

**MODIFICATION/AMENDMENT NO. 1
TO THE AGREEMENT BY AND BETWEEN
MISSISSIPPI DEPARTMENT OF HUMAN SERVICES
AND
CliftonLarsonAllen, LLP**

The following Modification/Amendment No. 1, effective February 1, 2022, is made a part of the contract, entered into November 1, 2021, by and between the Mississippi Department of Human Services (hereinafter "MDHS" or "Agency") and CliftonLarsonAllen, LLP (hereinafter "Contractor").

Now, therefore, in consideration of the mutual agreements to modify the original contract between them, MDHS and Contractor, do hereby agree that Paragraphs **4 and 49** of said contract shall be modified to reflect the following:

4. Period of Performance. The period of performance of services under this Contract shall begin on November 1, 2021, and end on June 30, 2022. The Contract may be extended or renewed at the discretion of MDHS for a reasonable amount of time for the services to be completed and upon written notice to Contractor at least thirty (30) days prior to contract end.

49. Entirety of Agreement. This modification/amendment No. 1 and the original contract with any and all documents attached thereto or incorporated by reference therein constitute the entire agreement with respect to the subject matter contained herein and supersede and replace any and all prior negotiations, understandings and agreements, written or oral, between the parties. No other understanding regarding the subject matter of this agreement shall be deemed to exist or bind any of the parties hereto.

All other terms, conditions, and provisions set out in the original contract other than those modified and amended, which are not in conflict with this Modification/Amendment No. 1, shall remain in full force and effect for the duration of the contract.

For the faithful performance of the terms of this Contract, the parties hereto have caused this Modification/Amendment No. 1 to be executed by their undersigned authorized representatives.

Mississippi Department of Human Services

CliftonLarsonAllen, LLP

DocuSigned by:
Robert G. Anderson
074E28DE4284B0...

Robert G. Anderson, Executive Director

DocuSigned by:
William A. Early, Jr.
11D7D08D13CC478...

William A. Early, Jr., CPA, Principal

1/31/2022

1/31/2022

Date of Signature

Date of Signature

Mississippi Office of the State Auditor

DocuSigned by:
Shad White
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Shad White, State Auditor

1/31/2022

Date of Signature

Certificate Of Completion

Envelope Id: B5C77796F3824319AADE395CB66428F4 Status: Completed
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 Source Envelope:
 Document Pages: 65 Signatures: 3 Envelope Originator:
 Certificate Pages: 5 Initials: 0 Vicki Hathcock
 AutoNav: Enabled 1860 Michael Faraday Drive, Suite 100
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 Time Zone: (UTC-08:00) Pacific Time (US & Canada) Vicki.Hathcock@mdhs.ms.gov
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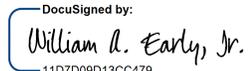
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 1/31/2022 6:13:21 AM Vicki.Hathcock@mdhs.ms.gov

Signer Events

William A. Early, Jr.
 bill.early@claconnect.com
 Security Level: Email, Account Authentication (None)

Signature

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Electronic Record and Signature Disclosure:

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Shad White
 shad.white@osa.ms.gov
 Security Level: Email, Account Authentication (None)

DocuSigned by:

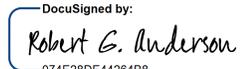
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Robert G. Anderson
 Bob.Anderson@mdhs.ms.gov
 Executive Director
 Mississippi Department of Human Services
 Security Level: Email, Account Authentication (None)

DocuSigned by:

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 Signature Adoption: Pre-selected Style
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Electronic Record and Signature Disclosure:

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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	1/31/2022 12:33:12 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, MDHS " Budgets and Accounting (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact MDHS “ Budgets and Accounting:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: kathryn.kyzer@mdhs.ms.gov

To advise MDHS “ Budgets and Accounting of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at kathryn.kyzer@mdhs.ms.gov and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from MDHS “ Budgets and Accounting

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to kathryn.kyzer@mdhs.ms.gov and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with MDHS “ Budgets and Accounting

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to kathryn.kyzer@mdhs.ms.gov and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> •Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify MDHS “ Budgets and Accounting as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by MDHS “ Budgets and Accounting during the course of my relationship with you.



CliftonLarsonAllen LLP
CLAconnect.com

Submitted Electronically – Confidential

December 2, 2021

Shad White, State Auditor
Mississippi Office of the State Auditor
P.O. Box 956
Jackson, MS 39205-0956

Re: MDHS – Forensic Audit

Dear Mr. White:

The purpose of this letter is to summarize our understanding of our engagement with the Mississippi Office of the State Auditor (“OSA”) in the above referenced matter. You have requested that we assist OSA by providing responses and documents related to the forensic audit of Mississippi Department of Human Services’ (“MDHS”) TANF program, as requested by your office. We will perform our engagement in accordance with the *Statement on Standards for Forensic Services No. 1 (SSFS No. 1)* of the American Institute of Certified Public Accountants (“AICPA”).

Appropriate CliftonLarsonAllen LLP (the “Firm”) resources will be used on this engagement, as we deem necessary. Jenny Dominguez, Principal, will be responsible for this engagement.

We will treat our communications with you as confidential. We will immediately notify you of any requests or demand to inspect any of the communications between us and your office under this agreement.

The scope of our engagement will be as determined through discussion with OSA. Based on our discussions, you have requested that CLA provide to OSA documents and responses related to the TANF forensic audit performed under the multi-agency agreement between CLA, MDHS, and OSA.

While our work may involve analysis of accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards or any other attest function. It is our understanding that the primary intent of engaging our services is for the benefit of OSA. Our services are not intended to benefit or influence any other person or entity.

Fraud and irregularities by their very nature are most often hidden, and no absolute assurance can be given that all such matters will be detected. Our engagement cannot be relied on to disclose all irregularities or illegal acts, including fraud that may exist. However, we will inform you of any such matters that come to our attention.

In order to maintain our independence, for all non-attest services we provide to you, including these forensic accounting services, management agrees to assume all management responsibilities; oversee the



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Mississippi Office of the State Auditor
December 2, 2021
Page 2 of 4

services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. You also acknowledge and agree that we will not testify on your behalf or otherwise act in a position to advocate on your behalf. You understand that we cannot provide any services to you in connection with any litigation, including expert testimony; these services are solely for internal purposes. Fees paid to the Firm for this forensic engagement are neither dependent nor contingent upon any transaction or value.

Our responsibilities and limitation of liability

Our professional fees for this engagement will be billed at our standard hourly rates. We will also bill for all out of pocket expenses, including travel, if incurred as part of this engagement. We will also add a technology and client support fee of five percent (5%) of all professional fees billed.

Our discounted hourly billing rates are as follows:

Principal	\$310
Manager	\$215
Senior/Associate	\$125
Administrative	\$ 80

We bill at our cost, direct expenses incurred during the course of the engagement.

The estimated fees for this engagement are \$20,000. We are certain that you recognize that it is difficult to estimate the amount of time that this engagement may require. The time involved depends upon the extent of our involvement and the nature of available information as well as developments that may occur as work progresses. It is our intention to work closely with you to structure our work so that it is appropriately and efficiently staffed.

Bills for services are due when submitted and OSA is responsible for payment. Fees will be billed on a monthly basis and are due and payable upon presentation. Due to the nature of services provided and the need for us not to be in a situation where our payment might be considered a contingent fee, we will discontinue an engagement where substantial fees are outstanding or fees are more than 90 days past due.

