excess of our needs and avoid the practice of hiring and firing. We assign the same staff from year to year on recurring engagements. This practice allows for a less disruptive audit engagement and avoids management from retraining audit personnel of the specific details of that particular institution's processes. With this philosophy, our firm has avoided significant turnover. If the firm should experience any turnover within the staffing of your engagement, the partner and manager will ensure that you will not have any disruption in services.

O'Connor and Drew, P.C. has a significant niche within the higher education sector. As such, we have an abundant of trained personnel to serve you efficiently and effectively. We have included resumes for those personnel who will be assigned to service Fitchburg State University. Each of these personnel have significant experience within the Massachusetts public state and community college system. Each is committed to providing unmatched professional service, and, understand the Massachusetts Institution environment. And lastly, and, most importantly, each professional understands the importance of the October 15th due date. We, as a firm, pride ourselves that we meet that important deadline each year, even with our consistent growth within the industry.

Please note the following individuals within the firm will be assigned to the audit engagement. We have also attached their respective resumes.

David Dilulis	Director of Higher Education Practice
Zachary LaFlash	Audit Principal
Michael Cronin	Audit Manager
Frank O'Brien	Audit Principal
Steve Cohen	Audit Principal, Quality Control
Lauren Carnes	Tax Principal
Michael Hammond	IT Audit & Security Principal

As noted earlier within the proposal, all of our audit staff are trained to perform audits of Institutions. The individuals listed above represent only the senior management of the firm.

Emerging Issues

We support the recent changes made by FASB, GASB and the AICPA to make the audits of governmental and non-profits entities more useful and transparent to the various stakeholders of those entities. The stakeholders of public institutions include students and employees of the College, bondholders, the Commonwealth of Massachusetts and the general public.

There are a number of GASB pronouncements with implementation dates over the next several fiscal year ends. Each of these have been disclosed within the financial statements of each of our public higher educational clients for the fiscal year ended June 30, 2021. A listing of those are listed below:

- GASB 87-Leases;
- GASB 89-Accounting for Interests Costs Incurred Before the End of a Construction Period;;
- GASB 90-Majority Equity Interests;

Appendix A - Statement of Qualifications

Emerging Issues (continued)

- GASB 91-Conduit Debt Obligations;
- GASB 92- Omnibus 2020
- GASB 93-Replacement of Interbank Offered Rates;
- GASB 94-Public Private and Public-Public Partnerships and Availability Payment Arrangements;
- GASB 96-Subscription-Based Information Technology Arrangements; and
- GASB 97-Certain Component Unit criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation.

The most significant pronouncement that will be affecting public institutions in the near future (fiscal year ending June 30, 2022) revolve around the implementation of the lease standard. We have started planning for the implementation as information will also be required for Fiscal 2021 if comparative statements are to be issued for 2022. We have had several meetings with the Massachusetts School College Building Authority (MSCBA) and their respective accounting firm. The lease standard is discussed further within the lease with affiliated entities section of this proposal.

Other projects that are underway at the GASB (exposure draft form) are Conceptual Framework related to Disclosures. The objective of this pronouncement is to improve the overall effectiveness of note disclosures within governmental financial reports. The framework will establish criteria to use in evaluating potential note disclosure requirements. A second major project is evaluation of the current financial reporting model. Although the current model is viewed as effective, the research performed by GASB identified several areas for potential improvement. An updated model would enhance the management discussion and analysis section of the statements, explore a consistent measurement focus and basis of accounting within the governmental fund statements and explore operating indicator alternatives in conjunction with evaluating the separate presentation of operating and non-operating revenues and expenses.

GASB is also in the midst of exploring a number of other issues which are in exposure draft status, comment period status or are in initial deliberations. A few of the projects that may affect public institutions are as follows:

- Compensated Absences;
- Prior Period Adjustments;
- Renaming the Comprehensive Annual Financial Report;
- Risks and Uncertainties Disclosures;
- Capital Assets;
- Going Concern Disclosures.

Although not a current project by FASB, GASB or the AICPA, there is a growing concern that the composite ratio information that is required to be presented as supplementary information for private institutions could be potentially considered for public institutions in the future. Determining the financial health of institutions is a growing concern and disclosing identifiable factors such as the primary reserve, viability ratio, return on net position ratio, the net operating revenues ratio computing an overall composite may be useful information to the general public. EY Parthenon has been consulting with the Massachusetts Department of Higher Education in developing various benchmark ratio indicators as well.

Appendix A - Statement of Qualifications

Emerging Issues (continued)

Although Public Institutions do not apply FASB standards, there are changes on the horizon for the presentation of financial statements for Not –for- Profit Entities that Foundations will be required to consider. Since the Foundations are component units of the State Universities and Community Colleges, some of these changes may roll up to the statements of the Institutions. A few of the provisions of the change are as follows:

- Similar to public institutions, private institutions will also be required to implement a new leasing standard;
- Fair Value Measurement which will add, modify, or eliminate certain fair value instrument disclosures; and
- Updating the Definition of Collections, which expands the definition of collections to allow the sale of collections to be used for the direct care of existing collections.

Frequency of Communication

We believe that communication throughout the year between the auditing firm and the Institution is key to a timely and efficient audit engagement. The level of communication includes meeting with the BOT Finance Committee and the Board of Trustees and/or the management of the University prior to the commencement of the interim work to discuss the scope of the engagement and to discuss any new risks/concerns and to review any new accounting pronouncements.

We also believe that continuous communication during the course of the audit engagement whether it be weekly meetings, or periodic updates of progress is beneficial towards meeting the deadlines as well as avoiding any unnecessary surprises. Management should be kept abreast of any areas of concern which may impede the progress of the engagement.

Lastly, we will meet with the BOT Finance Committee and the board of trustees to deliver the results of the audit engagement. This includes reviewing the financial statements, the management letter as well as required auditor communications as dictated by our professional standards. Our overall responsibility is to the boards of the respective institutions, and, to convey the results of the engagement to them. At this year end meeting we generally discuss within our required communications any new GASB pronouncements which would affect the following year's engagement. We believe that we are very proactive as a firm in communicating any new pronouncements that may affect the individual institution.

We encourage constant communication throughout the year with our client base. We believe that we are business partners with our clients and there are significant benefits to keeping us involved with any changes that may occur outside the course of the audit. We do not charge our clients for these routine calls as we believe this is an investment of our time to produce a more efficient audit engagement.

Appendix A - Statement of Qualifications

Publications

O'Connor and Drew, P.C. has several mailings which are sent to each of our clients. One of the mailings is specific to the higher education industry. The second is more general in nature and apply to commercial as well as non commercial type entities We have attached a copy of a recent newsletter within our proposal submission. We have also implemented "constant contact" which gives us the opportunity to mass e-mail to specific clients/industries of any news warranted issues pertaining to new IRS regulations, HR policies, record safeguard issues and a variety of other related topics.

We have a number of training courses that are presented during the course of the year. Typical topics include student financial aid, testing internal control systems, annual accounting updates, and annual income tax updates. Any interested clients are welcome to attend any or all of these courses at no cost to the respective institution. We would also make available our internal control checklists which we utilize in understanding your overall internal control environment. In addition, we would also make available any electronic working papers that we have created in the hopes that it would benefit the Institution in addressing audit concerns more effectively.

