

Proposal to serve

George Mason University

Internal Audit Co-Sourcing Services

RFP GMU-1709-21

Prepared by Ernst & Young LLP

February 24, 2021



Building a better
working world



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James F. Russell,
Procurement Officer
4400 University Drive, Mailstop 3C5
Fairfax, VA 22030

February 24, 2021

On behalf of Ernst & Young LLP (EY or the US firm) and our entire engagement team, we thank you for the opportunity to present our internal audit (IA) qualifications to George Mason University (Mason). We understand it is important that Mason select the right partner. We have invested heavily in our Business Consulting and Internal Audit practices, and we bring proven approaches, deep knowledge and business insight to each of our engagements. It is our privilege to provide you with a team that has deep industry experience working with organizations like Mason.

We believe we are best qualified to serve Mason for the following reasons:

- ▶ **Proven internal audit methodology that brings an innovative, technology-enabled approach:** We have extensive experience in building an effective IA function where we bring the right talent integrating technology and digital capabilities to provide a cost-effective, value-driven approach to IA activities. Our goal is to assist in creating a value reputation for IA. We will provide Mason with proactive insights regarding new audit tools and technologies including emerging areas such as robotic process automation, continuous auditing through analytics and compliance monitoring, IT controls testing, risk assessment voting and risk assessment facilitation to help keep you on the data offensive.
- ▶ **Local core team of IA professionals with access to deep subject-matter resources:** The key to developing an outstanding working relationship and delivering beyond your expectations is to work with a team of professionals who are innovative and who understand your environment. The core team is in our Chesapeake region (includes our offices in Washington, DC; Tysons, VA; Richmond, VA and Baltimore, MD). Additionally, our internal audit practice in the East region includes professionals with deep technical knowledge within higher education. We will provide you with an integrated team that includes local IA professionals and subject-matter resources with robust experience.
- ▶ **We are leaders in higher education:** Our firm has a track record of working successfully with higher education organizations. Your EY team will provide you thought leadership, the latest trends and unique perspectives on financial statement risks and controls, and emerging risk areas. We have a wealth of resources with deep technical knowledge and experience helping higher education organizations manage risk. We will use subject-matter resources who have in-depth knowledge in specific matters of relevance to the University. We utilize such resources as part of our IA teams to increase the breadth and depth of the audit focus while enhancing the value provided to the business.

We are invested in creating and building mutually beneficial relationships with our clients and are eager to work with you. Thank you for the opportunity to present our qualifications. On the pages that follow, you will find information regarding our qualifications, methodologies and people, along with the required attachments for this RFP. If you have any questions, please contact us using the information provided below.