Estimates, if provided, are only for the accommodation of our clients and are not quotes. We cannot anticipate or control the amount of time required to properly complete the matters that we are retained to handle. For example, a client may ask us to perform tasks that do not require a CPA/forensic accountant's expertise and that are normally carried out by our clients themselves. Or the other party may take unexpected actions that result in a greater expenditure of our time than is ordinarily required. Many other factors, too numerous to describe, can have a similar effect. Accordingly, despite our desire to provide our clients with useful estimates, it is difficult to do so and our actual fees normally vary, in some cases considerably, from the estimates we provide.

The Firm reserves the right to withdraw from or stop work on this engagement if fees have not been paid as agreed. If the engagement is terminated prior to completion of the report, the Firm will bill for services rendered to the date of termination and the bill will be due upon presentation. Failure to make the

Mississippi Office of the State Auditor
December 2, 2021
Page 3 of 4

payments required by this agreement, or failure by you to comply with the terms of this agreement will give us the sole option to terminate the agreement.

By approving this arrangement, OSA agrees to indemnify and hold harmless the Firm, its principals, and employees against and from any losses, claims, damages, or liabilities to which we may become subject in connection with this assignment. Our maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees paid to us for the portion of our services or work product giving rise to the liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence.

In the event the Firm, its principals, and employees are requested pursuant to subpoena or other legal process to produce its documents or appear in person relating to this engagement in judicial or administrative proceedings to which the Firm is not a party, OSA shall reimburse the Firm at standard billing rates for its professional time and expenses, including reasonable attorney's fees, incurred in responding to such requests.

We do not anticipate any difficulties. However, in the unlikely event that there are any disagreements regarding our services, any claims against the Firm as a result of this engagement must be brought within one (1) year from the date our report is delivered or our work is completed.

This letter constitutes the entire agreement regarding services to be provided to you and supersedes all prior agreements, understandings, negotiations, and discussions between us, whether oral or written. This agreement may be supplemented by other written agreements.

The Firm and OSA mutually agree that both parties may execute this engagement letter electronically.

If the above accurately reflects the terms and conditions of our engagement, please sign this letter by following the DocuSign instructions. We look forward to working with you on this matter.

Respectfully,

DocuSigned by:


D0AF93D6F1E94C7...
Jenny Dominguez, CPA/CFF, CFE

Principal

626-387-8227

Jenny.Dominguez@CLAconnect.com

Mississippi Office of the State Auditor
December 2, 2021
Page 4 of 4

The above accurately reflects our engagement agreement and I accept the above terms and conditions on behalf of the Mississippi Office of the State Auditor.

Mississippi Office of the State Auditor

Shad White, State Auditor

Print Name and Title

DocuSigned by:

Shad White

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By

12/3/2021

Date

Certificate Of Completion

Envelope Id: 280804F3835B447791BF27D895785B95	Status: Completed
Subject: Please DocuSign: OSA - CLA Forensic EL FINAL	
Client Name: Mississippi Office of the State Auditor	
Client Number: Mississippi Office of the State Auditor	
Source Envelope:	
Document Pages: 4	Signatures: 2
Certificate Pages: 5	Initials: 0
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Enveloped Stamping: Enabled	Taylor Boyd
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Taylor.Boyd@claconnect.com
	IP Address: 165.225.57.203

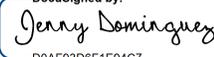
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Signer Events

Jenny Dominguez
 jenny.dominguez@claconnect.com
 Security Level: Email, Account Authentication (None)

Signature

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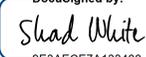
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Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	12/3/2021 8:46:55 AM

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

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All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

**STATE OF MISSISSIPPI
MISSISSIPPI DEPARTMENT OF HUMAN SERVICES
CONTRACT FOR PERSONAL OR PROFESSIONAL SERVICES**

1. Parties. This Contract is made and entered into by and between the Mississippi Department of Human Services, hereinafter referred to as "MDHS" or "Agency," and CliftonLarsonAllen LLP, hereinafter referred to as "Contractor."

1.1 The Mississippi Office of the State Auditor, hereinafter referenced as "OSA," shall serve as a third party to this contract with respect to the following functions:

1.1.1 Providing to Contractor electronic access to any OSA working papers, OSA Single Audits of MDHS, and any other documentation relevant to the subject audit period to assist the Contractor in narrowing and tailoring the forensic audit scope and to prevent unnecessary duplication of audit functions previously performed by OSA.

1.1.2 Providing to Contractor any statutorily authorized operations or legal measures for Contractor to obtain access to documentation or individuals necessary to performing the forensic audit as described herein.

1.1.3 Providing to Contractor a primary Point of Contact (POC) through:

Stephanie Palmertree, CPA, CGMA
Mississippi Office of the State Auditor
501 North West Street, Suite 801
Jackson, Mississippi 39201

1.1.4 And as otherwise set forth herein.

2. Purpose. MDHS hereby engages the Contractor and the Contractor hereby agrees to provide forensic auditing services as a complete, objective, and accurate assessment of misspent Temporary Assistance for Needy Families ("TANF") funds during the subject audit period of January 1, 2016 through December 31, 2019 as well as identify any individuals involved in such misspending and identify the scope of any civil or criminal fraud discovered through the forensic audit.

3. Scope of Services. Contractor shall perform and render forensic auditing services of MDHS TANF transactions during the subject audit period utilizing a risk-based approach that targets higher risk transactions through analytics to identify entities (subrecipients) and transactions that will require detailed testing. Contractor anticipates to perform detailed testing on all transactions and entities where risk is not determined to be low. Contractor agrees to provide forensic auditing services as identified below and in accordance with the hereby attached and incorporated Attachment A:

3.1 Detailed analysis comprised of, but not limited to:

3.1.1 Current MDHS internal controls related to processing TANF agreements (subgrants/contracts) and MDHS issued payments to TANF subrecipients;

3.1.2 MDHS internal controls during the subject audit period from January 1, 2016 to December 31, 2019 related to processing TANF agreements (subgrants/contracts) and MDHS issued payments to TANF subrecipients and an analysis of whether and how these controls failed and/or were circumvented by MDHS personnel, including but not limited to the former Executive Director;

3.1.3 Whether MDHS payments made to TANF subrecipients during the subject audit period were allowable pursuant to federal requirements, State law, MDHS policies and procedures and the applicable agreement scope;

3.1.4 Authenticity of TANF subrecipient payment requests and that such requests included appropriate supporting documentation in accordance with policies and procedures in existence at the time of the requests;

3.1.5 Allowability of TANF subgrant/contract scopes as compared against TANF requirements, State law, MDHS policies and procedures and federal guidelines;

3.1.6 TANF subrecipient general ledgers and financial records for agreement periods occurring within the subject audit period to identify any accounting irregularities not in compliance with federal regulations;

3.1.7 Subrecipient general ledgers for all grants awarded to Mississippi Community Education Center and Family Resource Center under any MDHS TANF-funded program;

- 3.1.8 Allowability of subawards issued by TANF subrecipients to third-tier subrecipients pursuant to MDHS requirements, policies and procedures and applicable federal requirements including analysis of whether any eligibility determinations were required or were ignored in making such awards to TANF subgrantees or to third-tier subrecipients; and
- 3.1.9 Any analysis of all TANF-funded subgrants/contracts and subsequent payments executed and issued at the direction of the MDHS Executive Director during the subject audit period.
- 3.1.10 Any other issues identified during the course of the audit related to TANF subgrant awards during the subject time.

MDHS, upon consultation with the Contractor and OSA, hereby reserves the right to modify and/or expand this scope of services to analyze other federal funding sources during the term of the agreement. Modification and/or expansion of the scope may be based upon the Contractor's substantiated identification of patterns indicating irregularities, misconduct, or fraud that may be present in other federal funding sources. Contractor must debrief MDHS and OSA immediately on substantiated patterns that may be present in other federal funding sources. Any modifications to this Scope of Services shall be mutually agreed upon, in writing, by MDHS and the Contractor as a written contract amendment.