Special Services

O'Connor and Drew, P.C. does not bill for any additional projects unless it is approved by the management of the respective Institution in advance. We do not have "add-ons" for additional services outside the scope of the audit without the specific client's knowledge. We also do not bill for routine telephone calls made by an institution during the course of the year.

However, there are situations whereby the Institution may want to engage the firm for additional projects outside the course of the audit engagement. The genesis of these special services could be a client request, or a recommendation from us. Some examples of prior special services that we have performed for our higher educational institution clients include closing out Perkins loan programs, assistance with the Comprehensive Annual Financial Report (CAFR), performance of the Massachusetts Office of Student Financial Assistance Audit (MOSFA), agreed upon procedure engagements relating to federal financial aid, review of indirect overhead cost calculations, and compliance with instructional hours in compliance with union contracts and state regulations. Each of these projects were discussed in advance, and, a fee was agreed upon between the institution and O'Connor and Drew, P.C.

In addition, each non-audit service opportunity is reviewed in accordance with the GAO Independence Standards as well as the AICPA's Code of Conduct to determine whether the potential project conflicts with the professional standards. There are two leading principles we generally consider:

- Whether the non-audit services involve performing management functions or making management decisions; and
- We cannot audit our own work or provide audit services in situations where the non-audit services are significant or material to the subject matter of the audits.

In the case where each one of theses principles are satisfied, we refer to the GAO independence standards which identifies various non-audit services, and, what is permitted or prohibited.

Appendix A - Statement of Qualifications

Due dates of statements and firm resources

O'Connor and Drew, P.C. currently audits twenty-two of the twenty four institutions within the Massachusetts public college system. We have developed a specialty niche within the system and have invested a significant amount of resources in developing this over the past twenty years. We have added additional clients each year with no affect on the quality of the product or timeliness. We have added personal resources as the higher education practice has grown to ensure the proper level of service and attention is given to every client. We pride ourselves on meeting all deadlines and have a documented track record of meeting each Institution's October 15th deadline. We coordinate with each Institution to ensure that the draft or final statements (depending on the individual Institution's board of trustees/ director's meeting dates) are submitted to each governing body; the State Comptroller's Office, the State Auditor's Office and the Massachusetts Board of Higher Education by October 15th of each year.

Based on our current portfolio, and the quality and expertise of our management team and staff, we will continue to meet the high expectations of our current client base as well as those new institutions. We believe that we could add a number of institutions to our client mix without adding any additional resources. We believe that adding this many would not compromise our quality of service and we would have no problems in meeting the October 15th deadline.

Leases with Affiliated Entities

GASB Statement-87 Leases is effective for years beginning July 1, 2021 for fiscal years ending June 30, 2022. Implementation of this standard will require lessees to recognize on their statement of net position the rights and obligations resulting from leases currently categorized as operating leases as assets, liabilities or deferred inflows/ outflows of resources. It provides for an election on leases with terms of less than twelve months to be excluded from this statement. A lessee government will be required to recognize a lease liability and an intangible asset representing its right to use the leased asset. A lessor government will be required to recognize a lease receivable and a deferred inflow of resources.

A lessee would also report amortization expense related to the leased asset (recognizing the asset amount as an expense over the lease term), interest expense related to the lease liability, and note disclosures with information about the respective leasing arrangement. A lessor would report lease revenue (and a corresponding reduction in the deferred inflow over the term of the leases), interest revenue related to the receivable and note disclosures with information about the leasing arrangement.

This new standard will require each of the State Universities and Community Colleges to review each of their current arrangements, especially those that involve the MSCBA. Planning and communication will be key to avoid any surprises prior to the actual implementation date of the pronouncement.

O'Connor and Drew, P.C. is well prepared to assist the College and Universities in the implementation of the new lease standards through multiple state institutions. We have always worked as a team in implementing prior pronouncements (GASB 68 and 75 being the most recent examples) with our College portfolio and we will show the same energy and enthusiasm going forward. We also have the benefit of having an existing working relationship with the MSCBA, its audit firm as well as the State Comptroller's Office.



LETTER OF INTENT TO SUBMIT PROPOSAL – Appendix A

Please e-mail this notification of receipt and intent on or before March 18, 2022 to khepner@bfit.edu.

A. Acknowledgment of Receipt:

<u>O'Connor, Drew</u>	Hereby Acknowledges Receipt of RFP packet
(Company) <u>David DiJulis</u>	Print name
<u>David DiJulis</u>	Authorized Signature
<u>Audit Principal</u>	Title
<u>March 17, 2022</u>	Date

☒ I will attend the pre-bid meeting and intend to submit a proposal (please fill in Part B)

☐ I will not attend the pre-bid meeting; intend to submit a proposal.

Appendix B - Proposal Signature Sheet

The proposer hereby agrees to furnish items and/or services pursuant to all requirements and specifications contained in this document. The proposer further agrees that the language in this document shall govern in the event of a conflict with the proposer's proposal.

AUTHORIZED SIGNATURE <i>David D. Iulio</i>	PRINTED NAME <i>David DiIulio</i>	TITLE <i>Audit Principal</i>
COMPANY <i>O'Connor + Drew, P.C.</i>		DATE <i>April 1, 2022</i>
MAILING ADDRESS <i>25 Braintree Hill Office Park</i>		PHONE <i>(617) 471-1120</i>
CITY <i>Braintree</i>	STATE <i>MA</i>	ZIP CODE <i>02184</i>
EMPLOYERS FEDERAL TAX ID (9 DIGITS) <i>04-3000523</i>		

COMMONWEALTH OF MASSACHUSETTS ~ STANDARD CONTRACT FORM



This form is jointly issued and published by the Office of the Comptroller (CTR), the Executive Office for Administration and Finance (ANF), and the Operational Division (OSD) as the default contract for all Commonwealth Departments when another form is not prescribed by regulation or policy. The Commonwealth deems void any changes made on or by attachment (in the form of addendum, engagement letters, contract forms or invoice terms) to the terms in this published form or to the Standard Contract Form Instructions and Contractor Certifications, the Commonwealth Terms and Conditions for Human and Social Services or the Commonwealth IT Terms and Conditions which are incorporated by reference herein. Additional non-conflicting terms may be added by Attachment. Contractors are required to access published forms at CTR Forms: <https://www.mass.gov/lists/osd-forms>. Forms are also posted at OSD Forms: <https://www.mass.gov/lists/osd-forms>.

