

# AN EXAMINATION OF THE FINANCIAL AND TECHNICAL CONTROLS OF THE MAGIC SYSTEM

REQUEST FOR PROPOSAL



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STATE AUDITOR

RFP No. 14-12-01-OSA

Mississippi Office of the State Auditor  
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[www.osa.state.ms.us](http://www.osa.state.ms.us)

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## PURPOSE

The Mississippi Office of the State Auditor (OSA) is seeking sealed bids and proposals from firms to provide for the identification and examination of the financial and technical controls related to Mississippi's Accountability System for Government Information and Collaboration (MAGIC). The OSA will use the results of this examination in planning the audit of the State's financial statements for the fiscal year ending June 30, 2015.

Development and maintenance of these systems is the responsibility of the Mississippi Management and Reporting System (MMRS), an operating office of the Mississippi Department of Finance and Administration (DFA). Most of the issues of system software, mainframe, server and network support and control along with physical security are functions of the Department of Information Technology Services (ITS) in conjunction with MMRS.

The successful contractor will be responsible for testing and ensuring compliance by following the attestation standards adopted by the American Institute of Certified Public Accountants (AICPA), standards applicable to attestation engagements set forth in the U.S. Government Accountability Office's (GAO) *Government Auditing Standards* and *IS Audit and Assurance Guidelines* issued by the Information Systems Audit and Control Association (ISACA) Standards Board.

## PART I - GENERAL TERMS AND CONDITIONS

### A. ISSUING OFFICE

This offer is issued for the State of Mississippi by the OSA. OSA reserves the right, without qualifications, to select any proposal as a basis for negotiation, to reject all proposals and to exercise its discretion and apply its judgment with respect to any proposal submitted.

### B. CONTRACT TYPE AND PRICE

It is anticipated the contract subsequent to this solicitation will be awarded on a cost reimbursement basis of an all-inclusive hourly rate, and shall contain contract clauses as identified in Part V – Contract Clauses. **A Schedule of Professional Hours and Fees and Contractor's Total Cost Statement should be submitted with the proposal. (See Part IV, Section F – Contractor's Schedule of Professional Hours and Fees for the format of these schedules).** All schedules and information related to the proposer's costs should be submitted in a separate envelope from the technical portion of the bid and clearly marked "Costs Portion". Any contract for this project will be based on services stated on a cost reimbursement basis (hourly rate and maximum hours fixed). Any contract(s) awarded under this RFP will have a "not-to-exceed" clause which will limit the allowable fees charged in connection with this project through close-out. The project and contract(s) will be developed in a manner that satisfies all applicable Federal, State, and Local laws and regulations.

### C. PROPOSAL SUBMISSION AND DEADLINE

**Submission Deadline: January 22, 2015 5:00 p.m. CST**

Proposals shall be submitted in sealed envelopes or packages to the office specified below. All

proposers must submit one (1) original and three (3) copies of the entire proposal. **All proposals must be received in the OSA office by 5:00 p.m. CST January 22, 2015.** The State Auditor will accept sealed bids and proposals until the deadline listed in this RFP. If bids arrive after 5:00 p.m. CST on the deadline day they will be returned unopened to the bidder via certified mail. The unopened bid will have a cover letter attached stating that the bid was received after the deadline and was not accepted. Respondents are solely responsible for ensuring their proposals are delivered on time. It is suggested that if you mail proposals, post it certified mail with a return receipt guaranteed. Delays caused by any delivery service, including the US Postal Service, will not constitute grounds for an extension of the deadline for the receipt of the proposals. Postmarking by the due date will not substitute for actual proposal receipt. Proposals may not be delivered by facsimile transmission or other telecommunication or electronic means.

The complete Request for Proposals, with submission requirements and instructions, can be found at: [http://www.osa.ms.gov/downloads/magic\\_rfp.pdf](http://www.osa.ms.gov/downloads/magic_rfp.pdf). Any updates or modifications to this proposal can be found at: <http://www.osa.ms.gov/resources.html>

Proposals may be mailed or delivered to:

Mississippi Office of the State Auditor  
 Mr. Bill Doss, CPA, Director, Financial and Compliance Audit  
 501 N. West Street  
 Suite 801, Woolfolk Building  
 Jackson, MS 39201  
**SEALED PROPOSAL – DO NOT OPEN**

To be considered this RFP, bidders must follow the timeline below:

RFP and Contract Award Time Line	
<b>Item</b>	<b>Date of Action</b>
RFP Release:	Monday, December 1, 2014
Closing Date for Firm Inquiries:	Wednesday, December 17, 2014 at 5:00 p.m. CST
Response to Inquiries:	Pre-Proposer’s Conference: Wednesday, January 7, 2015 at 9:00 a.m. CST Conference Center East – Woolfolk Building
Proposal Submission Deadline:	Thursday, January 22, 2015 at 5:00 p.m. CST
Deadline for Withdrawal of Proposal:	Monday, January 26, 2015 at 12:00 p.m. CST
Selection:	January 23 – January 29, 2015
Contract Award:	On or about January 29, 2015

#### **D. ACCEPTANCE / REJECTION OF PROPOSALS**

Failure to furnish or to follow the format identified in these guidelines may disqualify the proposal. It is important that each section of the original proposal must be submitted in a complete manner. OSA reserves the right to consult with outside parties in evaluation of the

proposals. All proposals become the property of the State of Mississippi upon receipt and will not be returned to the proposer. Receipt or acceptance of a submission does not imply commitment or obligation on the part of the State to fund any proposal submitted. OSA may or may not negotiate the scope of services with one or more respondents. The decision of OSA is final. All proposals and bids will be confidential until they are publicly opened after the submission deadline has passed. OSA reserves the right to exclude any and all non-responsive bids from any consideration for contract award. OSA will award the contract to the bidder whose bid is most responsive to the solicitation and is determined to be most advantageous in price, quality, and other factors considered. OSA reserves the right to award the contract to a bidder other than the lowest price bidder when it can be clearly demonstrated, to the satisfaction of OSA, that award to the low bidder would not be in the best interest of OSA and the State of Mississippi.