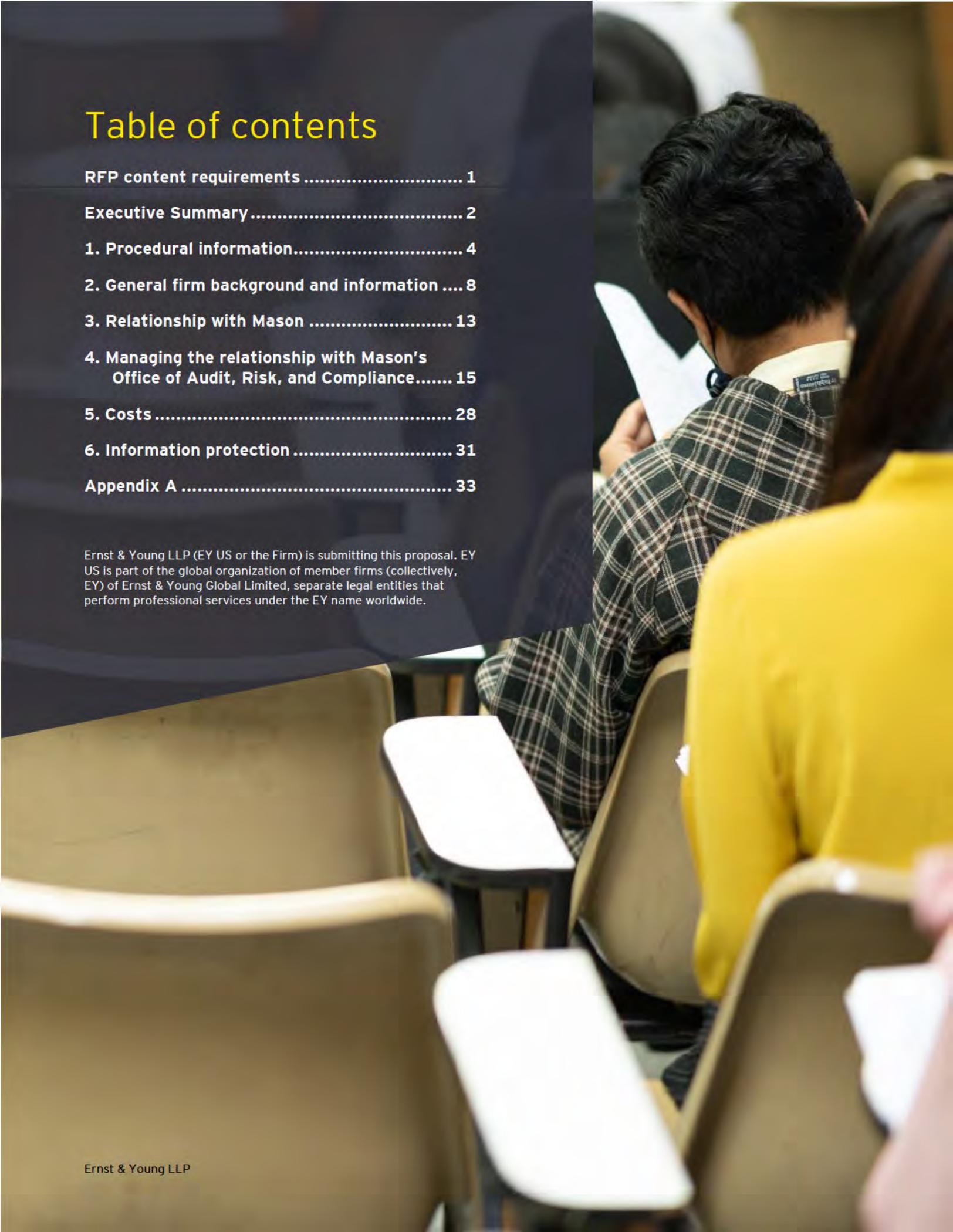
Sincerely,

Matt Pagac
Managing Director
Ernst & Young LLP

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Ernst & Young LLP (EY US or the Firm) is submitting this proposal. EY US is part of the global organization of member firms (collectively, EY) of Ernst & Young Global Limited, separate legal entities that perform professional services under the EY name worldwide.



RFP content requirements

We have addressed specific questions from your RFP throughout this proposal. Please refer to the table below.

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K. Describe your process for working with Mason's Office of Audit, Risk and Compliance to deliver services. Among other things, describe:	
1. Knowledge, skills, and expected availability/capacity to deliver services.	Pages 15-16
2. Familiarity and capacity to the International Standards for the Professional Practice of Internal Auditing.	Pages 16-17
3. Process for scheduling firm resources to deliver resources.	Pages 17-18
4. Supervision of firm resources should firm personnel be asked to supervise specific work.	Page 18
5. Describe your capability, and related process, to share cross-industry and higher-education industry information related to (i) "best" practices, (ii) benchmarks, (iii) emerging higher education risk areas, (iv) internal audit practices, and (v) additional topics of interest.	Pages 18-20
6. Describe your process for working with Mason's Office of Audit, Risk, and Compliance to administer the overall engagement. Among other things, describe:	Pages 21-22; Page 33-37
a. The individuals likely to administer and provide overall oversight to the engagement. Provide resumes.	
b. Invoicing and payment processes.	
7. Provide a sample engagement letter template likely to be used in this engagement.	Pages 22-25
8. Provide names, firms, and contact information for three (3) reference clients with whom you have had a successful working relationship.	Pages 25-26
5. Costs	
A. Provide hourly costs by level of experience (e.g., 1-3 years, 3-5 years, >5 years), and specialty (e.g., operational, information technology).	Page 28
B. Provide information related to volume/discount breakpoints.	Page 28
C. Describe how you propose to handle any travel or out-of-pocket expenses related to provisions of these services. Specifically address expenses for resources based in locations near Mason.	Page 29
6. Information Protection	
A. Describe the protections you will use to safeguard information obtained during engagements from unauthorized use and disclosure, including, but not limited to, personal facts and circumstances related to individuals as well as information related to Mason's actual or anticipated business facts and circumstances.	Page 31

Executive Summary

We are excited by the opportunity to propose our people and services to support Mason and its stakeholders. In this proposal, we outline our qualifications, our internal audit services approach, our experiences and references, our commitment to the relationship and our financial proposal. We are confident that our EY team will best enable your success.

Our understanding

You seek a firm that will:

- ▶ **Invest** in aligning with Mason's culture and values by bringing a diverse team with the skills, experience and collaborative working style that drives innovation.
- ▶ **Collaborate** with key stakeholders to provide an independent, objective examination and consulting activity designed to proactively evaluate the risks and controls to add value and improve the effectiveness of operations.
- ▶ Serve as a **knowledgeable** co-sourced internal audit function that will assist you in providing a systematic, disciplined approach to evaluate the effectiveness of risk management, control and processes within the organization.