CONTRACTOR LEGAL NAME: (and d/b/a):		COMMONWEALTH DEPARTMENT NAME: MMARS Department Code:	
Legal Address: (W-9, W-4):		Business Mailing Address:	
Contract Manager:	Phone:	Billing Address (if different):	
E-Mail:	Fax:	Contract Manager:	Phone:
Contractor Vendor Code: VC		E-Mail:	Fax:
Vendor Code Address ID (e.g. "AD001"): AD ____ (Note: The Address ID must be set up for EFT payments.)		MMARS Doc ID(s):	
		RF/Procurement or Other ID Number:	
___ NEW CONTRACT PROCUREMENT OR EXCEPTION TYPE: (Check one option only) ☐ Statewide Contract (OSD or an OSD-designated Department) ☐ Collective Purchase (Attach OSD approval, scope, budget) ☐ Department Procurement (Includes all Grants - 815 CMR 2.00) (Solicitation Notice or RFR, and Response or other procurement supporting documentation) ☐ Emergency Contract (Attach justification for emergency, scope, budget) ☐ Contract Employee (Attach Employment Status Form, scope, budget) ☐ Other Procurement Exception (Attach authorizing language, legislation with specific exemption or earmark, and exception justification, scope and budget)		___ CONTRACT AMENDMENT Enter Current Contract End Date <u>Prior</u> to Amendment: ____, 20__. Enter Amendment Amount: \$ _____. (or "no change") AMENDMENT TYPE: (Check one option only. Attach details of amendment changes.) ☐ Amendment to Date, Scope or Budget (Attach updated scope and budget) ☐ Interim Contract (Attach justification for Interim Contract and updated scope/budget) ☐ Contract Employee (Attach any updates to scope or budget) ☐ Other Procurement Exception (Attach authorizing language/justification and updated scope and budget)	
The Standard Contract Form Instructions and Contractor Certifications and the following Commonwealth Terms and Conditions document are incorporated by reference into this Contract and are legally binding: (Check ONE option): ☐ Commonwealth Terms and Conditions ☐ Commonwealth Terms and Conditions For Human and Social Services ☐ Commonwealth IT Terms and Conditions			
COMPENSATION: (Check ONE option): The Department certifies that payments for authorized performance accepted in accordance with the terms of this Contract will be supported in the state accounting system by sufficient appropriations or other non-appropriated funds, subject to intercept for Commonwealth owed debts under 815 CMR 9.00. ☐ Rate Contract. (No Maximum Obligation) Attach details of all rates, units, calculations, conditions or terms and any changes if rates or terms are being amended.) ☐ Maximum Obligation Contract. Enter total maximum obligation for total duration of this contract (or new total if Contract is being amended). \$ _____.			
PROMPT PAYMENT DISCOUNTS (PPD): Commonwealth payments are issued through EFT 45 days from invoice receipt. Contractors requesting accelerated payments must identify a PPD as follows: Payment issued within 10 days __% PPD; Payment issued within 15 days __% PPD; Payment issued within 20 days __% PPD; Payment issued within 30 days __% PPD. If PPD percentages are left blank, identify reason: ☐ agree to standard 45 day cycle ☐ statutory/legal or Ready Payments (M.G.L. c. 29, § 23A); ☐ only initial payment (subsequent payments scheduled to support standard EFT 45 day payment cycle. See Prompt Pay Discounts Policy.)			
BRIEF DESCRIPTION OF CONTRACT PERFORMANCE or REASON FOR AMENDMENT: (Enter the Contract title, purpose, fiscal year(s) and a detailed description of the scope of performance or what is being amended for a Contract Amendment. Attach all supporting documentation and justifications.)			
ANTICIPATED START DATE: (Complete ONE option only) The Department and Contractor certify for this Contract, or Contract Amendment, that Contract obligations: ___ 1. may be incurred as of the Effective Date (latest signature date below) and <u>no</u> obligations have been incurred <u>prior</u> to the Effective Date. ___ 2. may be incurred as of ____, 20__, a date LATER than the Effective Date below and <u>no</u> obligations have been incurred <u>prior</u> to the Effective Date. ___ 3. were incurred as of ____, 20__, a date PRIOR to the Effective Date below, and the parties agree that payments for any obligations incurred prior to the Effective Date are authorized to be made either as settlement payments or as authorized reimbursement payments, and that the details and circumstances of all obligations under this Contract are attached and incorporated into this Contract. Acceptance of payments forever releases the Commonwealth from further claims related to these obligations.			
CONTRACT END DATE: Contract performance shall terminate as of ____, 20__, with no new obligations being incurred after this date unless the Contract is properly amended, provided that the terms of this Contract and performance expectations and obligations shall survive its termination for the purpose of resolving any claim or dispute, for completing any negotiated terms and warranties, to allow any close out or transition performance, reporting, invoicing or final payments, or during any lapse between amendments.			
CERTIFICATIONS: Notwithstanding verbal or other representations by the parties, the "Effective Date" of this Contract or Amendment shall be the latest date that this Contract or Amendment has been executed by an authorized signatory of the Contractor, the Department, or a later Contract or Amendment Start Date specified above, subject to any required approvals. The Contractor certifies that they have accessed and reviewed all documents incorporated by reference as electronically published and the Contractor makes all certifications required under the Standard Contract Form Instructions and Contractor Certifications under the pains and penalties of perjury, and further agrees to provide any required documentation upon request to support compliance, and agrees that all terms governing performance of this Contract and doing business in Massachusetts are attached or incorporated by reference herein according to the following hierarchy of document precedence, the applicable Commonwealth Terms and Conditions, this Standard Contract Form, the Standard Contract Form Instructions and Contractor Certifications, the Request for Response (RFR) or other solicitation, the Contractor's Response (excluding any language stricken by a Department as unacceptable, and additional negotiated terms, provided that additional negotiated terms will take precedence over the relevant terms in the RFR and the Contractor's Response only if made using the process outlined in 801 CMR 21.07, incorporated herein, provided that any amended RFR or Response terms result in best value, lower costs, or a more cost effective Contract.			
AUTHORIZING SIGNATURE FOR THE CONTRACTOR: X: <i>David D. Vale</i> Date: <i>April 4, 2022</i> (Signature and Date Must Be Handwritten At Time of Signature) Print Name: <i>David D. Vale</i> Print Title: <i>Audit Principal</i>		AUTHORIZING SIGNATURE FOR THE COMMONWEALTH: X: _____ Date: _____ (Signature and Date Must Be Handwritten At Time of Signature) Print Name: _____ Print Title: _____	



COMMONWEALTH TERMS AND CONDITIONS

This Commonwealth Terms and Conditions form is jointly issued by the Executive Office for Administration and Finance (ANF), the Office of the Comptroller (CTR) and the Operational Services Division (OSD) for use by all Commonwealth of Massachusetts ("State") Departments and Contractors. Any changes or electronic alterations by either the Department or the Contractor to the official version of this form, as jointly published by ANF, CTR and OSD, shall be void. Upon execution of the Standard Contract Form these Commonwealth Terms and Conditions will be incorporated by reference. Performance shall include services rendered, obligations due, costs incurred, commodities and deliverables provided and accepted by the Department, programs provided or other commitments authorized under a Contract. A deliverable shall include any tangible product to be delivered as an element of performance under a Contract. The Commonwealth is entitled to ownership and possession of all deliverables purchased or developed with State funds. Contract shall mean the Standard Contract Form issued jointly by ANF, CTR and OSD.

1. Contract Effective Start Date. Notwithstanding verbal or other representations by the parties, the effective start date of performance under a Contract shall be the later of the date the Contract was executed by an authorized signatory of the Contractor, the date the Contract was executed by an authorized signatory of the Department, the date specified in the Contract, or the date of any approvals required by law or regulation.

2. Payments And Compensation. The Contractor shall only be compensated for performance delivered and accepted by the Department in accordance with the specific terms and conditions of a Contract. All Contract payments are subject to appropriation pursuant to M.G.L. c. 29, § 26, or the availability of sufficient non-appropriated funds for the purposes of a Contract, and shall be subject to intercept pursuant to M.G.L. c. 7A, § 3 and 815 CMR 9.00. Overpayments shall be reimbursed by the Contractor or may be offset by the Department from future payments in accordance with state finance law. Acceptance by the Contractor of any payment or partial payment, without any written objection by the Contractor, shall in each instance operate as a release and discharge of the State from all claims, liabilities or other obligations relating to the performance of a Contract.