## **E. DEFINITIONS**

The term “Proposer” shall be defined as an individual, organization, or company that is external to the State of Mississippi and submits a bid for this procurement opportunity. For the purposes of this RFP, the following terms will be used interchangeably: Bidder, Consultant, Contractor, Firm, Offerer, Proposer, Respondent and Vendor.

A “Responsive Submission/Proposal” refers to a respondent’s submission which adequately addresses all requirements and elements of this RFP.

A “Non-Responsive Submission/Proposal” refers to a respondent’s submission which does not adequately address all requirements and elements of this RFP.

## **F. ADDENDA: ERRORS AND OMISSIONS**

If a bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, immediately notify the contact person, Bill Doss, OSA Director, Financial and Compliance Audit of such error and request clarification or modification to the document. OSA shall make RFP modifications by addenda, provided that any such modifications would not materially benefit or disadvantage any particular firm.

If a bidder fails, prior to the proposal submission deadline, to notify OSA of a known error or an error that reasonably should have been known, the bidder shall assume the risk. If awarded the contract, the bidder shall not be entitled to additional compensation or time because of the error or its late correction.

## **G. PROPOSAL PREPARATION EXPENSES**

OSA **will not** be responsible for any costs incurred in the preparation and submission of proposals by any Proposer.

## **H. WITHDRAWAL OF PROPOSALS**

Submitted proposals may be withdrawn provided OSA receives, by 12:00 p.m. CST January 26, 2015, written notification of withdrawal.

## **I. PROPOSAL MODIFICATIONS**

OSA will not accept any request to modify proposals after the proposal has been submitted by the proposer. This will, however, not limit OSA from having the right to negotiate with a proposer after a selection has been made. Also, this will not limit OSA's right under Part I, Item L to issue amendments to these proposal specifications.

#### **J. EQUAL OPPORTUNITY**

Contracts, purchases and other financial transactions are administered by the OSA equally without regard to race, religion, color, creed, sex, national origin, disability or age. The OSA will adhere to any state and federal laws or regulations regarding minority business set-asides.

#### **K. EFFECTIVE PERIOD OF PROPOSAL**

All proposals are required to remain in effect for ninety (90) days from the date submitted to OSA for review.

#### **L. AMENDMENTS TO PROPOSAL SPECIFICATIONS**

The OSA reserves the right to issue amendments to these guidelines. If it becomes necessary to amend said guidelines, the OSA will provide copies of the amendments to all Proposers having submitted proposals based on earlier guidelines.

#### **M. ORGANIZATIONAL CONFLICT OF INTEREST**

Section 25-4-101, Mississippi Code, Ann. (1972), as amended, references prohibitions against conflicting party interests. The successful bidder that is awarded a contract, upon executing such a contract, must certify and represent they shall not, at any time during the duration of the awarded contract or for one year prior, have an accounting, auditing, or any other relationship with any entity covered under the contract that may impair the independence of the contractor.

In the event an organizational conflict of interest should arise concerning this procurement, the OSA shall have the authority and responsibility to make the affirmative determination as to whether:

1. There would exist a conflict as result of an award, or
2. Such a conflict would be avoided after appropriate conditions are included in the award instrument.

In the event OSA determines a conflict of interest exists and such conflict cannot be avoided by including appropriate conditions in the award instrument, the OSA may nevertheless authorize the award. This may be done if a determination is made that it is the best interest of the State to make such an award, and the award instrument includes appropriate conditions or arrangements to mitigate such conflict.

#### **N. QUESTIONS CONCERNING PROPOSALS**

All questions in regard to this RFP must be made in writing by e-mail to the designated contact listed in the first section of this RFP. Respondents may submit written questions no later than Wednesday, December 17, 2014 at 5:00 p.m. CST. It is the proposer's responsibility to

determine whether the RFP Contact has received such communications. Individual responses will not be sent to each question received since a complete list of the submitted questions and answers will be distributed at the Pre-Proposer’s Conference on January 7, 2015.

Please send all inquiries to Mr. Bill Doss – [Bill.Doss@osa.ms.gov](mailto:Bill.Doss@osa.ms.gov)

**O. AWARD ANNOUNCEMENT DATE**

It is anticipated that the selection decision will be made on or prior to Thursday, January 29, 2015.

**P. OTHER KEY DATES**

After the contract has been awarded, the following key dates apply:

Post Award Key Dates	
<b>Item</b>	<b>Anticipated Date of Action *</b>
Prepare for Legislative Session, Request Funding:	January 30 – February 20, 2015
Winning Proposer Notified That Funding Is Complete:	Friday, February 20, 2015
Finalize Signing of Contract With Selected Proposer:	Tuesday, February 24, 2015
Project Starts:	Wednesday, February 25, 2015
Draft Copies of Report Delivered to OSA:	Friday, April 24, 2015 at 5:00 p.m. CDT
Final Copies of Report Delivered to OSA:	Friday, May 1, 2015 at 5:00 p.m. CDT

\* Anticipated Dates of Action are dependent upon approval of funding by the State of Mississippi Legislature

## PART II – WORK STATEMENT

### A. DESCRIPTION OF PROJECT

The following sections outline the specific areas for this RFP. These sections may result in a single or multiple award, based on responses and funding availability. OSA will evaluate and rank each response to this RFP based on overall evidence of capability, staffing, and experience in the areas of compliance testing, financial revenue and expenditure testing, and internal control testing related to general controls, information technology and federal grant award oversight.

The work for this Request for Proposal includes performing all procedures necessary to identify and review the controls, both general and significant, related to Mississippi's Accountability System for Government Information and Collaboration (**MAGIC**). The examination of the controls of these systems will be used by the Office of the State Auditor in planning the audit of the State's financial statements for the fiscal year ending June 30, 2015.