Why EY

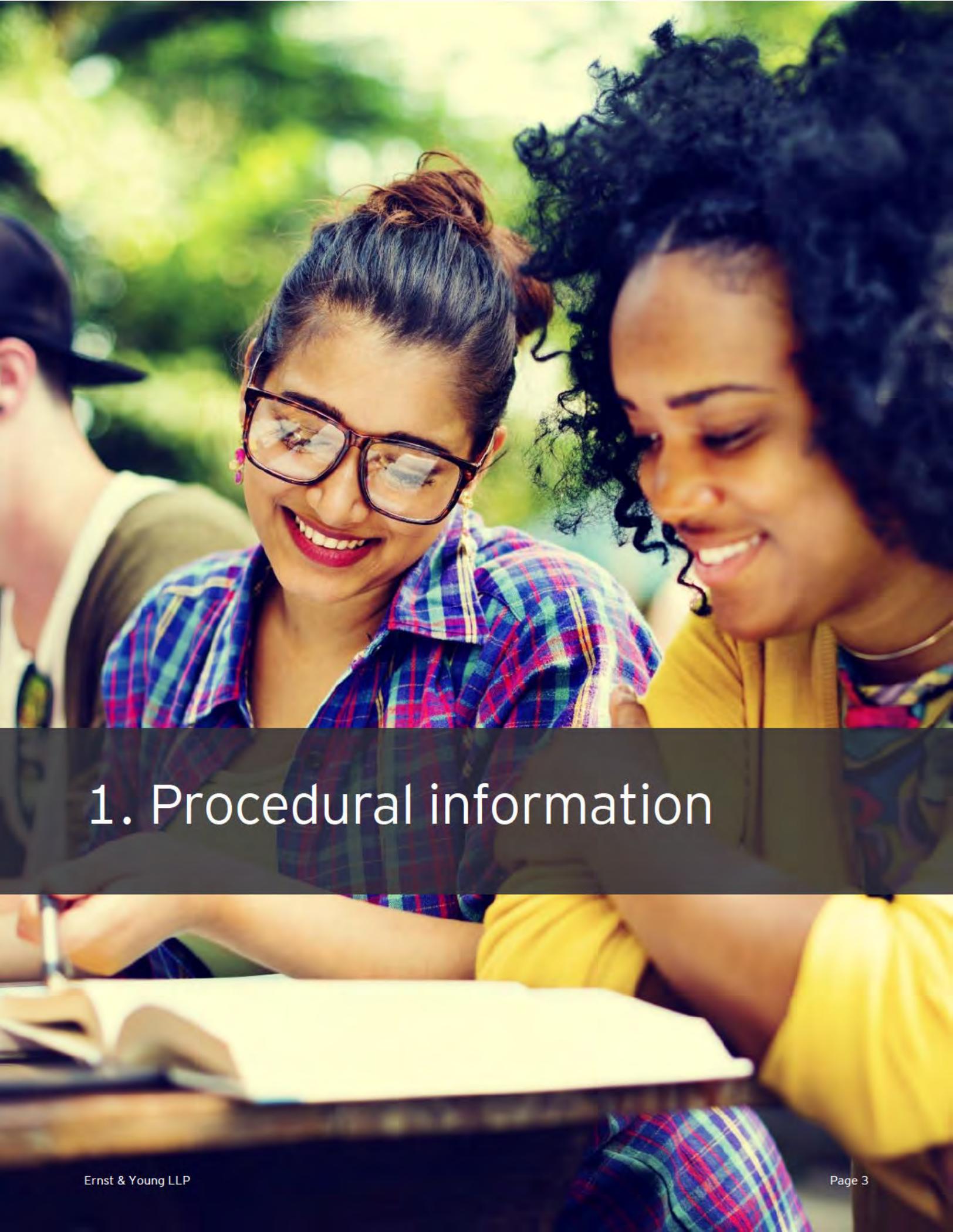
We are purpose-driven

- ▶ **Invested** – Your Mission - “we are an innovative and inclusive academic community committed to creating a more just, free, and prosperous world” - aligns to EY's vision to “**build a better working world.**” We support the next generation and maintain an award-winning, people-first culture in our own practice. You'll find that EY people are strong members of the community who demonstrate integrity, respect, teaming and leadership based on doing what's right. We are here to support the long-term success of our clients. EY believes in the greater impact of our work. We are passionate about living our corporate purpose of building a better working world. Our organizations are similar in our stated desires to go beyond mere service delivery to make a difference - a positive change for those we serve and the larger world in which we live. We center our values on our people. We focus on people who demonstrate integrity, respect and teaming; people with energy, enthusiasm and the courage to lead; and people who build relationships based on doing the right thing.
- ▶ **Collaborative** – EY holds itself to each client's definition of “exceptional client service,” bringing the right people at the right time, with the flexibility to serve you the way you want to be served. We are passionate about working with Mason's internal audit and its key stakeholders. Developing an effective working relationship with you and your leadership and developing a shared vision of success is critical to us.
- ▶ **Knowledgeable** – EY applies technical experience, combines our standard methodology with yours as applicable, and brings innovative auditing methods to enhance the value-add of the Internal Audit function. We will work with you to clearly understand the nature of the work assigned, the scope and the key risks/opportunities. We will support a careful transition considerate of the organizational impact and culture.

We are leaders in higher education

We have a wealth of resources, with deep technical knowledge and experience helping higher education organizations manage risk, located right here in the Chesapeake area. We will use subject-matter resources (SMRs) who have in-depth knowledge in specific matters of relevance to Mason. We utilize such resources as part of our IA teams to increase the breadth and depth of the audit focus while enhancing the value provided to the business.



A photograph of two young women sitting at a table outdoors, smiling and looking at a document together. The woman on the left has dark hair in a bun, wears glasses, and a plaid shirt. The woman on the right has dark curly hair and wears a yellow top. A third person wearing a cap is partially visible on the left. The background is a blurred green outdoor setting.

1. Procedural information

1. Procedural information

A. Cover Page



Purchasing Department
4400 University Drive, Mailstop 3C5
Fairfax, VA 22030
Voice: 703.993.2580 | Fax: 703.993.2589
<http://fiscal.gmu.edu/purchasing/>



REQUEST FOR PROPOSALS GMU-1709-21

ISSUE DATE: January 29, 2021
TITLE: Internal Audit Co Sourcing Services
PRIMARY PROCUREMENT OFFICER: James F. Russell, Director, jrussell@gmu.edu
SECONDARY PROCUREMENT OFFICER: Erin Rauch, Assistant Director, erauch@gmu.edu

QUESTIONS/INQUIRIES: **E-mail** all inquiries to both Procurement Officers listed above, no later than 4:00 PM EST on February 10, 2021. **All questions must be submitted in writing.** Responses to questions will be posted on the [Mason Purchasing Website](#) by 4:00 PM EST on February 17, 2021. Note: Questions must be submitted in WORD format. Also see section III. COMMUNICATION, herein.

PROPOSAL DUE DATE AND TIME: February 24, 2021 @ 2:00 PM EST. **SEE SECTION XIII.A.1 FOR DETAILS ON ELECTRONIC PROPOSAL SUBMISSION.**

In Compliance With This Request For Proposal And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish The Goods/Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiations.

Name and Address of Firm:

Legal Name: Ernst & Young, LLP

Date: February 24, 2021

DBA: _____

Address: 1775 Tysons Blvd

Tysons, MD 22102

By: 

Signature

FEI/FIN No. 34-6565596

Name: Matt Pagac

Fax No. _____

Title: Executive Director

Email: matt.pagac@ey.com

Telephone No. 703-747-1267

SWaM Certified: Yes: _____ No: (See Section VII. SWaM CERTIFICATION for complete details).