3.2 Reporting Requirements. Contractor shall provide the following reports at the below identified frequencies:

- 3.2.1 During Subject Audit Period.
 - 3.2.1.1 Monthly Written Progress Reports – outlining work performed for the prior month to include potential irregularities and/or findings;
 - 3.2.1.2 Status Updates – as requested by MDHS or OSA during audit performance.
 - 3.2.1.3 Weekly Updates – as requested by the Audit Committee created by MDHS and any outside contractor retained by MDHS to work alongside the Audit Committee.
 - 3.2.1.4 Conditions Requiring Immediate Attention – (at discretion of firm upon discovery) firm shall brief MDHS and OSA immediately upon discovery.
 - 3.2.1.5 Criminal Activities – (upon discovery) Contractor shall brief MDHS Executive Director or Designee and OSA immediately upon discovery, and may additionally be required to brief OSA's Division of Investigations on any criminal activities. Further, any suspected criminal activities shall be reported to the Criminal Division of the United States Attorney's Office for the Southern District of Mississippi.
- 3.2.2 Upon Completion of Forensic Audit – Audit Procedures and Results.
 - 3.2.2.1 Draft Report outlining applied audit procedures and results of applied procedures. The Draft Report should reflect audit results based on the proposed Scope of Services outlined in Section 3.1 of the contract. Contractor shall provide the Draft Report to MDHS and a copy to OSA for review before finalization. OSA shall have the opportunity to provide comments on the Draft Report. Contractor shall respond to all OSA's comments on the Draft Report. However, to preserve to the fullest extent possible the independence of the Contractor pursuant to the Independence Rule, Part 1.200.001 in AICPA's Code of Professional Conduct, neither MDHS nor OSA shall have any control over the content of the Final Report as a result of their review of the Draft Report.
 - 3.2.2.2 Final Written Report outlining applied audit procedures and results of applied procedures. The report should reflect audit results based on the proposed Scope of Services outlined in Section 3.1 of the contract and shall represent the independent findings of the Contractor. The report shall be made available for use and may be used as evidence in any state or federal legal proceedings; however, the extent to which Contractor's representatives may be required to serve as expert witnesses in any trial proceedings; may require a modification of the scope of this agreement or a separate expert witness agreement under applicable federal or State guidelines.
- 3.2.3 Upon Completion of Forensic Audit – Internal Control Assessment.
 - 3.2.3.1 Final Written Report outlining the following:
 - 3.2.3.1.1 Any weaknesses or deficiencies of current MDHS internal controls and past MDHS internal controls during the subject audit period;

- 3.2.3.1.2 Any weaknesses of MDHS internal accounting and operating controls to address compliance with controls, risk of fraud and misconduct, and recommendations to improve MDHS internal controls.
 - 3.2.4 Upon Completion of Forensic Audit – Findings Regarding Fraud, Waste and Abuse and Identity of All Persons Involved
 - 3.2.4.1 Final Written Report outlining the following:
 - 3.2.4.1.1 Aggregate listing of any funds which have been embezzled, misappropriated or obtained under false pretenses or by fraud, in a format suitable for use in a legal proceeding;
 - 3.2.4.1.2 A listing of any and all funds spent on questionable or unallowed purchases by vendor/contractor/subrecipient, as appropriate. If any transactions were approved or initiated by MDHS personnel, the names or titles of such personnel (including former or current employees) should be included.
 - 3.2.5 MDHS Executive Director and designee shall be included in any Contractor correspondence provided to OSA regarding this forensic audit. MDHS Executive Director and/or designee shall be present (either physically or electronically) for any meeting between Contractor and OSA regarding this forensic audit.
- 3.3 Conflict of Interest.
- 3.3.1 During the course of the forensic audit, the Contractor may encounter other entities or individuals not included as part of the Conflict of Interest Assessment completed prior to Contract Execution, but with which the Contractor may have prior engagement(s) for professional services. In such an instance, the Contractor must immediately disclose the potential conflict to MDHS and OSA and be prepared to perform a Conflict of Interest Assessment.

4. Period of Performance. The period of performance of services under this Contract shall begin on November 2, 2020, and end on August 1, 2021 (“Original Term”). The Contract may be extended or renewed at the discretion of MDHS for a reasonable amount of time for the services to be completed and upon written notice to Contractor at least thirty (30) days prior to contract end.

5. Consideration and Method of Payment.

- 5.1. **Total Contract Amount.** As consideration for forensic audit professional fees and associated travel expenses under the entire term of this contract for nine (9) months, Independent Contractor shall be paid a total fee not to exceed Two Million, One Hundred Seven Thousand, Four Hundred Ninety Four Dollars and Zero Cents (\$2,107,494.00). It is expressly understood and agreed that in no event will the total compensation paid for services and associated travel expenses provided under the entire term exceed the specified amount of Two Million, One Hundred Seven Thousand, Four Hundred Ninety Four Dollars and Zero Cents (\$2,107,494.00).
- 5.2. The Contractor will bill MDHS for its services on an hourly basis for any Contractor personnel dedicated to the forensic audit and necessary travel according to the hourly rates and travel costs as outlined in the hereby attached and incorporated Attachment B. Following the satisfactory completion of its services, as determined by MDHS, Contractor shall submit monthly invoices electronically for work performed and throughout the term of the agreement. Invoices shall be submitted to MDHS via email at invoices@mdhs.ms.gov. Appropriate documentation supporting the amount invoiced shall be submitted with each invoice on the last working day of the month for time and expenses incurred through the 25th day of the month. The final invoice shall be submitted within sixty (60) working days after the contract ending date.

6. Applicable Law. The contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of laws provisions, and any litigation with respect thereto shall be brought in the courts of the State. Contractor shall comply with applicable federal, state, and local laws and regulations.

7. Approval Clause. It is understood that if this contract requires approval by the Public Procurement Review Board and/or the Mississippi Department of Finance and Administration Office of Personal Service Contract Review (OPSCR) and this contract is not approved by the PPRB and/or OPSCR, it is void and no payment shall be made hereunder.

8. Availability of Funds. It is expressly understood and agreed that the obligation of the Agency to proceed under this agreement is conditioned upon the appropriation of funds by the Mississippi State

Legislature and the receipt of state and/or federal funds. If the funds anticipated for the continuing fulfillment of the agreement are, at any time, not forthcoming or insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided or if funds are not otherwise available to the Agency, the Agency shall have the right upon ten (10) working days written notice to Contractor, to terminate this agreement without damage, penalty, cost or expenses to the Agency of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination, and Contractor shall be paid for services provided through the effective date of termination at the Contract price.

9. Compliance with Laws. Contractor understands that the Agency is an equal opportunity employer and therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and Contractor agrees during the term of the agreement that Contractor will strictly adhere to this policy in its employment practices and provision of services. Contractor shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Mississippi, and local laws and regulations, as now existing and as may be amended or modified.

10. E-Payment. Contractor agrees to accept all payments in United States currency via the State of Mississippi's electronic payment and remittance vehicle. The agency agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Mississippi Code Annotated § 31-7-301 *et seq.*

11. E-Verification. If applicable, Contractor represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act of 2008, and will register and participate in the status verification system for all newly hired employees. Mississippi Code Annotated §§ 71-11-1 *et seq.* 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. Upon request of the State and after approval of the Social Security Administration or Department of Homeland Security when required, Contractor agrees to provide a copy of each such verification. Contractor further represents and warrants that any person assigned to perform services hereafter meets the employment eligibility requirements of all immigration laws. The breach of this agreement may subject Contractor to the following:

- 11.1. termination of this contract for services 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;
- 11.2. the loss of any license, permit, certification or other document granted to Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year; or,
- 11.3. both.