All work will take place in the Jackson, Mississippi metropolitan area. **The performance of this service is to be completed and a final report submitted to the Office of the State Auditor no later than May 1, 2015 at 5:00 p.m. CDT.**

### B. DESCRIPTION OF MAGIC

On July 1, 2014, the State of Mississippi replaced the statewide legacy financial and accounting systems (**SAAS**) with SAP's fully integrated up-to-date off-the-shelf Enterprise Resource Planning (**ERP**) software package that has been modified to meet the State's defined requirements. The system is known as Mississippi's Accountability System for Government Information and Collaboration (**MAGIC**). The Mississippi Management and Reporting System (**MMRS**), an office of the Mississippi Department of Finance and Administration (**DFA**), is responsible for the development, enhancement, maintenance, and support of **MAGIC**.

The Human Resources and Payroll (**SPAHRS**) component is still running on the legacy software and was not part of this project. Similarly, the Mississippi Department of Transportation (**MDOT**) was not part of the initial implementation. MDOT currently interfaces with **MAGIC**'s Finance component in real-time via their Financial Management System (**FMS**). MDOT is fully integrated with **MAGIC**'s Procurement component for all MDOT procurement activities **not** included in the MDOT Construction Management System. The Mississippi Institutions of Higher Learning are not part of this project.

**MAGIC** consists of the following components and functions:

#### I. **MAGIC FINANCIALS**

- 1) Accounts Payable
- 2) Accounts Receivable
- 3) Budget Control
- 4) Budget Development
- 5) Cash Management
- 6) Cost Allocation

- 7) General Ledger
- 8) Grant Accounting
- 9) Project Accounting

## **II. MAGIC PROCUREMENT**

- 1) Asset Management
- 2) Bid Solicitation (Reverse Auction component not implemented)
- 3) Contract Management
- 4) Fleet Management
- 5) Inventory
- 6) Purchasing

## **III. MAGIC GRANTS MANAGEMENT**

- 1) Agency Funding Source
- 2) Announcement and Solicitation
- 3) Application and Award
- 4) Audit
- 5) Closeout
- 6) Financial Management
- 7) General Grants Management
- 8) Interfaces
- 9) Monitor Activity
- 10) Reporting

## **IV. MAGIC TECHNICAL**

- 1) Data Warehouse
- 2) General Functional (Security, Backup, Restore, etc.)
- 3) Technical (Operating Systems, Networking, etc.)

MAGIC runs on an IBM z196-504 mainframe with 10 production systems on the zOS operating system, 10 systems incorporating 18 servers running on Z/Linux and 21 Virtualized Open Systems Servers running Microsoft Windows 2008 and 2012 (all servers are virtual - Windows servers are running in Vsphere and Z/Linux are running on the Mainframe) and DB2 and MS-SQL databases. All data resides on a Storage Area Network consisting of IBM DS8800s.

Additional information about MAGIC can be found on the MMRS website:

<http://www.mmrs.state.ms.us/MAGIC/index.shtml>

The Blueprints and System Documentation found within this web site will be of particular benefit in helping to understand the MAGIC system and completing this proposal.

## C. REQUIREMENTS

**We will require detailed, written documentation of all procedures performed**, including any checklists, working papers or flowcharts obtained or created during the engagement. In documenting the results of the engagement, you will also be required to identify control weaknesses, identify the types of potential misstatements that could occur and identify the State's policies and procedures to prevent or detect these misstatements. These documents become the property of the OSA and will be used in designing appropriate substantive testing to be performed.

**A written report** will also be required. This report should identify findings, including control weaknesses, and offer recommendations for improving those control weaknesses. Specifically, the report should also offer assurance that on a day-to-day basis, transactions are properly processed, reported correctly and are complete. The report should also offer an opinion on whether data the General Ledger feeds to the Financial Statements is being retrieved from the proper areas and that the Financial Statements are accurate, adequate and materially correct. This opinion will flow from assertions provided by Management of DFA. DFA's assertions will be available prior to the start of the project.

The engagement services will be made in conformity with the following guidelines and regulations:

1. The attestation standards adopted by the American Institute of Certified Public Accountants (**AICPA**)
2. The standards for attestation engagements set forth in the U.S. Government Accountability Office's (**GAO**) *Government Auditing Standards* (2011 - GAO-12-331G). An electronic version of this document can be accessed at: <http://gao.gov/assets/590/587281.pdf>.
3. *IS Audit and Assurance Guidelines* issued by the Information Systems Audit and Control Association (**ISACA**) Standards Board. An electronic version of this document can be accessed at: <http://www.isaca.org/Knowledge-Center/ITAF-IS-Assurance-Audit-IS-Audit-and-Assurance/Pages/IT-Audit-and-Assurance-Guidelines.aspx>
4. Compliance with applicable state laws
5. Special items or reports prescribed by the OSA as set forth in the attached Engagement Services Schedule (**ATTACHMENT A**)

OSA shall have the right to reject, at any time during this contract period, any work not meeting the terms of this contract. Should OSA reject any services, the OSA authorized representative shall notify the CONTRACTOR in writing by registered mail of such rejection, giving the reason thereof. The right to reject services shall extend throughout the life of the contract.

OSA may request the CONTRACTOR to perform additional duties under the contract. Before this work would begin, OSA and the CONTRACTOR will mutually agree in writing upon the terms, including compensation, for additional work to be performed.

**The CONTRACTOR shall provide five (5) draft copies of the report identifying findings, including control weaknesses, and offering recommendations for improving those controls by 5:00 p.m. CDT April 24, 2015. Upon acceptance of the drafts by the OSA, the**

**CONTRACTOR shall deliver five (5) original reports to the OSA by 5:00 p.m. CDT May 1, 2015.** The CONTRACTOR will also be required to present the findings and recommendations in this report to management of the Mississippi Department of Finance and Administration.

#### **D. ADDITIONAL TERMS**

The CONTRACTOR acknowledges the OSA is relying on the timely completion of this contract in planning the audit of the State's fiscal year 2015 financial statements and acknowledges that time is of the essence. If the CONTRACTOR fails to meet the completion date prescribed herein, OSA may, at its option, reduce the agreed compensation by an amount not to exceed ten percent (10%) of the total contract amount as liquidated damages for the failure to complete the contract by the completion date.