SWaM Certification Number: _____

This public body does not discriminate against faith-based organizations in accordance with the *Governing Rules, § 36* or against a Bidder/Offeror because of race, religion, color, sex, national origin, age, disability, or any other prohibited by state law relating to discrimination in employment.

B. Attachment A - Small Business Contracting Plan

**ATTACHMENT A
SMALL BUSINESS SUBCONTRACTING PLAN
TO BE COMPLETED BY OFFEROR**

It is the goal of the Commonwealth that over 42% of its purchases be made from small businesses. All potential offerors are required to include this document with their proposal in order to be considered responsive.

Small Business: "Small business (including micro)" means a business which holds a certification as such by the Virginia Department of Small Business and Supplier Diversity (DSBSD) on the due date and time for proposals. This shall also include DSBSD certified women- owned and minority-owned businesses and businesses with DSBSD service disabled veteran owned status when they also hold a DSBSD certification as a small business on the proposal due date. Currently, DSBSD offers small business certification and micro business designation to firms that qualify.

Certification applications are available through DSBSD online at www.SBSD.virginia.gov (Customer Service).

Offeror Name: Ernst & Young, LLP

Preparer Name: Pam Kelly **Date:** February 24, 2021

Who will be doing the work: I plan to use subcontractors I plan to complete all work

Instructions

- A. If you are certified by the DSBSD as a micro/small business, complete only Section A of this form.
- B. If you are not a DSBSD-certified small business, complete Section B of this form. For the proposal to be considered and the offeror to be declared responsive, the offeror shall identify the portions of the contract that will be subcontracted to DSBSD certified small business for the initial contract period in relation to the offeror's total price for the initial contract period in Section B.

Section A

If your firm is certified by the DSBSD provide your certification number and the date of certification.

Certification Number: _____ Certification Date: _____

Section B

If the "I plan to use subcontractors" box is checked, populate the requested information below, per subcontractor to show your firm's plans for utilization of DSBSD-certified small businesses in the performance of this contract for the initial contract period in relation to the offeror's total price for the initial contract period. Certified small businesses include but are not limited to DSBSD-certified women-owned and minority-owned businesses and businesses with DSBSD service disabled veteran-owned status that have also received the DSBSD small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc. It is important to note that these proposed participation will be incorporated into the subsequent contract and will be a requirement of the contract. Failure to obtain the proposed participation dollar value or percentages may result in breach of the contract.

B. Plans for Utilization of DSBSD-Certified Small Businesses for this Procurement

Subcontract #1

Company Name: _____ SBSD Cert #: _____
Contact Name: _____ SBSD Certification: _____
Contact Phone: _____ Contact Email: _____
Value % or \$ (Initial Term): _____ Contact Address: _____
Description of Work: _____

Subcontract #2

Company Name: _____ SBSD Cert #: _____
Contact Name: _____ SBSD Certification: _____
Contact Phone: _____ Contact Email: _____
Value % or \$ (Initial Term): _____ Contact Address: _____
Description of Work: _____

C. Attachment B (Sample Contract - Contract exception)

We have reviewed the terms contained in the RFP, including the Sample Contract. We note that in previous engagements, EY and George Mason University have agreed that EY should provide services under the existing contract number **GMU-1442-17-02**. In the event EY is chosen to provide the services, we would suggest that the parties leverage that approach for the services contemplated under the RFP here as well. Using that approach, the parties can focus their discussions on the terms and conditions of the specific services rather than on standard boilerplate language.

This document is based on our current level of understanding of George Mason University's needs. Consequently, it is not intended to be an offer, and a binding agreement between us shall exist only upon execution of a mutually acceptable scope and contract. For the avoidance of doubt, notwithstanding anything to the contrary in the RFP, our response to the RFP does not constitute agreement with any terms of the RFP or terms of the Sample Contract. We would welcome the opportunity to provide any additional information that you require to make a decision, and we thank you for considering our proposal.

A photograph of two young women sitting at a table outdoors, smiling and looking at a document together. The woman on the left has dark hair in a bun, wears glasses, and a plaid shirt. The woman on the right has dark curly hair and wears a yellow top. A third person is partially visible on the left. The background is a blurred green outdoor setting.

2. General firm and background information

2. General firm background and information

D. Provide a background and a brief history of your firm.

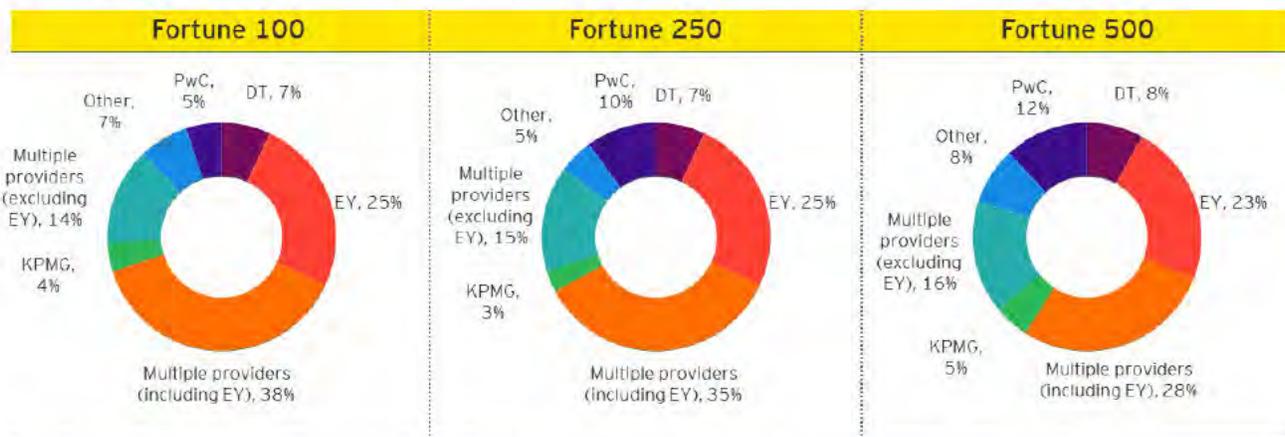
We're a global leader in Consulting, Assurance, Tax, and Strategy and Transaction services. Worldwide, our 307,000 people are united by an unwavering commitment to quality in the services we offer and to help our people and clients build a better working world. At the top of the agenda is harnessing the power of emerging digital technologies to enhance sector-specific capabilities, to help our clients get ahead and stay ahead of the curve. Our services are as follows:

Consulting	Assurance	Tax	Strategy and Transactions
Our consulting services assist organizations realize their social, economic and cultural value by helping them improve performance, manage their risk appetite and harness their people agenda.	We support our clients in building stakeholder confidence and trust by helping them manage regulatory responsibilities, mitigate risk, promote transparency and drive long-term sustainable growth.	Our tax services help clients navigate the dynamic tax environment and address their business issues. This includes harnessing the benefits of market trends and focusing on the role that the tax function can play in long-term business growth.	We help organizations manage their capital and transactions, including strategies to raise, invest, optimize and preserve capital. By managing their capital, organizations can define their competitive position and create social and economic value in the future.

E. Describe your firm's specialty areas, and their size.

EY is the undisputed leader in providing internal audit and risk services to Fortune 100, 250 and 500 companies. We capture a larger percentage of the market than the other Big Four firms combined. This is due to our continuing investment in tools and technology, our proven service delivery methodology and, most importantly, our people.

As of December 2019, EY's presence across Fortune 500 indices is as shown below:



Summary statement

Fortune 100: EY serves 64% of the Fortune 100 companies that use at least one third party internal audit service provider

Fortune 250: EY serves 60% of the Fortune 250 companies that use at least one third party internal audit service provider.

Fortune 500: EY serves 51% of the Fortune 500 companies that use at least one third party internal audit service provider.

Leader of internal audit and internal controls

In the past five years, more companies have chosen EY for risk services, including IA co-sourcing, over all the other Big Four firms. Today, we harness the diverse perspectives and experiences of our Risk professionals in more than 150 countries – one of the broadest advisory networks of any professional services organization.

1996 IA practice established

28k+ IA and Technology Risk professionals

Largest integrated IA practice

that covers a full suite of IA, internal controls over financial reporting (ICFR), IT and other risk management services like Cyber, Data Privacy, ERP risk and controls

Our 28,000+ IA and technology risk (TR) professionals operate worldwide under a consistent set of high practice standards and are each subject to the same professional training and development standards. Among the Big Four, we are the only organization with a dedicated IT team focused on providing audit and advisory assistance. This means our IT team sits within our IA practice and has dedicated resources working with clients on ICFR, IT general controls, IT internal audit, data analytics and IT risk assessment activities.

Our core internal audit engagement team has the ability to harness the collective skill sets of more than 250,000 professionals within EY globally. Our network includes dedicated professionals in areas such as IT, cyber and application security, finance, digital, program and change management, strategy, analytics and tax. We are well versed in leveraging subject-matter resources (SMRs) across all phases of the audit life cycle, including planning and scoping, fieldwork and reporting. These SMRs enhance the value provided during internal audits as they leverage their deep understanding of business/IT processes and leading practices to provide value-added, tangible business recommendations. Please refer to section 6.A for more information on the SMRs selected especially for Mason.

At EY, we are **committed** to **delivering** exceptional client service across our four service lines.

F. Describe your firm's location and organization structure. Provide additional detail related to offices likely to serve Mason.

Our Internal Audit practice comprises more than 28,400 IA and risk professionals globally, including the market in which you operate. Globally, we have (as of July 2019):

- ▶ **Americas:** 9,000 professionals
- ▶ **EMEIA:** 13,800 professionals
- ▶ **Asia-Pacific:** 5,600 professionals

The firm maintains a strong local presence in the Chesapeake region, which includes our Richmond, VA; Tysons Corner, VA; Washington, DC; and Baltimore, MD offices. The core team to serve Mason is primarily headquartered in the firm's Tysons Corner, VA and Baltimore, MD offices. Our Chesapeake service area boasts more than 120 risk-focused professionals across Technology Risk, Risk Transformation and Internal Audit. The team assembled for Mason is a combination of local core team members with deep internal audit experience as well as higher education audit-focused practitioners residing within the broader service area. We are a leading provider of professional services for companies and government entities headquartered in this area.

G. Describe the nature and extent of your expertise with higher education, research-oriented, or similarly situated clients, including related information technology environments (including Banner, which is used by Mason).

The higher education sector is subject to a unique universe of risks and issues that require the support of an experienced and sophisticated internal audit provider. EY is recognized as a leading firm internationally in serving institutions of higher learning with large research functions and public-sector entities. This is the result of not only performing quality consulting, tax and audit work, but also providing a wide variety of value-driven services to many leading colleges and universities around the world.

EY has supported the internal audit functions and management initiatives at private, public, large and small organizations. We include three references for which our firm has performed similar services. EY can provide additional references on request.