In the event of such cancellation/termination, Contractor would also be liable for any additional costs incurred by the State due to Contract cancellation or loss of license or permit to do business in the State.

12. Insurance. Contractor represents that it will maintain workers' compensation insurance which shall inure to the benefit of all Contractor's personnel performing services under this Contract, comprehensive general liability insurance, and employee fidelity bond insurance. Contractor will furnish MDHS a certificate of insurance providing the aforesaid coverage, prior to the commencement of performance under this Agreement and upon request by MDHS at any time during the contract period. Should the Contractor be unable to obtain coverage for the entire duration of the contract prior to the commencement of the contract, the Contractor should obtain additional coverage prior to any lapses in coverage and provide the certificate of insurance to the State no later than seven (7) days prior to the date on which the coverage ends. Any additional insurance that is obtained should run immediately after the previous coverage ends so as to prevent any lapse in coverage. Any additional insurance obtained by the Contractor should meet the terms of the Contract.

13. Paymode. Payments by state agencies using the State's accounting system shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of Contractor's choice. The State may, at its sole discretion, require Contractor to electronically submit invoices and supporting documentation at any time during the term of this Agreement. Contractor understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency.

14. Procurement Regulations. The contract shall be governed by the applicable provisions of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*, a copy of which is available at 501 North West Street, Suite 701E, Jackson, MS, for inspection, or downloadable at <http://www.DFA.ms.gov>.

15. Representation Regarding Contingent Fees. 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 Contractor's bid or proposal.

16. Representation Regarding Gratuities. 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 6-204 (Gratuities) of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*.

17. Requirements Contract. During the period of the contract, Contractor shall provide all the service described in the contract. Contractor understands and agrees that this is a requirements contract and that the Agency shall have no obligation to Contractor if no services are required. Any quantities that are included in the scope of work reflect the current expectations of the Agency for the period of the contract. The amount is only an estimate and Contractor understands and agrees that the Agency is under no obligation to Contractor to buy any amount of the services as a result of having provided this estimate or of having any typical or measurable requirement in the past. Contractor further understands and agrees that the Agency may require services in an amount less than or in excess of the estimated annual contract amount and that the quantity actually used, whether in excess of the estimate or less than the estimate, shall not give rise to any claim for compensation other than the total of the unit prices in the contract for the quantity actually used.

18. Stop Work Order.

18.1. *Order to Stop Work:* The MDHS Chief Procurement Officer, may, by written order to Contractor at any time, and without notice to any surety, require Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding 90 days after the order is delivered to Contractor, unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the MDHS Chief Procurement Officer shall either:

18.1.1. cancel the stop work order; or,

18.1.2. terminate the work covered by such order as provided in the Termination for Default clause or the Termination for Convenience clause of this contract.

18.2. *Cancellation or Expiration of the Order:* If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, Contractor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or Contractor price, or both, and the contract shall be modified in writing accordingly, if:

18.2.1. the stop work order results in an increase in the time required for, or in Contractor's cost properly allocable to, the performance of any part of this contract; and,

18.2.2. Contractor asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage; provided that, if the MDHS Chief Procurement Officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.

- 18.3. *Termination of Stopped Work.* If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

19. Termination for Convenience.

Termination. The MDHS Executive Director or designee may, after obtaining the agreement of OSA and when the interests of the State so require, terminate this contract in whole or in part, for the convenience of the State. Upon agreement by OSA, the MDHS Executive Director or designee shall give written notice of the termination to Contractor specifying the part of the contract terminated and when termination becomes effective.

- 19.1. *Contractor's Obligations.* Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination Contractor will stop work to the extent specified. Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The MDHS Executive Director or designee may direct Contractor to assign Contractor's right, title, and interest under terminated orders or subcontracts to the State. Contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

20. Termination for Default.

- 20.1. *Default.* If Contractor refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract or any extension thereof, or otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract, the MDHS Executive Director or designee may notify Contractor in writing of the delay or nonperformance. If the delay or nonperformance is not cured in ten (10) days or any longer time specified in writing by the MDHS Executive Director or designee, such officer may terminate Contractor's right to proceed with the contract and/or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the MDHS Executive Director or designee may procure similar supplies or services in a manner and upon terms deemed appropriate by the MDHS Executive Director or designee. Contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.
- 20.2. *Contractor's Duties.* Notwithstanding termination of the contract and subject to any directions from the MDHS Chief Procurement Officer, Contractor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of Contractor in which the State has an interest.
- 20.3. *Compensation.* Payment for completed services delivered and accepted by the State shall be at the contract price. The State may withhold from amounts due Contractor such sums as the MDHS Executive Director or designee deems to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders and to reimburse the State for the excess costs incurred in procuring similar goods and services.
- 20.4. *Excuse for Nonperformance or Delayed Performance.* Except with respect to defaults of subcontractors, Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if Contractor has notified the MDHS Executive Director or designee within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the State and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, Contractor shall not be deemed to be in default, unless the services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit Contractor to meet the contract requirements. Upon request of Contractor, the MDHS Executive Director or designee shall ascertain the facts and extent of such failure, and, if such officer determines that any failure

to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, Contractor's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the State under the clause entitled in fixed-price contracts, "Termination for Convenience". (As used in this Paragraph of this clause, the term "subcontractor" means subcontractor at any tier).

20.5. *Erroneous Termination for Default.* If, after notice of termination of Contractor's right to proceed under the provisions of this clause, it is determined for any reason that the contract was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (4) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the notice of termination had been issued pursuant to such clause.

20.6. *Additional Rights and Remedies.* The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

21. **Termination Upon Bankruptcy.** This contract may be terminated in whole or in part by MDHS 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 entitled to recover just and equitable compensation for satisfactory work performed under this contract, but in no case shall said compensation exceed the total contract price.

22. **Trade Secrets, Commercial and Financial Information.** It is expressly understood that Mississippi law requires that the provisions of this contract which contain the commodities purchased or the personal or professional services provided, the price to be paid, and the term of the contract shall not be deemed to be a trade secret or confidential commercial or financial information and shall be available for examination, copying, or reproduction.

23. **Transparency.** This contract, including any accompanying exhibits, attachments, and appendices, is subject to the "Mississippi Public Records Act of 1983," and its exceptions. See Mississippi Code Annotated §§ 25-61-1 *et seq.* and Mississippi Code Annotated § 79-23- 1. In addition, this contract is subject to the provisions of the Mississippi Accountability and Transparency Act of 2008. Mississippi Code Annotated §§ 27-104-151 *et seq.* Unless exempted from disclosure due to a court-issued protective order, a copy of this executed contract is required to be posted to the Department of Finance and Administration's independent agency contract website for public access at <http://www.transparency.ms.gov>. Information identified by Contractor as trade secrets, or other proprietary information, including confidential vendor information or any other information which is required confidential by state or federal law or outside the applicable freedom of information statutes, will be redacted.

24. **Anti-assignment/Subcontracting.** Contractor acknowledges that it was selected by the State to perform the services required hereunder based, in part, upon the Contractor's special skills and expertise. Contractor shall not assign, subcontract, or otherwise transfer this agreement, in whole or in part, without the prior written consent of the State, which the State may, in its sole discretion, approve or deny without reason. Any attempted assignment or transfer of its obligations without such consent shall be null and void. No such approval by the State of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of the State in addition to the total fixed price agreed upon in this agreement. Subcontracts shall be subject to the terms and conditions of this agreement and to any conditions of approval that the State may deem necessary. Subject to the foregoing, this agreement shall be binding upon the respective successors and assigns of the parties.