The OSA'S authorized representative is empowered to accept or reject the services furnished by the CONTRACTOR in compliance with the provisions of this contract and the attached Engagement Services Schedule. However, any rejections of services must be based solely on the CONTRACTOR'S failure to comply with the terms of this contract and cannot be based on the nature of the CONTRACTOR'S report on the weaknesses in internal controls identified in its report. The CONTRACTOR shall have a Certified Public Accountant (**CPA**) as the certifying official of the final report.

## **PART III – PROJECT NEGOTIATIONS AND AWARD OF CONTRACT**

It is the intent of the OSA to conduct negotiations for award of a contract to the best offer as determined by the evaluation of competitive proposals, all relevant factors considered. A contract will be awarded only if it is within available funds and in the best interest of the OSA.

The OSA will evaluate each proposal using the weighted criteria schedule and assign point values as described in this section.

The OSA's Request for Proposal and the CONTRACTOR's technical proposal for professional services shall be incorporated as part of the awarded contract.

The OSA reserves the right to seek outside technical analysis of any proposal.

In order to achieve the most objective and consistent assessment possible, significant effort was made to define relevant and objective criteria. All proposals will be ranked according to the following factors. The numbers denoted in parenthesis indicate the weight applied to each factor.

### **1. Technical experience of the firm and understanding of the work to be performed (45%)**

The number of years the firm has been performing engagements of the type under consideration should be included in the proposal. A listing of previous governmental engagements completed should also be included in the proposal. The quality and completeness of the project approach will be evaluated.

### **2. Qualifications of staff to be assigned to the audit (30%)**

Education, including continuing education courses taken during the past three years; position in the firm; and years and types of experience will be considered. This will be determined from the resumes submitted. An estimate of the number of hours for each person assigned to the engagement (both field auditors and supervisory personnel) should be included in the proposal. The experience and education of staff assigned to the engagement will be considered to determine the ranking on this element. Qualifications prescribed by the OSA are set forth in the attached Competency Schedule. (**ATTACHMENT B**)

### **3. Total price of the audit (25%)**

Proposals will be ranked based on the total price of the engagement. The hourly rate may be computed for comparison purposes in the event extreme deviations in cost or hours are noted.

## PART IV – INSTRUCTIONS TO PROPOSERS

### A. PROPOSAL REQUIREMENTS

In order to be a qualified party, the successful respondent will provide sufficient information related to the following five areas. All qualified proposals will be evaluated and scored as described in Part III, with final selection made by the Mississippi Office of the State Auditor (OSA). Any decision made by OSA will be final. Applicants are encouraged to organize their submissions in such a way as to follow the general evaluation criteria listed below. Information included may be used to evaluate your firm as part of any criteria regardless of where that information is found within these sections. Information obtained from the proposal and from any other relevant source may be used in the evaluation and selection process. The proposals received by the deadline stated above will be ranked according to the following criteria:

#### 1. Relevant Firm Experience

- a. Applicant's overall reputation, service capabilities and quality as it relates to this project.
- b. A statement detailing whether the applicant is Mississippi owned and based, and if so, for how long. Where applicable, provide previous addresses if the applicant business has moved, if within the last ten years.
- c. List and briefly describe 3 to 5 comparable projects completed by your firm or currently in progress over the last five years; include your firm's role, and discuss contract amendment history, if applicable. For each project, include: contract value (original value plus all contract amendments, if applicable), project owner, project location, contact name and title, address, current/accurate telephone number, fax number, and email address (if available).
- d. Provide a minimum of three referrals and references from other agencies and owners. If possible, references should be from the projects listed above and should be limited to the last five (5) years.
- e. List all projects in the last five (5) years that were with the State of Mississippi or local governments, or provide a statement that there were no projects in the last five (5) years with the State of Mississippi or any local government entity.
- f. List and describe any litigation; arbitration; claims filed by your firm against any project owner as a result of a contract dispute within the last five years; any claim filed against your firm within the last five years; or any termination from a project within the last five years.
- g. List applicant capacity and intent to proceed without delay if selected for this work.
- h. Provide photocopies (attached as a clearly marked Appendix to this response) of all relevant licenses, certifications, and professional memberships, etc.

#### 2. Team Experience & Qualifications

- a. Describe each team member's position within the firm. Provide resumes of each proposed team member. List professional continuing education.
- b. Briefly describe each team member's role on this project. *Please note, once listed in your RFP submission, these members would not be able to be reassigned without the approval of OSA and/or the proposer and any reassignments would have to be equivalent qualifications. Please choose individuals with this in mind.*
- c. Provide "team" experience working together on similar projects.
- d. Identify proposed sub-consultants.
- e. Individually list any current employees who have previously been employed by the State of Mississippi and local government within the last five years. Include the government

entity and dates of such employment.

### 3. Project Understanding and Approach

- a. Describe your understanding of the project.
- b. Identify and discuss any potential problems you foresee during the design and implementation phase.
- c. Identify and discuss methods you would recommend to mitigate those problems.
- d. Describe and discuss applicant areas of strength, as they would apply to this project.
- e. Describe applicant limitations, as they would apply to this project.

### 4. Approach to Project Management

- a. Describe your firm's project management approach and team organization during all phases for similar projects. How would these areas apply to this project?
- b. Describe systems used for planning, scheduling, estimating, and managing project oversight and accountability services.
- c. Describe the firm's experience on quality assurance and dispute resolution.
- d. Describe the proposer's Quality Assurance/Quality Control as it relates to data and other information gathering for this project. Include a statement about how that would be implemented in this project.

### 5. Other Factors & Required Information

- a. Provide current workload and ability to proceed promptly.
- b. Willingness to abide by the State contract clauses as provided in the PSCRB regulations found at [www.mspb.ms.gov](http://www.mspb.ms.gov) with few or no objections or changes.
- c. Provide statement regarding your assurance that this engagement will not result in a conflict of interest—including, but not limited to, audit engagements, oversight over existing contracts outside of State government, and any other official reasons that a conflict of interest might be determined under State and federal law.
- d. Provide relevant factors that may impact the quality and value of work.
- e. Identify any contract terms and conditions that could be problematic and disclose any potential exceptions to contract terms listed throughout this RFP in the proposal submission proposals.
- f. List any special contract terms and conditions the firm/team would like to be considered for inclusion in any contract it might execute with OSA under this RFP.
- g. Provide the proposer's FEIN number.
- h. Provide a copy of the most recent quality review, including a statement indicating whether that quality review included a review of specific government engagements.
- i. Provide a schedule of professional Hours and Fees (To be submitted in a separate envelope marked ("Costs Portion").
- j. Provide a total Cost Statement (To be submitted in a separate envelope marked ("Costs Portion").