3. Contractor Payment Mechanism. All Contractors will be paid using the Comptroller's payment system unless a different payment mechanism is required. The Contractor shall timely submit invoices and supporting documentation as prescribed in a Contract. The Department shall review and return rejected invoices within fifteen (15) days of receipt with a written explanation for rejection. Payments shall be made in accordance with the bill paying policy issued by the Office of the Comptroller and 815 CMR 4.00, provided that payment periods listed in a Contract of less than forty-five (45) days from the date of receipt of an invoice shall be effective only to enable a Department to take advantage of early payment incentives and shall not subject any payment made within the forty-five (45) day period to a penalty. The Contractor Payroll System shall be used only for individual Contractors who have been determined to be Contract Employees as a result of the Department's completion of an Internal Revenue Service SS-8 form in accordance with the Omnibus Budget Reconciliation Act (OBRA) 1990, and shall automatically process all state and federal mandated payroll, tax and retirement deductions.

4. Contract Termination Or Suspension. A Contract shall terminate on the date specified in a Contract, unless this date is properly amended in accordance with all applicable laws and regulations prior to this date, or unless terminated or suspended under this Section upon prior written notice to the Contractor. The Department may terminate a Contract without cause and without penalty, or may terminate or suspend a Contract if the Contractor breaches any material term or condition or fails to perform or fulfill any material obligation required by a Contract, or in the event of an elimination of an appropriation or availability of sufficient funds for the purposes of a Contract, or in the event of an unforeseen

public emergency mandating immediate Department action. Upon immediate notification to the other party, neither the Department nor the Contractor shall be deemed to be in breach for failure or delay in performance due to Acts of God or other causes actually beyond their control and without their fault or negligence. Subcontractor failure to perform or price increases due to market fluctuations or product availability will not be deemed actually beyond the Contractor's control.

5. Written Notice. Any notice shall be deemed delivered and received when submitted in writing in person or when delivered by any other appropriate method evidencing actual receipt by the Department or the Contractor. Any written notice of termination or suspension delivered to the Contractor shall state the effective date and period of the notice, the reasons for the termination or suspension, if applicable, any alleged breach or failure to perform, if applicable, and any instructions or restrictions concerning allowable activities, costs or expenditures by the Contractor during the notice period.

6. Confidentiality. The Contractor shall comply with M.G.L. c. 66A if the Contractor becomes a "holder" of "personal data". The Contractor shall also protect the physical security and restrict any access to personal or other Department data in the Contractor's possession, or used by the Contractor in the performance of a Contract, which shall include, but is not limited to, the Department's public records, documents, files, software, equipment or systems.

7. Record-keeping And Retention, Inspection Of Records. The Contractor shall maintain records, books, files and other data as specified in a Contract and to such detail as shall properly substantiate claims for payment under a Contract, for a minimum retention period of six (6) years beginning on the first day after the final payment under a Contract, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving a Contract. The Department shall have access, as well as any parties identified under Executive Order 195, during the Contractor's regular business hours and upon reasonable prior notice, to such records, including on-site reviews and reproduction of such records at a reasonable expense.

8. Assignment. The Contractor may not assign or delegate, in whole or in part, or otherwise transfer any liability, responsibility, obligation, duty or interest under a Contract, with the exception that the Contractor shall be authorized to assign present and prospective claims for money due to the Contractor pursuant to a Contract in accordance with M.G.L. c. 106, § 9-31B. The Contractor must provide sufficient notice of assignment and supporting documentation to enable the Department to verify and implement the assignment. Payments to third party assignees will be processed as if such payments were being made directly to the Contractor and these payments will be subject to intercept, offset, counter claims or any other Department rights which are available to the Department or the State against the Contractor.

9. Subcontracting By Contractor. Any subcontract entered into by the Contractor for the purposes of fulfilling the obligations under a Contract must be in writing, authorized in advance by the Department and shall be consistent with and subject to the provisions of these Commonwealth Terms and Conditions and a Contract. Subcontracts will not relieve or discharge the Contractor from any duty, obligation, responsibility or liability arising under a Contract. The Department is entitled to copies of all subcontracts and shall not be bound by any provisions contained in a subcontract to which it is not a party.

10. Affirmative Action, Non-Discrimination In Hiring And Employment. The Contractor shall comply with all federal and state laws, rules and regulations promoting fair employment practices or prohibiting employment discrimination and unfair labor practices and shall not discriminate in the hiring of any applicant for employment nor shall any qualified employee be demoted, discharged or otherwise subject to discrimination in the tenure, position, promotional opportunities, wages, benefits or terms and conditions of their employment because of race, color, national origin, ancestry, age, sex, religion, disability,



COMMONWEALTH TERMS AND CONDITIONS

handicap, sexual orientation or for exercising any rights afforded by law. The Contractor commits to purchasing supplies and services from certified minority or women-owned businesses, small businesses or businesses owned by socially or economically disadvantaged persons or persons with disabilities.

11. Indemnification. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, including the Department, its agents, officers and employees against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement or other damages that the State may sustain which arise out of or in connection with the Contractor's performance of a Contract, including but not limited to the negligence, reckless or intentional conduct of the Contractor, its agents, officers, employees or subcontractors. The Contractor shall at no time be considered an agent or representative of the Department or the State. After prompt notification of a claim by the State, the Contractor shall have an opportunity to participate in the defense of such claim and any negotiated settlement agreement or judgment. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph. Any indemnification of the Contractor shall be subject to appropriation and applicable law.

12. Wavers. Forbearance or indulgence in any form or manner by a party shall not be construed as a waiver, nor in any way limit the legal or equitable remedies available to that party. No waiver by either party of any default or breach shall constitute a waiver of any subsequent default or breach.

13. Risk Of Loss. The Contractor shall bear the risk of loss for any Contractor materials used for a Contract and for all deliverables, Department personal or other data which is in the possession of the Contractor or used by the Contractor in the performance of a Contract, until possession, ownership and full legal title to the deliverables are transferred to and accepted by the Department.

14. Forum, Choice of Law And Mediation. Any notions arising out of a Contract shall be governed by the laws of Massachusetts, and shall be brought and maintained in a state or federal court in Massachusetts which shall have exclusive jurisdiction thereof. The Department, with the approval of the Attorney General's Office, and the Contractor may agree to voluntary mediation through the Massachusetts Office of Dispute Resolution (MODR) of any Contract dispute and will share the costs of such mediation. No legal or equitable rights of the parties shall be limited by this Section.