25. **Attorney's Fees and Expenses.** Subject to other terms and conditions of this agreement, in the event Contractor defaults in any obligations under this agreement, Contractor shall pay to the State all costs and expenses (including, without limitation, investigative fees, court costs, and attorney's fees) incurred by the State in enforcing this agreement or otherwise reasonably related thereto. Contractor agrees that under no circumstances shall the customer be obligated to pay any attorney's fees or costs of legal action to Contractor.

26. **Authority to Contract.** Contractor warrants: (a) that it is a validly organized business with valid authority to enter into this agreement; (b) that it is qualified to do business and in good standing in the State of Mississippi; (c) that entry into and performance under this agreement is not restricted or prohibited

by any loan, security, financing, contractual, or other agreement of any kind; and, (d) notwithstanding any other provision of this agreement 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 agreement.

27. Confidentiality. Notwithstanding any provision to the contrary contained herein, it is recognized that Agency is a public agency of the State of Mississippi and is subject to the Mississippi Public Records Act. Mississippi Code Annotated §§ 25-61-1 *et seq.* If a public records request is made for any information provided to Agency pursuant to the agreement and designated by the Contractor in writing as trade secrets or other proprietary confidential information, Agency shall follow the provisions of Mississippi Code Annotated §§ 25-61-9 and 79-23-1 before disclosing such information. The Agency shall not be liable to the Contractor for disclosure of information required by court order or required by law.

28. Contractor Personnel. The Agency shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or subcontractors assigned to the work by Contractor. If the Agency reasonably rejects staff or subcontractors, Contractor must provide replacement staff or subcontractors satisfactory to the Agency in a timely manner and at no additional cost to the Agency. The day-to-day supervision and control of Contractor's employees and subcontractors is the sole responsibility of Contractor.

29. Debarment and Suspension. Contractor certifies to the best of its knowledge and belief, that it:

- 29.1. is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transaction by any federal department or agency or any political subdivision or agency of the State of Mississippi;
- 29.2. has not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against it 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;
- 29.3. has not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against it for a 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;
- 29.4. is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of these offenses enumerated in paragraphs two (2) and (3) of this certification; and,
- 29.5. has not, within a three-year period preceding this proposal, had one or more public transactions (federal, state, or local) terminated for cause or default.

30. Disclosure of Confidential Information. In the event that either party to this agreement 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 that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by law. This section shall survive the termination or completion of this agreement. The parties agree that this section is subject to and superseded by Mississippi Code Annotated §§ 25-61-1 *et seq.*

31. Exceptions to Confidential Information. Contractor and the Agency shall not be obligated to treat as confidential and proprietary any information disclosed by the other party ("disclosing party") which:

- 31.1. is rightfully known to the recipient prior to negotiations leading to this agreement, other than information obtained in confidence under prior engagements;
- 31.2. is generally known or easily ascertainable by nonparties of ordinary skill in the business of the customer;
- 31.3. is released by the disclosing party to any other person, firm, or entity (including governmental agencies or bureaus) without restriction;

- 31.4. is independently developed by the recipient without any reliance on confidential information;
- 31.5. is or later becomes part of the public domain or may be lawfully obtained by the Agency or Contractor from any nonparty; or,
- 31.6. is disclosed with the disclosing party's prior written consent.
- 32. Errors in Extension.** If the unit price and the extension price are at variance, the unit price shall prevail.
- 33. Failure to Deliver.** In the event of failure of Contractor to deliver services in accordance with the contract terms and conditions, the Agency, after due oral or written notice, may procure the services from other sources and hold Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the Agency may have.
- 34. Failure to Enforce.** Failure by the Agency at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the Agency to enforce any provision at any time in accordance with its terms.
- 35. 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, Contractor shall execute and deliver to the Agency a release of all claims against the Agency arising under, or by virtue of, the contract, except claims which are specifically exempted by Contractor to be set forth therein. Unless otherwise provided in this contract, by state law, or otherwise expressly agreed to by the parties in this contract, final payment under the contract or settlement upon termination of this contract shall not constitute waiver of the Agency's claims against Contractor under this contract.
- 36. Force Majeure.** Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party and/or its subcontractors. Such acts shall include without limitation acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters ("force majeure events"). When such a cause arises, Contractor shall notify the Agency immediately in writing of the cause of its inability to perform, how it affects its performance, and the anticipated duration of the inability to perform. Delays in delivery or in meeting completion dates due to force majeure events shall automatically extend such dates for a period equal to the duration of the delay caused by such events, unless the Agency determines it to be in its best interest to terminate the agreement.
- 37. HIPAA Compliance.** Contractor agrees to comply with the "Administrative Simplification" provisions of the Health Insurance Portability and Accountability Act of 1996, including electronic data interchange, code sets, identifiers, security, and privacy provisions, as may be applicable to the services under this contract.
- 38. Indemnification.** To the fullest extent allowed by law, Contractor shall indemnify, defend, save and hold harmless, protect, and exonerate the Agency, its commissioners, board members, 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 attorney's fees, arising out of or caused by Contractor and/or its partners, principals, agents, employees and/or subcontractors in the performance of or failure to perform this agreement. Contractor shall be allowed to control the defense of any such claim, suit, etc., except that MDHS may elect to participate in such defense. In the event Contractor defends said claim, suit, etc., Contractor shall use legal counsel reasonably acceptable to the Agency and the Attorney General of the State of Mississippi. Contractor shall be solely responsible for all costs and/or expenses associated with such defense. Contractor shall not settle any claim, suit, etc. without concurrence from the Agency and the Attorney General of the State of Mississippi, which the Agency and the Attorney General of the State of Mississippi shall not unreasonably withhold.
- 39. Independent Contractor Status.** Contractor shall, at all times, be regarded as and shall be legally considered an independent contractor and shall at no time act as an agent for the Agency. Nothing contained herein shall be deemed or construed by the State, Contractor, or any third party as creating the relationship of principal and agent, master and servant, partners, joint ventures, employer and employee, or any similar such relationship between the Agency and Contractor. Neither the method of computation

of fees or other charges, nor any other provision contained herein, nor any acts of the Agency or Contractor hereunder creates, or shall be deemed to create a relationship other than the independent relationship of the Agency and Contractor. Contractor’s personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the Agency. Neither Contractor nor its employees shall, under any circumstances, be considered servants, agents, or employees of the Agency, and the Agency shall be at no time legally responsible for any negligence or other wrongdoing by Contractor, its servants, agents, or employees. The Agency shall not withhold from the contract payments to Contractor any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to Contractor. Further, the Agency shall not provide to Contractor any insurance coverage or other benefits, including Worker’s Compensation, normally provided by the Agency for its employees.

40. Information Designated by Contractor as Confidential. Any disclosure of those materials, documents, data, and other information which Contractor has designated in writing as proprietary and confidential shall be subject to the provisions of Mississippi Code Annotated §§ 25-61-9 and 79-23-1. As provided in the contract, the personal or professional services to be provided, the price to be paid, and the term of the contract shall not be deemed to be a trade secret, or confidential commercial or financial information.

Any liability resulting from the wrongful disclosure of confidential information on the part of Contractor or its subcontractor shall rest with Contractor. Disclosure of any confidential information by Contractor or its subcontractor without the express written approval of the Agency shall result in the immediate termination of this agreement.