## B. PERIOD OF CONTRACT

The contract shall expire one hundred twenty (120) days after delivery of the completed report, so that any questions raised during the examination may be resolved.

## **C. INSURANCE**

The CONTRACTOR shall carry worker's compensation insurance as required by law. The CONTRACTOR agrees to hold the State of Mississippi, including the OSA, harmless and indemnify OSA against any liability for injury or death to any person or damage to any property in connection with services performed under this contract. The CONTRACTOR shall furnish upon demand, proof of coverage to the OSA.

## **D. E-PAYMENTS**

Payments by state agencies using MAGIC shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of the contractor's choice. The OSA shall pay or make payments on the above-mentioned consideration in accordance with the following schedule or procedure:

The CONTRACTOR shall submit monthly invoices to OSA with supporting documentation of costs incurred. The invoices shall outline the work performed and number of hours worked. Within forty-five (45) days of receipt of the invoice, the OSA shall pay ninety percent (90%) of each invoice and will retain the remaining ten percent (10%) until final payment is made. OSA agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies", Section 31-7-301, et seq. of the 1972 Mississippi Code Annotated, as amended. The State requires the contractor to submit invoices electronically throughout the term of the agreement. Vendor invoices shall be submitted to OSA using the processes and procedures identified by the State. Payments by OSA using the MAGIC system shall be made and remittance information provided electronically as directed by the State. The final payment, including retained amounts, shall be made after completion and acceptance of the services. In no instance will payment be made in excess of the contract amount.

## E. CONTRACTOR'S CERTIFICATION STATEMENT

I (We) certify that:

- a. I am (We are) an independent certified public accounting firm licensed to practice in the State of Mississippi.
- b. The information contained within this Examination Proposal is correct, and I am (we are) aware of no event that has occurred or will occur that would render this Proposal materially inaccurate or misleading.
- c. The proposed team leader and team members possess the experience required for this job.
- d. All staff assigned to this engagement meet the continuing educational requirements set forth in the *Government Auditing Standards* issued by the Comptroller General of the United States and, if applicable, continuing educational requirements set forth by the Information Systems Audit and Control Association.
- e. My (Our) firm meets the requirements for periodic outside quality control reviews set forth in the *Government Auditing Standards*. Attach a copy of your firm's most recent outside quality control review.
- f. I am (We are) independent as defined by *Government Auditing Standards* and have no conflict of interest for this specific engagement. I am (We are) also independent under the requirements of the American Institute of Certified Public Accountants, including Ethics Interpretation 101-10, *The Effect on Independence of Relationships With Entities Included in Governmental Financial Statements*.
- g. The experience and quality level of the staff proposed will be maintained throughout the engagement. Persons leaving the engagement will be replaced with persons of comparable experience and ability.
- h. I (We) understand that all information derived during the performance of this examination, including the contractor's report and supporting working papers and all other documents and information prepared by the contractor, will become the property of the Office of the State Auditor.
- i. I (We) understand that my (our) failure to certify compliance may constitute cause to reject my (our) proposal without any further review on the Office of the State Auditor's part. I (We) further understand that false certification, or failure to maintain certification with these requirements, will be a basis for retracting an award, if made, or canceling a contract, if executed, in addition to which the Office of the State Auditor may exercise any other remedy it may have for my (our) failure to comply with the forgoing provisions.
- j. I (We) have read, understand and agree to all conditions and requirements outlined in the Request For Proposal Document.
- k. I, the undersigned have appropriate authority to act on behalf of Proposer. By signing below, I (we) certify and attest to my (our) compliance with the above requirements.

Firm Name (Signature)

Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

## F. CONTRACTOR'S SCHEDULE OF PROFESSIONAL HOURS AND FEES

### Section A. Proposed Hours / Rates by Job Class

(To be submitted in a separate envelope marked "Costs Portion")

List estimated hours and rate by class of auditor (Partner, Seniors, etc.).

Class	No. of Hours	Percentage of Total	Hourly Billing Rate *	Extended Rate No. of Hours x Hourly Rate
Partners/Principals				
Managers/Supervisors				
In-Charge Seniors				
Seniors				
Intermediates				
Staff				
<b>TOTAL PROPOSED HOURS/COSTS</b>		100%		

\* The hourly billing rate reflected in this space should be an "all-inclusive hourly" rate and as such should include all additional incidental costs associated with the performance of this contract such as travel, lodging or phone, etc.

### Section B. Audit Hours by Engagement Area

(To be submitted in a separate envelope marked "Costs Portion")

Provide estimated hours by major engagement area.

Major Audit Area	Total Estimate Hours	Percent of Total
Overall Planning		
Audit Program Preparation		
MAGIC - General Controls		
MAGIC -Application Controls		
Supervision and Review		
Other		
<b>TOTALS</b>		100%

**G. CONTRACTOR'S TOTAL COST STATEMENT**

**(To be submitted in a separate envelope marked "Costs Portion")**

On firm letterhead submit a statement in this format, signed by a member authorized to bind the firm:

Date

Honorable Stacey E. Pickering  
State Auditor  
501 N. West Street  
Suite 801, Woolfolk Building  
Jackson, MS 39201

Dear Mr. Pickering:

We hereby propose to perform the examination of computer controls for Mississippi's Accountability System for Government Information and Collaboration (**MAGIC**) system in relation to your audit of the financial statements of the State of Mississippi for the fiscal year ending June 30, 2015. We propose a maximum of \_\_\_\_\_ professional hours and a maximum of \$ \_\_\_\_\_ in professional fees to complete this engagement.