15. Contract Boilerplate Interpretation, Severability, Conflicts With Law, Integration. Any amendment or attachment to any Contract which contains conflicting language or has the effect of a deleting, replacing or modifying any printed language of these Commonwealth Terms and Conditions, as officially published by ANF, CTR and OSD, shall be interpreted as superseded by the official printed language. If any provision of a Contract is found to be superseded by state or federal law or regulation, in whole or in part, then both parties shall be relieved of all obligations under that provision only to the extent necessary to comply with the superseding law; provided however, that the remaining provisions of the Contract, or portions thereof, shall be enforced to the fullest extent permitted by law. All amendments must be executed by the parties in accordance with Section 1 of these Commonwealth Terms and Conditions and filed with the original record copy of a Contract as prescribed by CTR. The printed language of the Standard Contract Form, as officially published by ANF, CTR and OSD, which incorporates by reference these Commonwealth Terms and Conditions, shall supersede any conflicting verbal or written agreements relating to the performance of a Contract, or attached thereto, including contract forms, purchase orders or invoices of the Contractor. The order of priority of documents to interpret a Contract shall be as follows: the printed language of the Commonwealth Terms and Conditions, the Standard Contract Form, the Department's Request for Response (RFR) solicitation document and the Contractor's Response to the RFR solicitation, excluding any language stricken by a Department as unacceptable and including any negotiated terms and conditions allowable pursuant to law or regulation.

IN WITNESS WHEREOF, the Contractor certifies under the pains and penalties of perjury that it shall comply with these Commonwealth Terms and Conditions for any applicable Contract executed with the Commonwealth as certified by their authorized signatory signing the Standard Contract Form.

Certificate of Non Collusion

CERTIFICATE OF NON COLLUSION

The undersigned certifies under penalties of perjury that this RFP or Proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

David DiJulio
Authorized Signature*

April 1, 2022
Date

David DiJulio
Printed Name of Person Signing RFP or
Proposal*

O'Connor: Drew, P.C.
Name of Business

*Must be signed in ink

Financial Auditing Services

Pursuant to Section 49A (b) of Chapter 62C of the General Law,

I David DiJulis, authorized Signatory
for O'Connor & Drew, P.C., whose principle place of business is
at Braintree, Massachusetts do hereby certify under pains and
penalties of perjury that O'Connor & Drew, P.C.

Complies with all laws of the Commonwealth relating to taxes.

Authorized Signature David DiJulis

Date April 1, 2022

It is the policy and commitment of Fitchburg State University not to discriminate on the basis of race, religion, color, age, sexual orientation, sex handicap, veteran status, marital status, or national origin in its educational programs, activities, admissions or employment policies and to actively comply with the requirements of Federal Executive Orders 11246 and 11375 as amended; the Civil Rights Act of 1964 as amended; Title



Access to Contractors Records Financial Auditing Services

(Executive Order #195)

The Governor or his designee, the Secretary of Administration and Finance, and the State Auditor or his designee shall have the right at reasonable times and upon reasonable notice to examine books, records and other compilations of data of the contractor which pertain to the performance and requirements of this contract.

Signature David D. Vulec

Date April 1, 2022

It is the policy and commitment of Fitchburg State University not to discriminate on the basis of race, religion, color, age, sexual orientation, sex, handicap, veteran status, marital status, or national origin in its educational programs, activities, admissions or employment policies and to actively comply with the requirements of Federal Executive Orders 11246 and 11375 as amended; the Civil Rights Act of 1964 as amended; Title IX of the Educational Act of 1972; Section 503 and 504 of the Rehabilitation Act of 1973; Section 402 Vietnam Era Veterans Readjustment Act of 1974; and pertinent laws, regulations and executive directives of the Higher Education Coordinating Council of the Commonwealth of Massachusetts, and other applicable state and federal statutes.

Fitchburg State University

FY22 IFP#7 Financial Auditing Services

ADDENDUM ACKNOWLEDGEMENT FORM

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Place a check next to your selected response and sign below. Failure to acknowledge addenda may result in IFP disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check next to each addendum received)

☒ Addendum No. 1 - Acknowledgment of Addendum

Signature: David DiJulio

I understand that failure to confirm the receipt of addenda may be cause for rejection of this RFP. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Fitchburg State University

FY22 IFP#7 Financial Auditing Services

ADDENDUM ACKNOWLEDGEMENT FORM

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Place a check next to your selected response and sign below. Failure to acknowledge addenda may result in JFP disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check next to each addendum received)

☒ Addendum No. 2 - Acknowledgment of Addendum

Signature: David DeFulio

I understand that failure to confirm the receipt of addenda may be cause for rejection of this RFP. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.																																																		
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. O'Connor & Drew, P.C.																																																				
2 Business name/disregarded entity name, if different from above																																																				
Print or type. See Specific Instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.																																																			
	☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☒ S Corporation ☐ Partnership ☐ Trust/estate																																																			
	☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.																																																			
	☐ Other (see instructions) ▶ _____																																																			
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)																																																				
5 Address (number, street, and apt. or suite no.) See instructions. 25 Braintree Hill Office Park		Requester's name and address (optional)																																																		
6 City, state, and ZIP code Braintree, MA 02184																																																				
7 List account number(s) here (optional)																																																				
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.																																																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center;">Social security number</td> </tr> <tr> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> </tr> <tr> <td colspan="10" style="text-align: center;">OR</td> </tr> <tr> <td colspan="10" style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="width: 30px;">0</td> <td style="width: 30px;">4</td> <td style="width: 30px;">-</td> <td style="width: 30px;">3</td> <td style="width: 30px;">0</td> <td style="width: 30px;">0</td> <td style="width: 30px;">0</td> <td style="width: 30px;">5</td> <td style="width: 30px;">2</td> <td style="width: 30px;">3</td> </tr> </table>			Social security number																				OR										Employer identification number										0	4	-	3	0	0	0	5	2	3
Social security number																																																				
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Employer identification number																																																				
0	4	-	3	0	0	0	5	2	3																																											
Part II Certification Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.																																																				
Sign Here	Signature of U.S. person ▶	Date ▶ 4/1/22																																																		
General Instructions Section references are to the Internal Revenue Code unless otherwise noted. Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9 . Purpose of Form An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following: • Form 1099-INT (interest earned or paid) • Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) • Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) • Form 1099-S (proceeds from real estate transactions) • Form 1099-K (merchant card and third party network transactions) • Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition) • Form 1099-C (canceled debt) • Form 1099-A (acquisition or abandonment of secured property) Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN. If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.																																																				

**COMMONWEALTH OF MASSACHUSETTS
DIVISION OF PROFESSIONAL LICENSURE**

BOARD OF

PUBLIC ACCOUNTANCY

**ISSUES THE FOLLOWING LICENSE CA
PROFESSIONAL CORPORATION**

**O'CONNOR & DREW PC
25 BRAINTREE HILL OFC PK
STE 102
BRAintree, MA 02184**

227

06/30/2021

678978

LICENSE NUMBER

EXPIRATION DATE

SERIAL NUMBER

*expired
cancelled on
4/6/22
left VM for
David Gaudin*

*message: Please email
a scanned copy of the
most recent cert. No
cert has expired*

LICENSEE SIGNATURE

**O'Connor
& Drew PC**
Certified Public Accountants



Report on the Firm's System of Quality Control

January 26, 2021

To the Owners

O'Connor & Drew, P.C.

and the Peer Review Committee of the Massachusetts Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of O'Connor & Drew, P.C. (the firm) in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and an examination of service organizations (SOC 2)

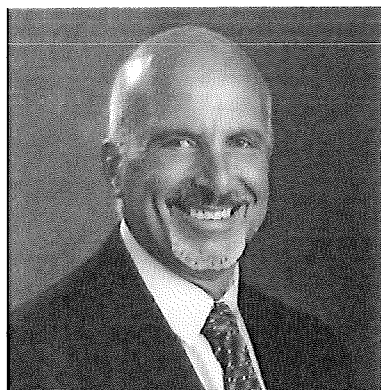
As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of O'Connor & Drew, P.C. in effect for the year ended June 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. O'Connor & Drew, P.C. has received a peer review rating of *pass*.