41. Integrated Agreement/Merger. This agreement, including all contract documents, represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, irrespective of whether written or oral. This agreement may be altered, amended, or modified only by a written document executed by the Agency and Contractor. Contractor acknowledges that it has thoroughly read all contract documents and has had the opportunity to receive competent advice and counsel necessary for it to form a full and complete understanding of all rights and obligations herein. Accordingly, this agreement shall not be construed or interpreted in favor of or against the Agency or Contractor on the basis of draftsmanship or preparation hereof.

42. Modification or Renegotiation. This agreement may be modified only by written agreement signed by the parties hereto. The parties agree to renegotiate the agreement if federal and/or state revisions of any applicable laws or regulations make changes in this agreement necessary.

43. No Limitation of Liability. Nothing in this agreement shall be interpreted as excluding or limiting any tort liability of Contractor for harm caused by the intentional or reckless conduct of Contractor or for damages incurred through the negligent performance of duties by Contractor or the delivery of products that are defective due to negligent construction.

44. Liquidated Damages. Contractor acknowledges that the Agency is relying on the timely completion of this contract in its scheduling and budgeting and that time is of the essence. If the Contractor fails to meet the completion date described herein, the Agency may, at its option, reduce the agreed compensation by an amount not to exceed fifteen percent (15%) of the total contract amount as liquidated damages for the failure to complete the contract by the completion date provided that the failure to meet the report delivery deadline is not the result of Agency delays or other delays in receiving the necessary data, documents, or information required for the Contractor to complete the scope required under this contract. Contractor will timely inform the Agency of any delays experienced in receiving requested data, documents, or information.

45. Notices. All notices required or permitted to be given under this agreement must be in writing and personally delivered or sent by certified United States mail, postage prepaid, return receipt requested, to the party to whom the notice should be given at the address set forth below. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address.

For MDHS:

Robert G. Anderson, Executive Director
Mississippi Department of Human Services
Post Office Box 352
Jackson, Mississippi 39205

For Contractor:

William A. Early Jr., CPA, Principal
CliftonLarsonAllen, LLP
1966 Greenspring Drive, Suite 300
Timonium, Maryland 21093

46. **Non-solicitation of Employees.** Each party to this agreement agrees not to employ or to solicit for employment, directly or indirectly, any persons in the full-time or part-time employment of the other party until at least six (6) months after this agreement terminates unless mutually agreed to in writing by the Agency and Contractor.

47. **Oral Statements.** No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this contract. All modifications to the contract must be made in writing by the Agency and agreed to by Contractor.

48. **Ownership of Documents and Work Papers.** The work papers prepared in conjunction with the services under this contract are the property of the Contractor, constitute confidential information and will be retained by the Contractor in accordance with its policies and procedures. 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 of Mississippi 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. The Contractor agrees to make its work papers available to subsequent fiscal year audit Contractors. Upon request by the Agency or OSA, any data, files and records collected by the Contractor will be destroyed or returned to the Agency or OSA. The Contractor may retain, however, copies of all such records required for recordkeeping purposes or for compliance with applicable professional standards. Pursuant to *Government Auditing Standards*, the Contractor is required to make certain work papers available in a full and timely manner to Regulators upon request for their reviews of audit quality and for use by their auditors. In addition, the Contractor may be requested to make work papers available to OSA pursuant to authority provided to it by law or regulation. Access to the requested work papers will be provided under supervision of the Contractor's personnel. Furthermore, upon request, the Contractor may provide photocopies of selected work papers to Regulators. Such Regulators may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

49. **Entirety of Agreement.** This contract and any and all documents attached hereto or incorporated by reference herein, constitute the entire agreement with respect to the subject matter contained herein and supersede and replace any and all prior negotiations, understandings and agreements, written or oral, between the parties. No other ^{understanding} regarding the subject matter of this agreement shall be deemed to exist or bind any of the parties hereto.

50. **Quality Control.** Contractor shall institute and maintain throughout the contract period a properly documented quality control program designed to ensure that the services are provided at all times and in all respects in accordance with the contract. The program shall include providing daily supervision and conducting frequent inspections of Contractor's staff and ensuring that accurate records are maintained describing the disposition of all complaints. The records so created shall be open to inspection by the Agency.

51. **Record Retention and Access to Records.** Provided Contractor is given reasonable advance written notice and such inspection is made during normal business hours of Contractor, the State or any duly authorized representatives shall have unimpeded, prompt access to any of Contractor's books, documents, papers, and/or records relating to time records, expenses, and invoices which are maintained or produced as a result of the project for the purpose of making audits, examinations, excerpts, and transcriptions. All records related to this agreement shall be retained by Contractor for three (3) years after final payment is made under this agreement and all pending matters are closed; however, if any audit, litigation or other action arising out of or related in any way to this project is commenced before the end of the three (3) year period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the three (3) year period, whichever is later.

52. **Recovery of Money.** Whenever, under the contract, any sum of money shall be recoverable from or payable by Contractor to the Agency, the same amount may be deducted from any sum due to Contractor under the contract or under any other contract between Contractor and the Agency. The rights of the Agency are in addition and without prejudice to any other right the Agency may have to claim the amount of any loss or damage suffered by the Agency on account of the acts or omissions of Contractor.

53. **Right to Audit.** Contractor shall maintain such financial records and other records as may be prescribed by the Agency or by applicable federal and state laws, rules, and regulations. Contractor shall retain these records for a period of three years after final payment, or until they are audited by the Agency, whichever event occurs first. These records shall be made available during the term of the contract and

the subsequent three-year period for examination, transcription, and audit by the Mississippi State Auditor's Office, its designees, or other authorized bodies.

54. Right to Inspect Facility. The State may, at reasonable times, inspect the place of business of a Contractor or any subcontractor which is related to the performance of any contract awarded by the State.

55. Severability. If any part of this agreement is declared to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the agreement that can be given effect without the invalid or unenforceable provision, and to this end the provisions hereof are severable. In such event, the parties shall amend the agreement as necessary to reflect the original intent of the parties and to bring any invalid or unenforceable provisions in compliance with applicable law.

56. State Property. Contractor will be responsible for the proper custody and care of any state-owned property furnished for Contractor's use in connection with the performance of this agreement. Contractor will reimburse the State for any loss or damage, normal wear and tear excepted.

57. Third Party Action Notification. Contractor shall give the Agency prompt notice in writing of any action or suit filed, and prompt notice of any claim made against Contractor by any entity that may result in litigation related in any way to this agreement.

58. Unsatisfactory Work. If, at any time during the contract term, the service performed or work done by Contractor is considered by the Agency and OSA, to create a condition that threatens the health, safety, or welfare of the citizens and/or employees of the State of Mississippi, Contractor shall, on being notified by the Agency and OSA, immediately correct such deficient service or work. In the event Contractor fails, after notice, to correct the deficient service or work immediately, the Agency shall have the right to order the correction of the deficiency by separate contract or with its own resources at the expense of Contractor.

59. Waiver. No delay or omission by either party to this agreement in exercising any right, power, or remedy hereunder or otherwise afforded by contract, at law, or in equity shall constitute an acquiescence therein, impair any other right, power or remedy hereunder or otherwise afforded by any means, or operate as a waiver of such right, power, or remedy. No waiver by either party to this agreement shall be valid unless set forth in writing by the party making said waiver. No waiver of or modification to any term or condition of this agreement will void, waive, or change any other term or condition. No waiver by one party to this agreement of a default by the other party will imply, be construed as or require waiver of future or other defaults.