FIRM \_\_\_\_\_

BY \_\_\_\_\_

TITLE \_\_\_\_\_

PHONE \_\_\_\_\_

## PART V - CONTRACT CLAUSES

### 1. Key Personnel.

The personnel listed below are considered essential to the work being performed hereunder. Prior to removing, replacing or diverting any of the specified individuals, the CONTRACTOR shall notify the OSA reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on this contract. No replacement shall be made by the CONTRACTOR without the written consent of the OSA, provided the OSA may ratify in writing the change and such ratification shall constitute the consent of the OSA. Key personnel for this contract include:

### 2. Employment Status.

The CONTRACTOR shall, during the entire term of this contract, be construed to be an independent contractor. Nothing in this contract is intended to nor shall be construed to create an employer-employee relationship.

CONTRACTOR represents that it is qualified to perform the duties to be performed under this contract and that it has, or will secure, if needed, at its own expense, applicable personnel who are qualified to perform the duties required under this contract. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the OSA.

Any person assigned by the CONTRACTOR to perform the services hereunder shall be the employee of the CONTRACTOR, who shall have the sole right to hire and discharge its employee.

The CONTRACTOR shall pay when due all salaries and wages of its employees and accepts exclusive responsibility for the payment of federal income tax, state income tax, social security, unemployment compensation and any other withholdings that may be required. Neither the CONTRACTOR nor employees of the CONTRACTOR are entitled to state retirement or leave benefits.

It is further understood that the consideration expressed herein constitutes full and complete compensation for all services and performances hereunder and that any sum due and payable to the CONTRACTOR shall be paid as a gross sum with no withholdings or deductions being made by the OSA for any purpose from said contract sum except as permitted in Part II Work Statement; Part IV, D. E-Payments; and Part V, 21. Termination.

### 3. Ownership of Documents and Work Products.

The working papers prepared in conjunction with the services under this contract will become the property of the OSA at the completion of the contract. The CONTRACTOR may retain copies of all records required for record keeping purposes or for compliance with applicable

professional standards.

The CONTRACTOR is prohibited from use of the above described information and/or materials without the express written approval of the OSA.

4. Record Retention and Access to Records.

The CONTRACTOR shall maintain and make available to the OSA any financial records, supporting documents, statistical records and all other records pertinent to the services performed under this contract in accordance with the CONTRACTOR's policies and procedures or professional regulatory requirements. These records shall be maintained for at least five (5) years; however, if any litigation or other legal action, by or on behalf of the State has begun that is not completed at the end of the five (5) year period, or if audit findings, litigation or other legal action has not been resolved at the end of the five (5) year period, the records shall be retained until resolution.

5. Modification or Amendment.

The OSA may, from time to time, request changes in the scope of services of the CONTRACTOR to be performed thereunder. Such changes, including any increase or decrease in the amount of the CONTRACTOR's compensation, which are mutually agreed upon by and between the OSA and the CONTRACTOR, shall be included in written amendments to this contract signed by all parties prior to the work being performed.

6. Assignment.

The CONTRACTOR shall not assign or otherwise transfer the obligations incurred on its part pursuant to the terms of this contract without the prior written consent of the OSA. Any attempted assignment or transfer of its obligations without such consent shall be null and void. All obligations and duties of either party under this contract shall be binding on all successors in interest or assigns of such party.

7. Failure to Enforce.

Failure of either party hereto to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this contract.

8. Indemnification.

To the fullest extent allowed by law, the CONTRACTOR shall indemnify, defend, save and hold harmless, protect, and exonerate the OSA, its officers, employees, agents and representatives, and the State of Mississippi from and against all claims, demands, liabilities, suits, actions, damages, losses and costs of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses, and attorneys' fees, and claims for damage arising

out of or caused by the CONTRACTOR and/or its partners, principals, agents, employees and/or subcontractors in the performance of or failure to perform this Contract.

9. Insurance.

The CONTRACTOR represents that it will maintain workers' compensation insurance as prescribed by law which shall inure to the benefit of the CONTRACTOR's personnel, as well as comprehensive general liability, or professional liability insurance and, where applicable, employee fidelity bond insurance. The CONTRACTOR will, upon request, furnish the OSA with a certificate of conformity providing the aforesaid coverage.

10. Governing Law.

This contract shall be construed and governed in accordance with the laws of the State of Mississippi, and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi. The CONTRACTOR expressly agrees that under no circumstances shall the OSA be obligated to pay an attorney's fee or the cost of legal action to the CONTRACTOR.

11. Severability.

If any term or provision of this contract is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of the contract shall not be affected thereby and each term and provision of the contract shall be valid and enforceable to the fullest extent permitted by law.

12. Disputes and Arbitration.

Any dispute concerning a question of fact arising under this contract shall be disposed of by good faith negotiation between duly authorized representatives of the OSA and the Firm. Such proposed resolution shall be reduced to writing, and a copy furnished to the Firm and OSA for their acceptance. Should either party reject the proposed resolution, you agree that, prior to resorting to litigation, the dispute shall be submitted to mediation upon written request by either of the parties. All parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. The Firm and the OSA agree to share any costs of mediation proceedings equally.

13. Compliance with Laws.

The CONTRACTOR shall comply, in all material respects, with all applicable laws, regulations, policies, and procedures of the United States of America or any agency thereof, the State of Mississippi or any agency thereof, and any local government or political subdivision that may affect the performance of services under this contract. The OSA will assist the CONTRACTOR in identifying the policies and procedures promulgated by the State of Mississippi or any agency thereof and any local government or political subdivision thereof that impact the services.

Specifically, but not limited to, the CONTRACTOR shall not illegally discriminate against any employee nor shall any party be subject to illegal discrimination in the performance of this contract because of race, creed, color, sex, age, national origin or disability.

14. Conflict of Interest.

The CONTRACTOR shall notify the OSA of any potential conflict of interest including, but not limited to, a conflict of interest resulting from the representation of or service to other clients. If such conflict cannot be resolved to the OSA's satisfaction, the OSA reserves the right to terminate this contract or to award the specific test(s) to another CONTRACTOR.