Sincerely,

Maloney + Novotny LLC



David A. Dilulis

CPA, MBA, CGFM

617.471.1120

ddilulis@ocd.com

David joined the Firm in 1986 and became Principal in 1996. He has experience working with government entities, higher education, and not-for-profits. A CGFM, he also received the Governmental Accounting and Auditing Certificate of Educational achievement for Single Audits, has helped many organizations obtain a Certificate of Achievement in Financial Reporting from the Government Financial Officer's Association for its CAFR, and has assisted clients with GASB implementation and reporting.

Areas of Expertise

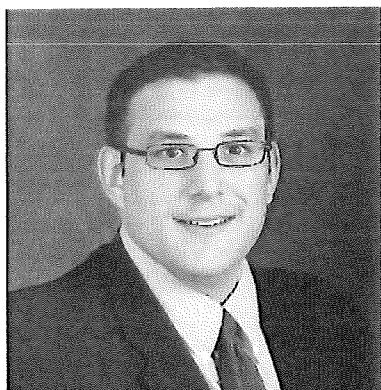
- Not-for-profit
- Government entities
- Higher education
- Construction
- Automobile dealerships
- Retail
- Closely-held businesses

Education

- University of Massachusetts at Amherst – Bachelor of Business Administration – High Honors
- Suffolk University – Master's in Business Administration – High Honors

Memberships

- Massachusetts Society of Certified Public Accountants (MassCPAs) – Fellow
- American Institute of Certified Public Accountants (AICPA)
- South Shore Chamber of Commerce
- National Association of Colleges and Universities Business Officers (NACUBO)
- Eastern Association of Colleges and Universities Business Officers (EACUBO)
- Association of Government Accountants
- Designated Government Audit Quality Center Principal (GAQC)



Zachary LaFlash

CPA

617.471.1120
zlaflash@ocd.com

Zach joined the firm in 2007 and was promoted to Manager in 2017 and most recently to Principal in 2022. He oversees accounting, auditing, and tax services for a wide range of clients and variety of engagements including; audits, reviews, compilations and agreed upon procedures.

Areas of Expertise

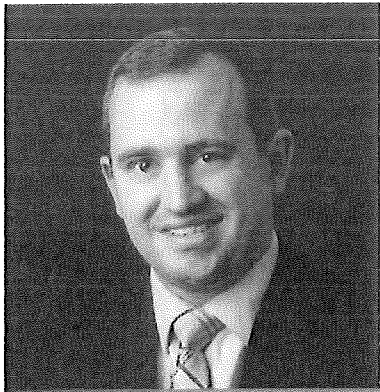
- Nonprofit
- Governmental Entities
- Higher education
- Commercial
- Healthcare

Education

- Westfield State University – Bachelor's Degree with Dual Majors in Business Administration with a concentration in Accounting and Economics

Memberships

- Massachusetts Society of Certified Public Accountants – Fellow (MassCPAs)
- American Institute of Certified Public Accountants (AICPA)



Michael Cronin

CPA

617.471.1120
mcronin@ocd.com

Mike joined the firm in 2008 and was promoted to Manager in 2017. Mike is responsible for managing audit and tax services for a wide variety of clients including closely held businesses and their shareholders, as well as non-profit, higher education and governmental entities.

Areas of Expertise

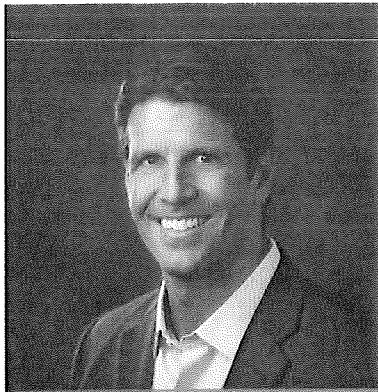
- Automobile Dealerships
- Closely Held Businesses
- Higher Education
- Governmental Entities
- Not-For-Profit Organizations
- Real Estate Management

Education

- Stonehill College, Bachelor of Science in Accounting, 2008

Memberships

- Massachusetts Society of Certified Public Accountants (MassCPAs)
- American Institute of Certified Public Accountants



Francis X. O'Brien

CPA, CIA, CFE

617.471.1120

fobrien@ocd.com

Since joining the Firm in 1998, Frank has worked both with closely held businesses and non-profits. For the past seventeen years, Frank has managed the internal audit and fraud division at the Firm.

Areas of Expertise

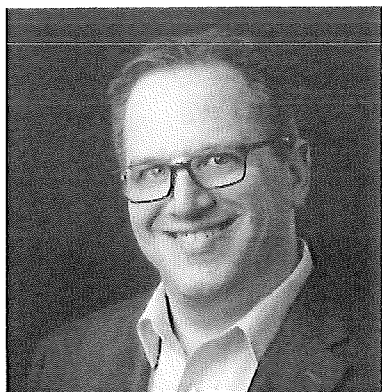
- Internal controls
- Fraud investigation

Education

- Villanova University, School of Commerce and Finance – Bachelor of Science in Accounting

Memberships

- Massachusetts Society of Certified Public
- Accountants (MassCPAs)
- American Institute of Certified Public Accountants (AICPA)
- Institution of Internal Auditors (IIA) Association of Certified Fraud Examiners (ACFE)



Steven J. Cohen

CPA, CGFM

617.471.1120

scohen@ocd.com

Steven Cohen joined O'Connor & Drew in 1996 and frequently consults with numerous organizations to improve their profitability, internal controls structure and compliance with Federal and state laws and regulations. Steven is a certified governmental financial manager (CGFM) and has managed government audit engagements, including our incurred cost and overhead audits for the Massachusetts Highway Department and Central Artery Tunnel Project (a/k/a "The Big Dig").

Areas of Expertise

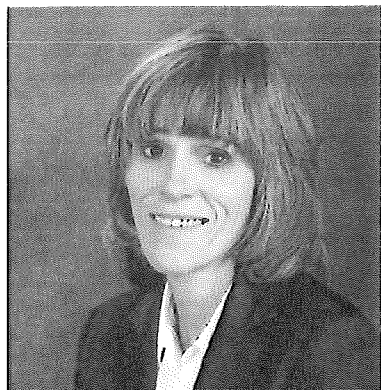
- Higher education
- Government entities
- Automobile dealerships
- Not-for-profit organizations
- Closely-held businesses

Education

- UMass Amherst – Bachelor of Business Administration with a concentration in Accounting
- Bentley University – Master of Science in Corporate Finance

Memberships

- American Institute of Certified Public Accountants (AICPA)
- Massachusetts Society of Certified Public Accountants (MassCPAs)
- National Association of College & University Business Officers (NACUBO)
- Eastern Association of College & University Business Officers (EACUBO)



Lauren A. Carnes

CPA, MST

617.471.1120

lcarnes@ocd.com

Lauren joined the Firm in 1988 and became a principal in 1997. She has extensive experience with corporate and individual tax planning, financial planning and in representation with government agencies. She currently directs our tax department overseeing services in most areas including corporate and individual taxation.