60. Disputes. Any dispute concerning a question of fact and not interpretation or judgment arising under this contract shall be disposed of by good faith negotiation between duly authorized representatives of the Agency, OSA and the Contractor. Such a resolution shall be reduced to writing and a copy thereof mailed or furnished to the Contractor and shall be final and conclusive. If a resolution cannot be reached, the Contractor shall mail or furnish to the Agency and OSA a written request for review. The Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his/her/its position on the issue in dispute and under review. The review will be handled under a three (3) person review panel composed of the Deputy State Auditor, the Director of Technical Assistance, and a representative of the Agency selected by the Executive Director. The decision of the review panel shall be final and conclusive unless determined by a court of competent jurisdiction in Hinds County, State of Mississippi, to have been fraudulent, capricious, or so grossly erroneous as necessarily to imply bad faith, or not be supported by substantial evidence. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the duties and obligations of the contract.

THIS SPACE LEFT INTENTIONALLY BLANK.

For the faithful performance of the terms of this Contract, the parties hereto have caused this Contract to be executed by their undersigned authorized representatives.

Mississippi Department of Human Services

DocuSigned by:
Robert G. Anderson
074E28DE44284B8
ROBERT G. ANDERSON, *Executive Director*

10/21/2020

Date of Signature

CliftonLarsonAllen, LLP

DocuSigned by:
William A. Early, Jr.
11D7D98D13CC478
WILLIAM A. EARLY, JR., CPA, *Principal*

10/21/2020

Date of Signature

Mississippi Office of the State Auditor

DocuSigned by:
Shel White
C2DB4113952A481
SHEL WHITE, *State Auditor*

10/21/2020

Date of Signature

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description		TOTAL		Assumptions to Communicate (if applicable)	
		HOURS	AMOUNT		
1.	Assessment and Planning				
	a.	Planning and meeting with MDHS's management and OSA to discuss the engagement process and agree on an outline of responsibilities, timeframes, and deadlines	12	\$ 3,150	
	b.	Meeting with OSA to discuss MDHS Single Audit findings related to TANF and understand workpapers and documentation that will be made available	16	\$ 3,840	
		Subtotal	28	\$ 6,990	
2.	Interviews and Analytics				
	a.	Request, Obtain, and Review OSA Single audit report, working papers, and documentation to assist in narrowing the scope of the forensic audit and to prevent unnecessary duplication of audit functions (subject to nondisclosure agreement and at no time will MDHS have access to the OSA working papers)	60	\$ 10,240	
	b.	Conduct interviews of appropriate MDHS staff who understand current and former procedures and internal controls related to TANF agreements and payments (Plan for 10 interviews)	80	\$ 17,140	
	c.	Request, collect, review, and summarize, MDHS procedure manuals, including Subgrant/Contract manual, in effect during the forensic audit period as well as the current period	60	\$ 9,150	
	d.	Request, collect, review, and normalize, MDHS's general ledger, disbursement ledger, and budget information for the forensic audit period as well as the current period	64	\$ 8,360	
	e.	Perform analytical review process on MDHS to include current and historical financial and statistical data, as well as budget data to identify trends, fluctuations and relationships that inform our risk analysis and areas of emphasis; Trend payments over time, Benford's law analysis, payee analysis, etc.	100	\$ 14,680	
	f.	Request, collect, review, and normalize, the general ledger and disbursement ledger of the subrecipients (Subgrantees) for the forensic audit period (106 subgrants)	212	\$ 30,800	Assume 1 year of financial data per subgrant; 2 hours per year = 212

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description		TOTAL		Assumptions to Communicate (if applicable)	
		HOURS	AMOUNT		
	g.	Perform analytics of the general ledgers of subrecipients to identify payments made from a TANF-funded program. Trend payments over time, Benford's law analysis, payee analysis	424	\$ 56,280	Assume 4 hours per subgrant/subrecipient = 106 x 4 = 424
	h.	Review and supervision	49	\$ 11,580	
		Subtotal	1,049	\$ 158,230	
3.	Systems Evaluations				
	a.	Document or utilize internal control documentation of the <u>current</u> MDHS internal controls in place related to processing TANF agreements (Subgrants/contracts) and MDHS issued payments to TANF recipients	20	\$ 2,860	
	b.	Request, obtain, and test a sample of <u>current</u> transactions to validate/confirm the current process as communicated to CLA during the interviews and through the current procedures manuals (assume a walk through sample of <u>40 transactions</u> selected to obtain appropriate coverage of the different types of agreements and MDHS issued payments to TANF subrecipients).	100	\$ 14,680	Assume approximately 2.5 hours per transaction (will include a sample of each of the categories)
	c.	Document or utilize internal control documentation of the MDHS internal controls in place during the <u>forensic audit period</u> related to processing TANF agreements (Subgrants/contracts) and MDHS issued payments to TANF recipients	20	\$ 2,860	Assume 5 hours per year in forensic audit period
	d.	Obtain and Organize all supporting documentation for payments/expenditures made by MDHS; Obtain and organize all supporting documentation for payments/expenditure made by the subrecipients (subgrantees) of MDHS; Obtain all reports submitted by the subrecipients (subgrantees) to MDHS	214	\$ 27,180	107 entities (including MDHS); assume 2 hours per entity to obtain and organize
	e.	Prepare testing workpapers to include testing criteria for TANF program and allowable costs, federal and state procurement requirements, and MDHS's policies and procedures (this task will include conducting relevant research as needed)	60	\$ 11,160	To design work paper for each category type and entity
	f.	Review and supervision	16	\$ 3,725	
		Subtotal	430	\$ 62,465	

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description		TOTAL		Assumptions to Communicate (if applicable)
		HOURS	AMOUNT	
4.	Testing, Validation & Examination			
a.	Perform public record searches as necessary on appropriate parties identified during the interviews and or testing; Obtain and analyze conflict of interest forms for MDHS and for subrecipients	10	\$ 1,705	
b.	Conduct appropriate review of email communications and electronic document review of the former executive director to identify any documents/communications relevant to this forensic audit	52	\$ 7,680	Only the email communications of the former Executive Director will be reviewed
c.	Conduct testing for payments made by MDHS to TANF <u>subrecipients</u> (Subgrantees) during the forensic audit period to determine (1) Allowability pursuant to federal requirements, state law, and MDHS policies and procedures; (2) existence of appropriate supporting documentation and ; (3) authenticity of TANF Subrecipient payment requests	689	\$ 96,890	106 Subgrantees and approximately 15 disbursements to each (6.5 hours per subgrantee)
d.	Conduct testing for TANF <u>Subsidies, Loans, & Grants</u> payments to compare against TANF requirements, state law, MDHS policies and procedures, and federal guidelines	2,296	\$ 305,200	1,312 transactions; identify transactions for testing based on analytics and to obtain coverage across each payee and type of payment; assume 50% detailed testing (656 transactions; 3.5 hours per transaction)
e.	Conduct testing for disbursements made for direct assistance to recipients to determine (1) sufficiency of supporting information; (2) eligibility	30	\$ 4,480	Identify disbursements made for direct assistance to family members, relatives, or other known associates of the former Executive Director

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description			TOTAL		Assumptions to Communicate (if applicable)
			HOURS	AMOUNT	
f.	Conduct testing for payments made by MDHS for <u>services</u> (Contracts) other than direct assistance to recipients to determine (1) Allowability pursuant to federal requirements, state law, and MDHS policies and procedures; (2) existence of appropriate supporting documentation	1,297	\$ 175,480	1,729 transactions; identify transactions for testing based on analytics and to obtain coverage across each payee and type of contract; assume 50% testing (865 transactions; 1.5 hours per transaction)	
g.	Conduct testing for salary disbursements made to determine (1) payment made to legitimate employee; (2) for legitimate hours worked; (3) in accordance to employment contract	80	\$ 11,090	Assume 24 payroll payments per year, per employee; 2.5-year employment for each employee; resulting in 175 employees contracts/payment to be assessed (40 hours analytics; 20 employees details testing at 2 hours each)	
h.	Conduct testing for payments related to travel to determine (1) legitimate purpose, (2) allowability, (3) advance approval, (4) sufficiency of support	1,388	\$ 183,975	5,472 transactions; identify transactions for testing based on analytics and to obtain coverage across each employee; assume 50% detailed testing (20 hours analytics; 2,736 transactions @ 0.5 hour per transaction)	