15. Third Party Action Notification.

The CONTRACTOR shall give the OSA prompt notice in writing of any action or suit filed and prompt notice of any claim made against the CONTRACTOR by any entity that may result in litigation related in any way to this contract.

16. Authority to Contract.

The CONTRACTOR warrants that it is a validly organized business with valid authority to enter into this contract, that entry into and performance under this contract is not restricted or prohibited by any loan, security, financing, contractual or other agreement of any kind, and notwithstanding any other provision of this contract to the contrary, that there are no existing legal proceedings, or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this contract.

17. Confidential Information.

The CONTRACTOR shall treat all data and information to which it has access by its performance under this contract as confidential to the extent that confidential treatment of same is required under federal and/or state law and shall not disclose such data or information to a third party without specific written consent of the OSA. In the event that the CONTRACTOR receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise protected information, the CONTRACTOR shall promptly inform the OSA and thereafter respond in conformity with such subpoena to the extent mandated by state or federal law. This section shall survive the termination or completion of this contract.

18. Captions.

The captions or headings in this contract are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this contract.

19. Special Terms and Conditions.

It is agreed and understood by the parties to this contract that there are no special terms or conditions.

20. Notice.

Any notices required or authorized to be given under this contract shall be in writing and sent by certified United States mail, postage prepaid, return receipt requested, to the addressees designated in this paragraph. Each party may change the person and address designated by delivering written notice to the other party. Any notice shall be effective when actually delivered to the designated address.

Mississippi Office of the State Auditor  
Mr. Bill Doss, CPA, Director, Financial and Compliance Audit  
501 N. West Street  
Suite 801, Woolfolk Building  
Jackson, MS 39201  
Telephone Number: (601) 576-2800  
Facsimile Number: (601) 576-2650

For CONTRACTOR:

21. Termination.

This contract may be terminated as follows:

a. Termination Upon Bankruptcy:

This contract may be terminated in whole or in part by the OSA upon written notice to the CONTRACTOR, if the CONTRACTOR should become the subject of bankruptcy or receivership proceedings, whether voluntary or involuntary, or upon the execution by the CONTRACTOR of an assignment for the benefit of its creditors. In the event of such termination, the CONTRACTOR shall be paid an amount for all services actually performed pursuant to this contract, but in no case shall said compensation exceed the total contract price; or:

b. Termination for Convenience:

The OSA may terminate this contract with or without cause, by providing a thirty (30) day written notice of termination to the CONTRACTOR; or

c. Termination for Cause:

If, through any cause, the CONTRACTOR shall fail to fulfill in a timely and proper manner, as determined by the OSA, its obligations under this contract, or if the CONTRACTOR shall violate any of the terms or conditions of this contract, and that breach continues for ten (10) days after the CONTRACTOR receives written notice from the OSA, then the OSA shall thereupon have the right to terminate this contract.

In the event of termination for cause by the OSA, in addition to other remedies provided herein or available at law or in equity, the CONTRACTOR shall bear all cost associated with the issuance of a new contract for audit services, including, but not limited to, the costs of reissuing another request for proposals and additional costs resulting from an acceleration of services necessary for the timely completion of such auditing services.

In the event of termination, the CONTRACTOR will be entitled to payment for services in an amount which bears the same ratio to the total services of the CONTRACTOR as the services actually performed covered by the contract, as supported by detailed invoices submitted to OSA by the CONTRACTOR identifying hours worked on the contract. In no instance will a payment be made in excess of the contract amount. In addition, all finished or unfinished tests, surveys, checklists, forms, manuals, reports or other material prepared by the CONTRACTOR under this contract shall become the property of the OSA.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the OSA for damages sustained by the OSA by virtue of any breach of this contract by the CONTRACTOR, and the OSA may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due the OSA from the CONTRACTOR are determined. The OSA may also pursue any remedy available to it in law or in equity.

22. Final Payment.

Upon satisfactory completion of the work performed under this contract, as a condition before final payment under this contract or as a termination settlement under this contract, the CONTRACTOR shall execute and deliver to the OSA a release of all claims against the OSA arising under, or by virtue of, this contract, except claims which are specifically exempted by the CONTRACTOR to be set forth therein. Unless otherwise provided in the contract, by state law or otherwise expressly agreed to by the parties in this contract, final payment under this contract or settlement upon termination of this contract shall not constitute waiver of the OSA's claims against the CONTRACTOR or his sureties under this contract or applicable performance and payment bonds.

23. Contract Changes.

The OSA may, at any time, by written order, make changes within the general scope of the contract as to the services or work to be performed. If such changes cause an increase or a decrease in the CONTRACTOR's cost or time required to perform any services under this contract, whether or not changed by any order, the OSA shall make an equitable adjustment and

modify this contract in writing. The CONTRACTOR must assert any claim for adjustment under this clause in writing within thirty (30) days from the date it receives the OSA notification of change, unless the OSA grants additional time before the date of final payment. No services for which the CONTRACTOR will charge an additional compensation shall be furnished without the written authorization of the OSA.

#### 24. Funding.

The parties expressly understand that the fulfillment of the payment obligations of the OSA under this agreement is conditioned upon the availability and receipt of State funds. In the event that funds are insufficient or otherwise unavailable to satisfy payments due under this agreement, the OSA shall not be obligated to make such payments, and all further obligations of the OSA and the CONTRACTOR under this agreement shall cease immediately, without penalty, cost or expense to the OSA or the CONTRACTOR of any kind whatsoever. In the event of such insufficiency or unavailability of funding, the OSA shall promptly notify the CONTRACTOR in writing, of such event. The CONTRACTOR shall be entitled to payment for services in the amount determined under paragraph 21 or the amount of available funds, whichever is less.

This contract, the request for proposal, the CONTRACTOR's technical proposal and the Engagement Services Schedule, in this order of precedence, constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings and agreements, written or oral, between the parties relating thereto.