We maintain a leadership position within the education industry by being innovative in addressing the challenges that confront education institutions, such as operational hurdles, human resource constraints and meeting financial objectives. As you will discover, the proposed EY engagement team members with deep IA experience networked with our higher education professionals locally and across the US to enable the sharing of pertinent information, leading practices and value ideas. The result is better service delivery and value ideas for our higher education clients.

We understand the business process operations of higher education institutions.

[Redacted]

[Redacted]

H. Describe the nature and extent of your expertise with providing supplemental audit resourcing (co-sourcing) services to clients similarly situated to Mason.

EY has experience providing internal audit services to companies across a variety of higher education and nonprofit sectors, which further strengthens our ability to deliver value to Mason. Not only do our IA audit professionals have a deep

understanding of different business needs, but they also provide perspective on what other organizations have done to address similar challenges to those you might be facing. Co-sourcing with EY will help George Mason IA enable a change in your operating model, if desired, and help position the IA function to be more flexible and focused on value-add and risk.

The benefits of EY's teaming and co-sourcing value propositions are significant. Leading organizations across a range of industries leverage the value of a teaming/co-sourcing relationship to drive efficiency, enhance value and reduce risk to the organization. **Some of the benefits of co-sourcing include, but are not limited to:**

 <p>Experience and capabilities</p>	The ability to bring the power of our global organization, market leadership and resources to best serve you. Our extensive experience with several IA co-sourcing clients positions us to understand and advise you on the issues, trends and challenges relevant to you, as well as the regulatory and operational requirements.
 <p>Top-notch team and flexible staffing</p>	Our IA practice is a global team of professionals with extensive experience leading and executing IA co-sourcing programs. Our core team will be supported by technology SMRs, a global network of internal audit professionals and the latest thought leadership. Our flexible staffing model provides you the ability to quickly adjust to changing business risks with the right skills and add additional resources in the execution if needed.
 <p>Innovation</p>	In our IA practice, we have been developing innovative solutions and defining the future of IA. To deliver the highest quality at a competitive cost, we have invested in enablers, methods and tools that will drive both effectiveness and efficiency throughout the IA life cycle. As part of the co-sourcing agreement, you will be able to benefit from several tools that our professionals utilize to support numerous IA co-sourcing engagements.
 <p>New thinking and insights</p>	We continuously update our IA thought leadership and leading-practice insights for the Transformative Age. As part of the co-sourcing agreement, we will help you develop an IA strategy for areas with high risk or high upside of risk vs. low risk/routine/compliance areas to maximize efficiency, drive cost reduction and achieve impactful outcomes.

Co-sourcing your internal audit function with EY will help position the internal audit function to be flexible and focused on bringing the best value to the organization.

While there are significant benefits associated with an IA co-sourcing relationship, there are certain risks/challenges that must be considered as we start this journey. We plan to work with you to manage these risks/challenges to avoid any disruptions and help achieve your objectives starting immediately. Key risks/challenges may include:

- ▶ Immediate change in operating model that introduces new external resources to support IA reviews
- ▶ Key stakeholders (auditees) may perceive co-sourcing resources as consultants rather than as part of an existing IA function
- ▶ Focus shifts from the fixed cost of internal resources to cost-based co-sourcing providers, requiring increased monitoring
- ▶ Potential short-term reduction/impact on internal audit activity as the new team is trained/onboarded

Although the above risks/challenges may exist, we are confident that through experience, qualifications and integrated teaming with you we will be able to successfully address these challenges proactively.

1. Describe any impending changes in your organization that could impact delivery of services.

There are no expected changes to the organization that would impact the delivery of services.



3. Relationship with Mason

3. Relationship with Mason

J. Provide a list of work your firm has conducted related to Mason since January 1, 2018. Describe the nature of the work, cost, and Mason contact.

Client	Description of Work	Cost	Mason Contact
[REDACTED]	<ul style="list-style-type: none"><li data-bbox="402 405 846 478">[REDACTED]<li data-bbox="402 478 846 621">[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	<ul style="list-style-type: none"><li data-bbox="402 674 846 747">[REDACTED]<li data-bbox="402 747 846 846">[REDACTED]	[REDACTED]	[REDACTED]

A photograph of two women, one with glasses and a plaid shirt, and another with curly hair and a yellow top, smiling and looking at a document together. A third person wearing a cap is partially visible on the left. The background is a blurred outdoor setting with greenery.

4. Managing the relationship with Mason's Office of Audit, Risk, and Compliance

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K. Describe your process for working with Mason's Office of Audit, Risk, and Compliance to deliver services. Among other things, describe:

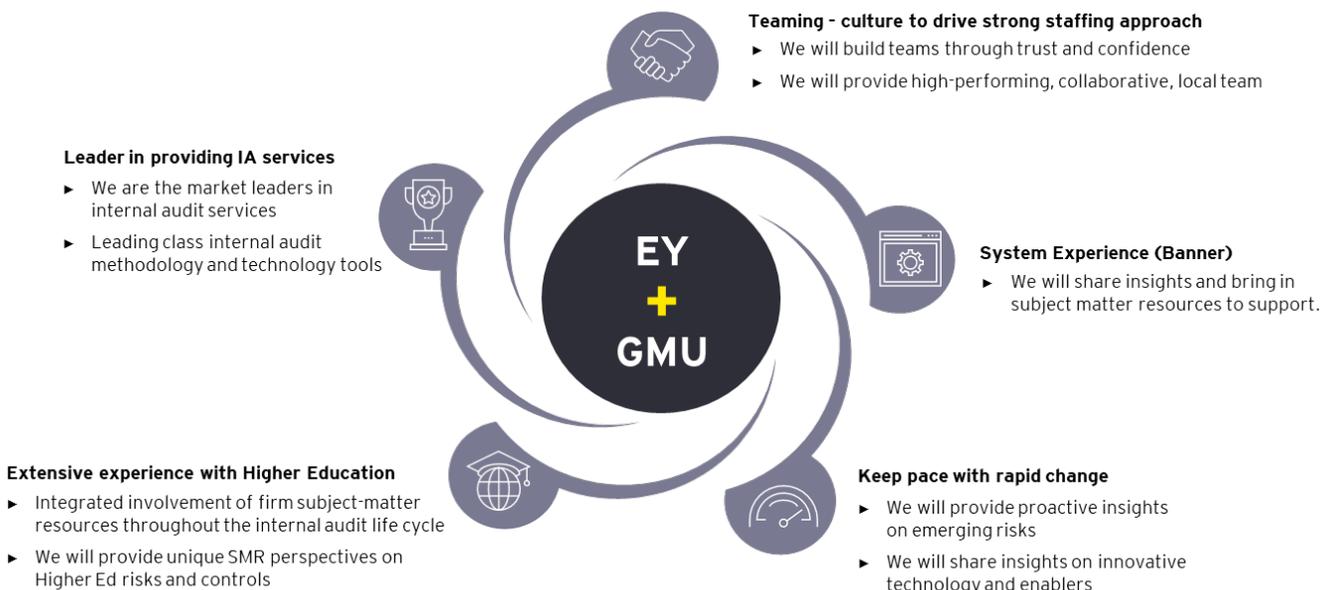
1. Knowledge, skills, and expected availability /capacity to deliver services.

We bring innovation to the IA function. We have helped our clients modernize and implement innovations in their audit programs. We have helped our IA clients, in co-source arrangements, embrace new technologies, automation, robotics and data analytics-driven targeted testing programs. We value our internal audit clients and are committed to bringing the leading insights around internal audit innovations to meet our clients' specific needs.

We firmly believe we deliver unparalleled talent, tools, innovation, methodology, pragmatic experience and knowledge to you. The COVID-19 pandemic continues to increase pressure on the risk and control environment. Most SOX and other internal control programs were not designed for operating in a remote environment, coupled with stressed circumstances leading to rapid changes in regulations, processes, control owner availability and even the nature of control documentation. It is key for the IA function to evolve and be innovative, now more than ever.

Disruptive technologies are a great way to develop innovative solutions. We are assisting some of the world's largest companies, which are required to keep pace with the digital world, to embrace the transformation of their IA functions. By integrating robotic process automation, data analytics, agile, continuous controls monitoring, cyber analytics and other technologies in IA's life cycle, we can help Mason identify efficiencies in its processes and address the right risks.

As part of our relationship with Mason, we will continue to share insights on changes in the IA industry on topics as varied as global risk management surveys, risk assessment processes, COVID-19 response and back-to-work plans, and business resiliency and crisis management. We look forward to continuing to provide these insights on a regular basis suited to Mason's needs.



We believe innovation is a mindset and not an activity, and it's how we approach projects with all our clients, enabling us to deliver innovative ideas to your IA program and organization. Our IA experiences within and outside of your industry allow us to take our collective client experiences and address the challenges facing similar organizations, such as enabling existing technologies to achieve their full potential. The following list identifies a few innovative methods of leading-class practices in the market today that we plan to bring to Mason:

[Redacted text block]

[Large redacted text block]

[Redacted text block]

3. Process for scheduling firm resources to deliver services.

We will work with you at the beginning of each project to review and confirm the mix of EY (and any University Audit team members) resources to match your project needs and to help enable knowledge sharing and consistency of approach across the organization. We intend for the co-sourcing relationship with Mason to be as collaborative as possible.

Our goal is to provide you with exceptional local resources with focused experience who will work with you while leveraging our national and global resources in a cost-effective way. We have identified a core team of professionals in the Chesapeake

area with experience managing several co-source and outsourced internal audit functions to serve most of your needs. The core team is supported by SMRs with diverse skill sets and experience, and we have aligned the team into work streams with the goal of confirming availability of relevant, experienced resources who can serve your needs across a variety of subject matters. We will work with you to define the resources needed for an engagement and then align the right resources from our Greater Washington practice while focusing on efficiency. The core team dedicated to serving you will also leverage our national and global SMRs to provide deep sector knowledge and experience based on your needs, values and expectations. Our core team regularly works together and leverages SMRs on engagement with several other clients and will serve as your main points of contact while coordinating our SMRs.

We have already identified several SMRs to cater to potential engagements at Mason. Whether you need our core internal audit resources in the Chesapeake area or a specific SMR, we have the people you need, when you need them, and for the right cost.

Allocating time on engagements is an integral part of our goal to confirm cost-effective IA services. We aim to craft engagement budgets by allocating activities and tasks to the lowest possible level of the integrated team while verifying quality supervision and control. To accomplish this, we calibrate our standard leverage model (please refer to our proposed fee structure) to meet the individual needs of a given engagement. We recognize that, depending on the nature of the audit, additional senior-level resource and SMR time may be required. Conversely, given the depth of experience of our team, we can allocate a greater portion of time to more junior resources on less complex engagements, where this is practical and aligned with your expectations and needs. In any case, we're judicious and transparent in how we leverage our resources, working with you to understand the need and value, and seeking your approval before proceeding.

4. Supervision of firm resources should firm personnel be asked to supervise specific work.

Quality is the foundation of our business – it is core to our training, our values and our mindset. It is demonstrated by doing the right thing, every day, and is central to building trusting relationships.

EY utilizes a consistent method for management and supervision of day-to-day engagement execution. We have rigorous protocols for the review of work products and oversight of resources. As a firm, we instill an apprentice model whereby we strive to provide on-the-job experiences and coaching on an ongoing basis. This encompasses the way activities are scheduled and resources are aligned, supervised and coached. Our engagement executives will be involved in all aspects of project planning, execution and reporting.