Areas of Expertise

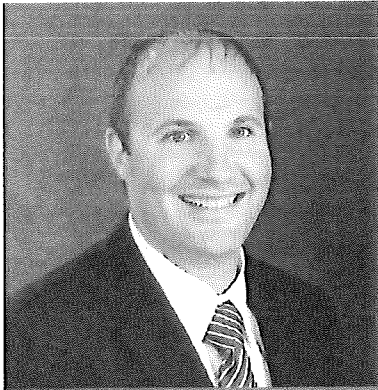
- 501(c)(3) organizations, foundations
- Representation before the IRS and MA. DOR
- Personal & corporation taxation
- Fuel oil dealers
- Multi-state taxation
- Retail industry
- Business succession planning
- Business consultations on mergers, acquisitions, and sales

Education

- University of New Hampshire, School of Management – Bachelor of Arts in Economics
- Bentley College – Master of Science in Taxation

Memberships

- Massachusetts Society of Certified Public Accountants (MassCPAs)
- American Institute of Certified Public Accountants (AICPA)
- Caring for our Community
- Treasurer, Hatch Pond Committee



Michael W. Hammond

CISA, CRISC, CISSP

617.471.1120

mhammond@ocd.com

Michael is the Principal of IT Audit & Security at O'Connor & Drew, P.C. With over 20 years in various strategic and administrative IT positions, including 15 years designing and implementing security architecture and security controls, Michael is widely considered a foremost expert in IT security. Michael is as a frequent speaker on trending audit and security topics

Areas of Expertise

- IT General controls (ITGC)
- ISO 27001/27002, COBIT
- SOX testing
- Server, desktop, storage, and networking technologies

Education

- University of Massachusetts Boston, Magna Cum Laude, Bachelor of Arts in Community Studies
- University of Maryland, Associates of Arts in Computer Science
- College of the Air Force, Associates of Science, Paralegal

Memberships

- Certified Information Systems Auditor (CISA), ISACA
- Certified in Risk and Information Systems Control (CRISC), ISACA
- Certified Information Systems Security Professional, (CISSP), ISC2
- Prior certifications include Microsoft, Novell, CompTIA, and ITIL
- Member, InfraGard, a partnership between the private sector and FBI

Meet The Firm Goes Virtual

By Candice Amaral,
Assistant Director of
Professional Development

Our firm prides itself the most on our exceptional client service – our valued-added service. You're probably wondering, what exactly 'value-added services' are from an accounting firm? O'Connor and Drew's value-added services are those that go above and beyond the standard services. These services set us apart from our competitors.

In this industry, we're not only competing for clients – we're competing for personnel. Potential candidates are interviewing us as much as we are interviewing them. The most sought-after recruits have their choice as to where they want to work. We want to be their choice.

Therefore, our approach to recruiting is no different than our tactic to securing a new client – we provide potential candidates with value-added service. You're probably thinking, how? Well, we won't give away all of our secrets, but we will let you in on this one: our annual Meet the Firm event.

Every September, we invite both recent college graduates and current accounting majors to visit our Braintree office for this great event.



O'Connor & Drew P.C.

Business Insights for Higher Education Administrators

Education Advisor

A Move Towards Remote Auditing

By Kimberly A. Reed, CPA, Principal

The coronavirus pandemic has put unprecedented pressure on the global economy and financial markets in recent months and caused many changes. Two things that have not changed are your requirements to your employee benefit plan and our commitment to providing you with a quality audit. With uncertainty regarding the timing of stay-at-home orders and other safety protocols that will be in place over the next several months, we cannot be sure when we will be able to visit client locations to complete our audits and as a result, we have turned to remote auditing.

Now, more than ever, is a time to refine our audit processes, make the best use of technology, and develop best practices for completing these audits and staying connected with you, our clients. To do so, we will need to combine the use of technology with effective audit planning and communication. This will ensure we are completing your employee benefit plan audit as efficiently and effectively as possible over the next several months and beyond.

Remote Audit Technology

Accounting firms have been doing remote audits for some time now and many already have

Meet The Firm (continued)

This year, due to the circumstances surrounding COVID-19, the most recent Meet the Firm was our first ever virtual event. Although virtual, this event still allowed potential recruits to socialize with all levels of our professional staff, learn about the various divisions of our firm: Audit, Tax, Forensics and Fraud Investigation, OCD Tech, etc. and participate in career-building activities: both resume editing and mock interviews. The virtual take on Meet the Firm was a great success and the necessary substitution to our traditional in-person event.

Our six Meet the Firm events have brought a combined total of 100+ potential candidates to our office. We've interviewed several of these candidates for both internship and entry-level positions. We've even hired some who still work with us today.

One of our more recent hires, Christopher Pastena, a graduate of Bridgewater State University, was a candidate we met at our 2018 Meet the Firm event. He left our event "with a feeling that this was a company that I definitely wanted to pursue any possible opportunity I was given. The staff and partners I met with were incredibly friendly and informative. I got the sense that this was a company that prioritized its employees and wanted to give them the best opportunity to succeed. Looking back on it, deciding to attend was probably one of the best decisions I have made to start my career."



Virtual MEET THE FIRM

**MEET THE
MANAGING
PARTNER**

**MOCK
INTERVIEWS**

**RESUME
CRITIQUES**

**MEET OUR
FIRST YEARS**

**AUDIT, TAX,
FORENSICS,
& TECH
SESSIONS**

Q&A



Attending Meet the Firm can result in candidates who may have never considered working at O'Connor and Drew to want a job here. At the very least, this event is a more tangible impression of our firm.

Dean Kosow, an audit senior here at O'Connor & Drew and graduate of Boston University, attended our first Meet the Firm event and noted that attending was "a great opportunity to get familiar with the firm as opposed to just reading about O'Connor and Drew on the website. I learned about the industries the firm specializes in, that I'd be exposed to both audit and tax – which most

other firms don't offer – and received useful feedback on how to improve my resume and interviewing skills."

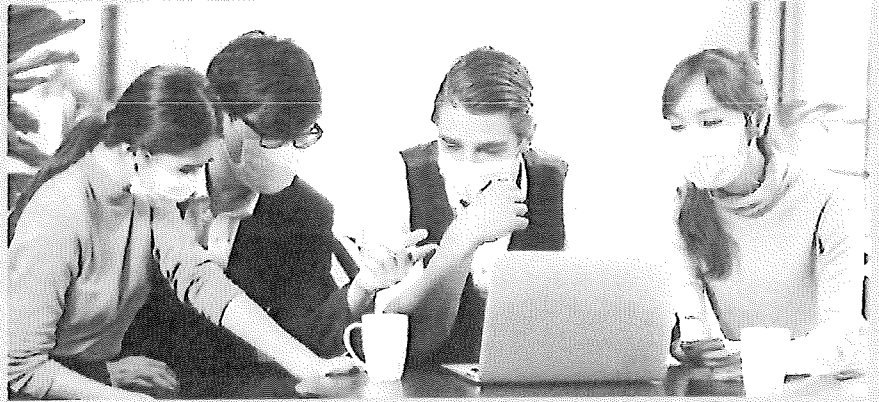
Our goal is always, regardless of the circumstance, for attendees to leave our event feeling they have really met us, our firm; and even with this year's event being virtual: it was a success! COVID-19 or not, we provide the same value-added service to our recruiting candidates that we do to our clients!