#### 25. Employee Status Verification System

CONTRACTOR represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act (Senate Bill 2988 from the 2008 Regular Legislative Session) and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. CONTRACTOR agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. CONTRACTOR further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. CONTRACTOR understands and agrees that any breach of these warranties may subject CONTRACTOR to the following: (a) termination of the Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to firm by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, CONTRACTOR would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

## 26. Representation Regarding Contingent Fees

The CONTRACTOR represents that it has not retained a person to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in the contractor's bid or proposal (if applicable).

## 27. Representation Regarding Gratuities

The CONTRACTOR represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 7-204 (Gratuities) of the "Mississippi Personal Service Contract Procurement Regulations."

## 28. Certification of Independent Price Determination

The CONTRACTOR certifies that the price submitted in response to the solicitation has been arrived at independently and without - for the purpose of restricting competition - any consultation, communication, or agreement with any other bidder or competitor relating to the price, the intention to submit a bid, or the methods or factors used to calculate the price bid.

## Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

The CONTRACTOR certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- b. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in item b. of this certification; and
- d. Have not within a three-year period preceding this contract had one or more public transactions (Federal, State or local) terminated for cause or default.

## 29. Whistleblower Protection

Section 1553 of Division A, Title XV of the American Recovery and Reinvestment Act of 2009, P.L. 111-5, provides protections for certain individuals who make specified disclosures relating to Recovery Act funds. Any non-federal employer receiving recovery funds is required to post a

notice of the rights and remedies provided under this section of the Act.

## ATTACHMENT A

### A. ENGAGEMENT SERVICES SCHEDULE

The following procedures must be performed by the CONTRACTOR after a contract has been awarded:

- 1) Attend an entrance conference with the CONTRACTOR's engagement supervisor, OSA's authorized representatives and staff members of the DFA, MMRS and ITS prior to the commencement of any work, in order to discuss the scope of services and other related factors.
- 2) Identify, review and document the general controls and significant application controls related to MAGIC. Identify control weaknesses, the types of potential misstatements that could occur and the State's policies and procedures for preventing or detecting these misstatements. Procedures should include but not be limited to the following:

#### Planning and General Controls

- a) Prepare a formal, written audit program and internal control questionnaire. Document any Information Technology, network management and/or security software that will be used in performing the engagement.
- b) Identify all significant functions or sub-functions currently used in the MAGIC system and the general management and organizational controls surrounding their operation.
- c) Review computer services to address physical security, operational procedures, systems software, telecommunications and disaster recovery/business continuity planning.
- d) Review information security procedures to address security administration, access control, data security and program security.

#### Application Controls

- a) Review applications development of the MAGIC system to address system development, project management, implementation and evaluation.
- b) Review implementation documentation, including all "Go Live" reports to verify that the final SAAS balances matched the initial MAGIC amounts.
- c) Review the application maintenance process of the MAGIC system.
- d) Develop procedures that adequately review and evaluate application functions in relation to risk.
- e) Assess risks for each function or sub-function based on relevant risk assessment criteria and methodology.

- f) Offer an opinion as to whether functionality is being used within MAGIC that should not be used in relation to potential fraud.
- g) Evaluate current work assignments of personnel in relation to potential issues regarding segregation of duties.
- h) Develop and execute any application control testing procedures as deemed necessary to support findings or assertions.
- i) Ensure that all systems that feed information into MAGIC (i.e. MDOT) do so in an accurate and proper manner.
- j) Produce adequate work papers to substantiate application review and testing procedures.
- k) Prepare a written report: identifying findings, including control weaknesses, and offering recommendations for improving these controls. Specifically, the report should also offer assurance that on a day-to-day basis, transactions are properly processed, reported correctly and are complete. Also, this report should provide recommendations for any control strengths identified that could be expanded to provide greater assurance of data security and accuracy. Present each finding to management to obtain an informal response for each finding.
- l) Offer an opinion on whether the General Ledger feeds to the Financial Statements are being retrieved from the proper areas.

Upon receipt of the final report, the OSA will:

- 1) Review the report and all working papers.
- 2) Approve or reject the report and working papers.
- 3) Approve or reject the final payment for services rendered.

CONTRACTOR shall perform the following procedures at the request of the OSA:

- 1) Attend an exit conference with the CONTRACTOR's engagement supervisor, OSA's authorized representatives and staff members of the DFA, MMRS and ITS at the completion of the work, in order to present the findings and recommendations from the written report.

Upon completion of the audit services, all documents identified in Part II – Work Statement shall be submitted to the OSA's authorized representatives in accordance with the contractual provisions. All final documentation of services shall be submitted no later than the date specified.

## ATTACHMENT B

### A. COMPETENCY SCHEDULE

The staff performing the examination of the computer controls for MAGIC should be technically competent, having the skills and knowledge necessary to perform the work. Experience requirements identified below must be demonstrated through work on projects of similar scope. References for verification should be provided. All professional staff assigned to this engagement must meet the following competency requirements:

- Good communication skills, both verbal and written
- Ability to evaluate system and application documentation
- Knowledge of IT audit techniques and control procedures or knowledge of financial audit techniques and control procedures
- Knowledge and demonstrated experience

It is impossible for any one person to possess all of the technical skills necessary to successfully complete this audit. The professional staff must have a mix of the following skills, with each skill accounted for by at least one staff member:

- a) Windows Server 2008 / 2012
- b) Microsoft SQL Server 2008 / 2012
- c) Active Directory
- d) Z/Linux
- e) Z/OS
- f) IBM Integrated Data Management (IDM)
- g) IBM Mainframe
- h) SAP NetWeaver
- i) SAP Solution Manager
- j) SAP ECC
- k) SAP Authorizations
- l) SAP Governance, Risk, and Compliance (GRC)
- m) VM / VSphere
- n) Veeam

In addition, the certifying officer and senior level staff assigned to the engagement should meet the following additional verifiable requirements:

- A minimum of four (4) years' experience in IT auditing (Required)
- A minimum of four (4) years' experience in financial auditing (Required for at least one staff member assigned to the examination)
- Certified Public Accountant (Required of Certifying Officer)
- Certified Information System's Auditor (Required for at least one staff member assigned to the examination)