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description		TOTAL		Assumptions to Communicate (if applicable)
		HOURS	AMOUNT	
i.	Conduct testing for payments related to purchases of equipment/commodities to determine (1) legitimate purpose, (2) allowability, (3) advance approval, (4) sufficiency of support, (5) receipt of goods	329	\$ 45,675	618 transactions; identify transactions for testing based on analytics and to obtain coverage across types of purchases; assume 50% detailed testing (20 hours analytics; 309 transactions @ 1.0 hour per transaction)
j.	Conduct a review of the financial records of TANF Subrecipient and examine financial records for agreement periods occurring within the subject audit period to identify any accounting irregularities not in compliance with federal regulations	371	\$ 53,255	106 subrecipients (3.5 hours per subrecipient)
k.	Conduct review of subrecipient general ledger for all grants awarded to Mississippi Community Education Center and Family Resource Center under any MDHS TANF-funded program	95	\$ 18,250	Two general ledgers for each of 4 years; high probability of need for formatting and clean-up to adequately analyze
i.	Conduct testing of subawards issued by TANF Subrecipients to third-tier subrecipients to assess for Allowability pursuant to (1) MDHS requirements, policies and procedures (2) applicable federal requirements	3,414	\$ 459,090	Contractual transactions estimated were 919, and Subsidies, Loans, & Grants were 2,190 = 3,109; estimate that no more than 35% of the transactions will require detailed testing based on results of analytics and identification of high risk entities (1,088 transactions @ 3 hours per transaction; additional 150 hrs to document low risk areas)

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description			TOTAL		Assumptions to Communicate (if applicable)
			HOURS	AMOUNT	
	m.	Conduct analysis to identify whether any TANF-funded subgrants/contracts and subsequent payments were executed and issued at the direction of the MDHS Executive Director during the subject audit period	40	\$ 7,160	
	n.	Follow up and conduct testing as needed for any other issues identified during the course of the forensic audit related to TANF subgrant awards during the forensic audit period.	200	\$ 25,000	
	o.	Review and supervision	540	\$ 123,225	
		Subtotal	10,831	\$ 1,518,155	
SUBTOTAL BEFORE REPORTING AND PROJECT OVERSIGHT			12,338	\$ 1,745,840	
REPORT AND PROJECT OVERSIGHT					
5.	Reporting				
	1a.	<i>Progress reports:</i> Prepare and provide monthly progress reports - outlining work performed for the prior month to include potential irregularities and/or findings	65	\$ 17,125	
	1b.	<i>Progress reports:</i> Prepare and provide status updates - (1) as requested by MDHS or OSA during forensic audit performance; (2) for conditions requiring immediate attention; (3) for potentially criminal activities	65	\$ 17,125	
	2a.	<i>Audit Procedures and Results:</i> Prepare draft report outlining applied forensic audit procedures and results of applied procedures - provide to MDHS and OSA for review before finalization	400	\$ 75,200	
	2b.	<i>Audit Procedures and Results:</i> Finalize report from 2a above and deliver to MDHS and OSA	100	\$ 19,080	
	3a.	<i>Internal Controls Assessment:</i> Prepare draft report outlining any weaknesses or deficiencies of current MDHS internal controls and past MDHS internal controls in place during the forensic audit period; and any weaknesses of MDHS internal accounting and operating controls to address compliance with controls, risk of fraud and misconduct, and recommendations to improve MDHS internal controls	168	\$ 36,620	
	3b.	<i>Internal Controls Assessment:</i> Finalize report from 3a. Above and deliver to MDHS and OSA	42	\$ 10,280	

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description			TOTAL		Assumptions to Communicate (if applicable)
			HOURS	AMOUNT	
4a.	Findings Regarding Fraud, Waste, and Abuse and Identify of All Persons Involved: Prepare draft report (1) outlining the aggregated listing of any funds which have been potentially embezzled, misappropriated or obtained under false pretenses or by potential fraud - To be prepared in a format suitable for use in a legal proceeding; (2) A listing of any and all funds spend on questionable or unallowed purchases by vendor/contractors/Subrecipient, as appropriate.		400	\$ 77,400	
Subtotal			1,240	\$ 252,830	
6.	Project oversight/administration				
a.	Internal team meetings to discuss progress of work, results of work, communicate new critical information, etc.		384	\$ 70,080	1 team meeting every week at 1 hour each during field work (6 months)
b.	Forensic audit team preparation for field work (review relevant documents; setup workpapers; etc.)		200	\$ 30,880	10 Associates/Seniors x 2 days each; 6 managers through principal x 1 day each
Subtotal			584	\$ 100,960	
TOTAL FOR REPORT AND PROJECT OVERSIGHT			1824	\$ 353,790	
TOTAL BEFORE TRAVEL AND OTHER COSTS			14,162	\$ 2,099,630	
TRAVEL AND OTHER COSTS					
7.	Estimated travel time (50% of actual)				
a.	Interviews and assessment		-	\$ -	
b.	Testing		-	\$ -	
c.	Any requested in person meetings		-	\$ -	
d.	Final presentation if requested		16	\$ 4,580	
Subtotal			16	\$ 4,580	
8.	Estimated out-of-pocket costs				
a.	Airfare (Assume one in person meeting)			\$ 1,000	1 trip estimated for final presentation of results; if additional in-person visits are requested by MDHS, additional travel costs will be incurred
b.	Accommodation (lodging in excess of \$125 per night must be pre-approved in writing by MDHS)			\$ 500	
c.	Meals			\$ 184	
d.	Transportation & parking (rental car under director only)			\$ 400	

ATTACHMENT A
MDHS Forensic Audit Scope of Services – Detailed by Phase

Description			TOTAL		Assumptions to Communicate (if applicable)
			HOURS	AMOUNT	
	e.	Public record search engine (TLO) out of pocket costs		\$ 1,200	
		Subtotal	-	\$ 3,284	
TOTAL TRAVEL RELATED COSTS			16	\$ 7,864	
GRAND TOTAL WITH TRAVEL COSTS			14,178	\$ 2,107,494	

ATTACHMENT B
MDHS Forensic Audit – Cost Schedule

Estimated Hours and Cost		
Project Phase Description	Total Estimated Hours	Total Estimated Cost
Assessment and Planning	28	\$ 6,990
Interviews and Analytics	1,049	158,230
Systems Evaluations	430	62,465
Testing, Validation, and Examination	10,831	1,518,155
Report and Project Oversight	1,240	252,830
Project oversight Administration	584	100,960
Travel: 50% of actual travel time	16	4,580
Subtotal of professional hours	14,178	\$ 2,104,210
Travel & Other Costs	N/A	3,284
Total with hours and travel costs	14,178	\$ 2,107,494

Proposed Cost Estimate: \$ 2,107,494

Professional Fees		
Position Description	Number of Positions	Hourly Rate
Partners	4	\$310
Managers	2	\$215
Seniors/Associates	10	\$125
Administrative	1	\$80
Total	17	

Above listed estimated hours for each project phase may be adjusted as necessary only upon CLA providing written justification to MDHS and only upon MDHS providing written approval of the proposed adjustment which shall not cause the total contract cost to exceed \$2,107,494.