A Move Towards Remote Auditing

the technology necessary for remote auditing, although maybe not to the extent that it will be used now. While some technology supporting remote audits is quite basic and well known (email and software such as Word, Excel and Acrobat), below are a few of the unique challenges that might arise when completing an employee benefit plan audit remotely, and the technology we are using to help overcome those challenges that may be new to engagements.

Email can be viewed as an unsafe way to share sensitive information, such as payroll data and employee information that we often require during employee benefit plan audits. As a result of these security concerns, we have been utilizing a secure web portal to ensure our clients have access to a centralized client folder to easily upload and transfer their audit requests and support. This also allows for a more efficient audit, as the support is accumulated in a central location that can be accessed by specific client personnel and members of the engagement team throughout the audit.

Also, due to the limitations created from not being onsite to have face-to-face conversations and ask questions that are required during the audit, we are utilizing various video and teleconferencing software to help stay connected with our clients and colleagues throughout the process.



Beyond a simple phone conversation, these tools can allow for face-to-face conversations, the ability to share screens and information, and even observe specific audit support.

Audit Planning and Communication

Performing a successful remote employee benefit plan audit also involves a strong focus on planning and communication. Effective planning and communication have always been key aspects of an audit engagement, but when an auditor is unable to visit a client location to perform testing, it becomes even more important.

To ensure proper planning and communication for remote employee benefit plan audits, we are making our request for data and testing samples as detailed and complete as possible, tailoring these to each specific engagement, and communicating our requests as early as possible. These requests will also be discussed with you upfront so there is a clear understanding of what we are asking for and how we would like to receive the information throughout the

process.

In addition, since we are unable to just walk into your office to ask questions during a remote audit as we typically would during standard fieldwork, it is helpful to have additional check-in calls throughout the engagement to resolve issues, discuss questions and open items that we may have accumulated while performing our testing remotely, as well as to keep you up to date on our progress.

Creating a Better Process

While we understand that completing these employee benefit plan audits remotely might be challenging, especially in the near term, many of the processes and best practices that we are putting into place now will likely remain even after the pandemic has subsided. With the proper use of remote auditing technology and effective planning and communication throughout our engagements, we will be able to help you meet your employee benefit plan audit requirements as efficiently, effectively, and safely as possible.

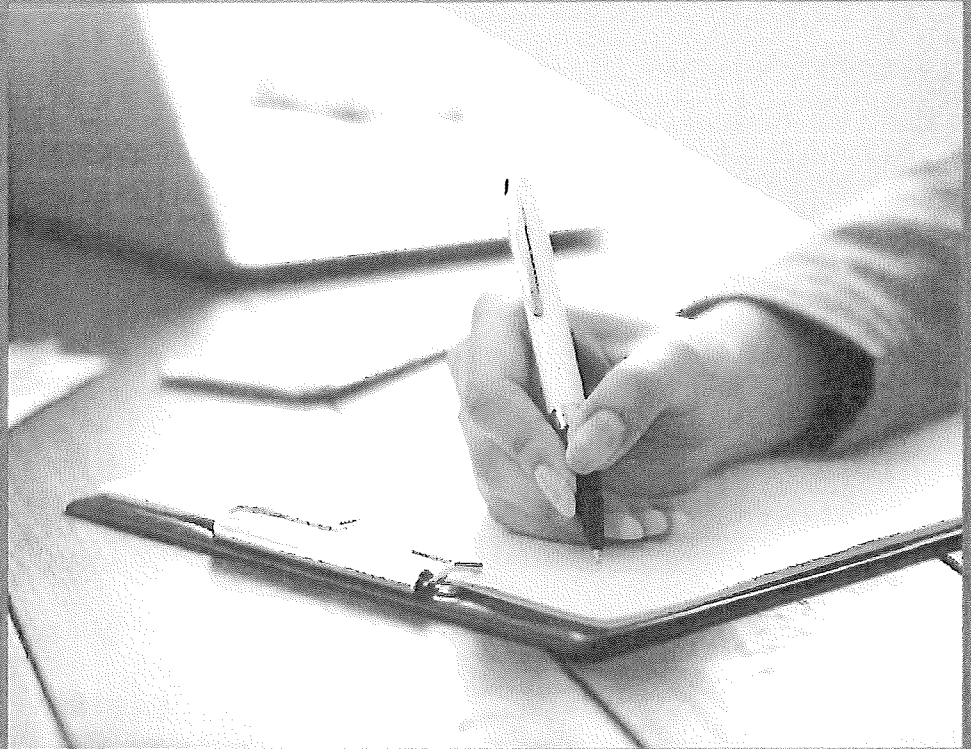
COVID 19 and your Organization

Changes you can make within your organization during these unprecedented times

By Peter Bohan, Director of Firm Administration

We are all facing a situation that no one has experienced before. Many businesses and organizations have made the decision to keep their offices and business establishments closed until there is an effective vaccine. Other businesses and organizations have either reopened or partially reopened. For those considering a reopening, below is a simple checklist so you can begin to prepare for the reopening:

- Communicate with your employees, informing them what the "rules of the road" will be when they return to the office, school or other place of work
 - Proper safe social distancing
 - Rules for wearing masks – these will vary by the individual work environments
 - Not coming to work if feeling ill
 - Not sharing common items - pens, staplers, notebooks etc.
- Prepare the work environment
 - Signage at all entrances with office rules for the virus situation posted
 - Cautionary/reminder signage posted throughout the workspace reminding people to practice safe social distancing and wearing masks
 - Provide workers with hand sanitizer, wipes and masks
 - Re-organize the physical work environment as necessary – this means closing gathering spaces and conference rooms (unless large enough to allow for proper social distancing), limit the use of kitchens and perhaps use of a refrigerator - this means that coffee makers, toasters and microwaves are not to be used. Move desks and partitions as necessary to achieve proper social distancing.
 - Entrances – if possible, entrances to work environments should be locked to the general public.



If the public is allowed into the workspace then there should be a log requiring them to sign in that will provide tracing information should there be confirmed cases in the work environment

- If possible, limit staff to only those that are needed and allow others to work remotely

Whether organizations are all working remotely or have reopened, there are challenges to everyday HR functions caused by the pandemic – most organizations need to hire and onboard new employees and review existing employees differently than they have done in the past. Below are some options for dealing with these tasks:

- Hiring – we have been doing Zoom interviews (or any other video conferencing tool) While it is not as good as conducting interviews in-person, it is much better than the telephone. For a second interview, if your work environment has a room that can allow safe distancing then you may wish to give the candidate the option to do

an interview remotely or in person. If your process requires candidates to see more than one person then schedule the interviews for all people to see the candidate in one visit.

- Onboarding – if you have not already, convert all forms to electronic so they can be sent electronically and completed electronically. This will make the process easier both during the pandemic situation and afterwards. You may want to subscribe to DocuSign or another remote signing service.
- Employee Reviews and feedback – you may want to consider using an employee performance software program if you still have a paper system. All the information required by the employee or his/her supervisors is easily available to be seen. The flow of information is seamless. Good and timely feedback is especially important now.