For day-to-day activities, we will assemble a mix of team members for each IA activity which will include oversight by a senior manager and/or manager (depending on the complexity of the audit) and core execution by senior and staff associates. All work completed by senior- and staff-level associates will undergo both first- and second-level review. This means that draft work products will be reviewed by two separate individuals more senior than the preparer. In addition, all reports and final deliverables must undergo review by the Engagement Executive before they are submitted to Mason.

- ▶ **First-level review** is highly in-depth and may include re-performance of testing, detailed review of process narratives, participation in client meetings, etc.
- ▶ **Second-level review** is intended to oversee that client objectives are met, appropriate consideration was given to relevant areas within the scope of the review and our quality standards are met.
- ▶ **Executive-level review** is done on all deliverables prior to transferring them to Mason.

5. Capability, and related process, to share cross-industry and higher-education industry information related to (i) "best" practices, (ii) benchmarks, (iii) emerging higher education risk areas, (iv) internal audit practices, and (v) additional topics of interest.

EY pays special attention to education and works with direct providers of education, ranging from K-12 school districts to institutions of higher education to organizations providing corporate training. We were the first to market with a dedicated Education practice over 20 years ago. Thanks to this commitment, we now have a hub for industry-focused knowledge, and



[Redacted text block]



[Redacted text block]



[Redacted text block]



[Redacted text block]



[Redacted text block]



[Redacted text block]

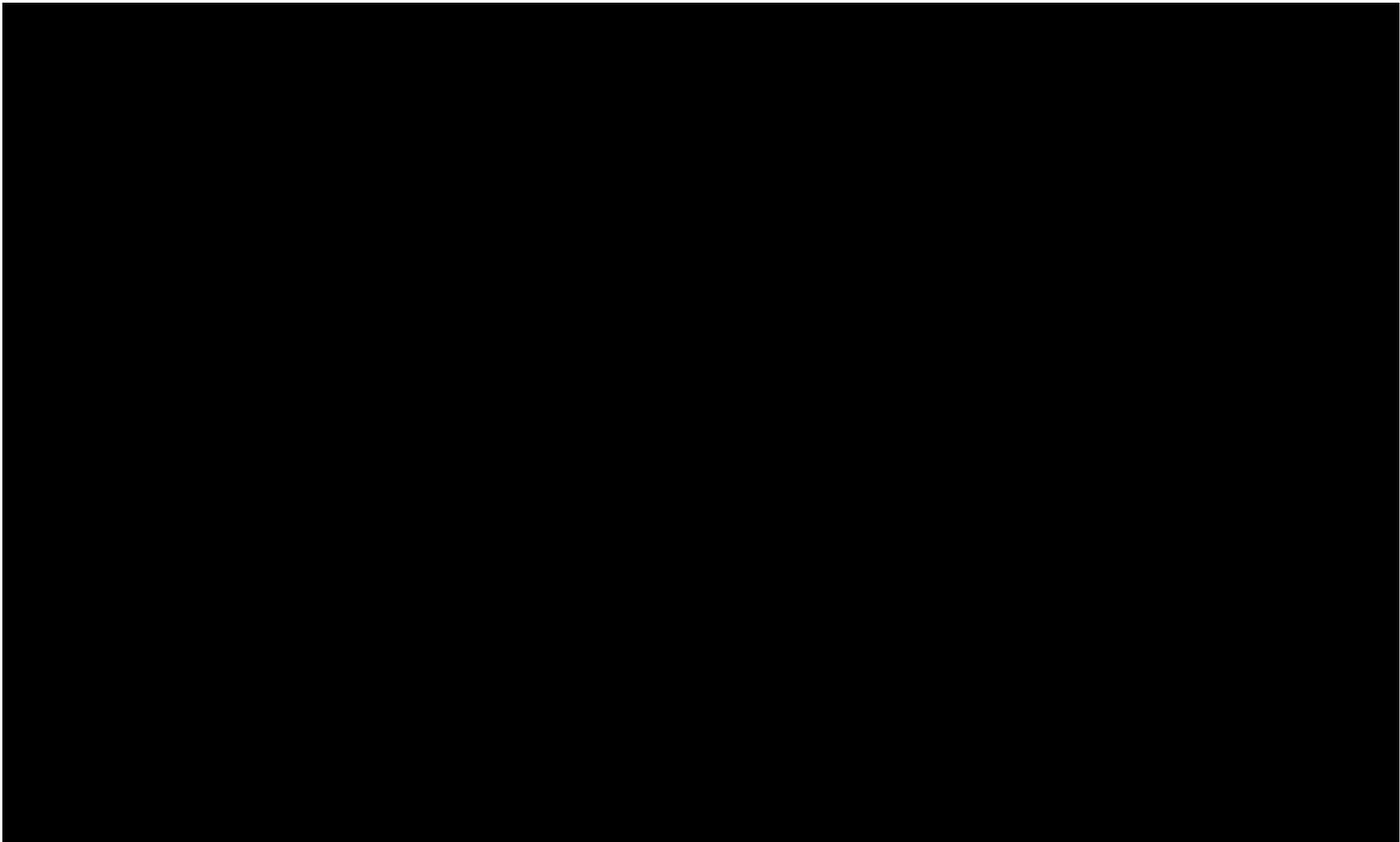
6. Describe your process for working with Mason's Office of Audit, Risk, and Compliance to administer the overall engagement. Among other things, describe:
a. The individuals likely to administer and provide overall oversight to the engagement. Provide resumes.
b. Invoicing and payment processes.

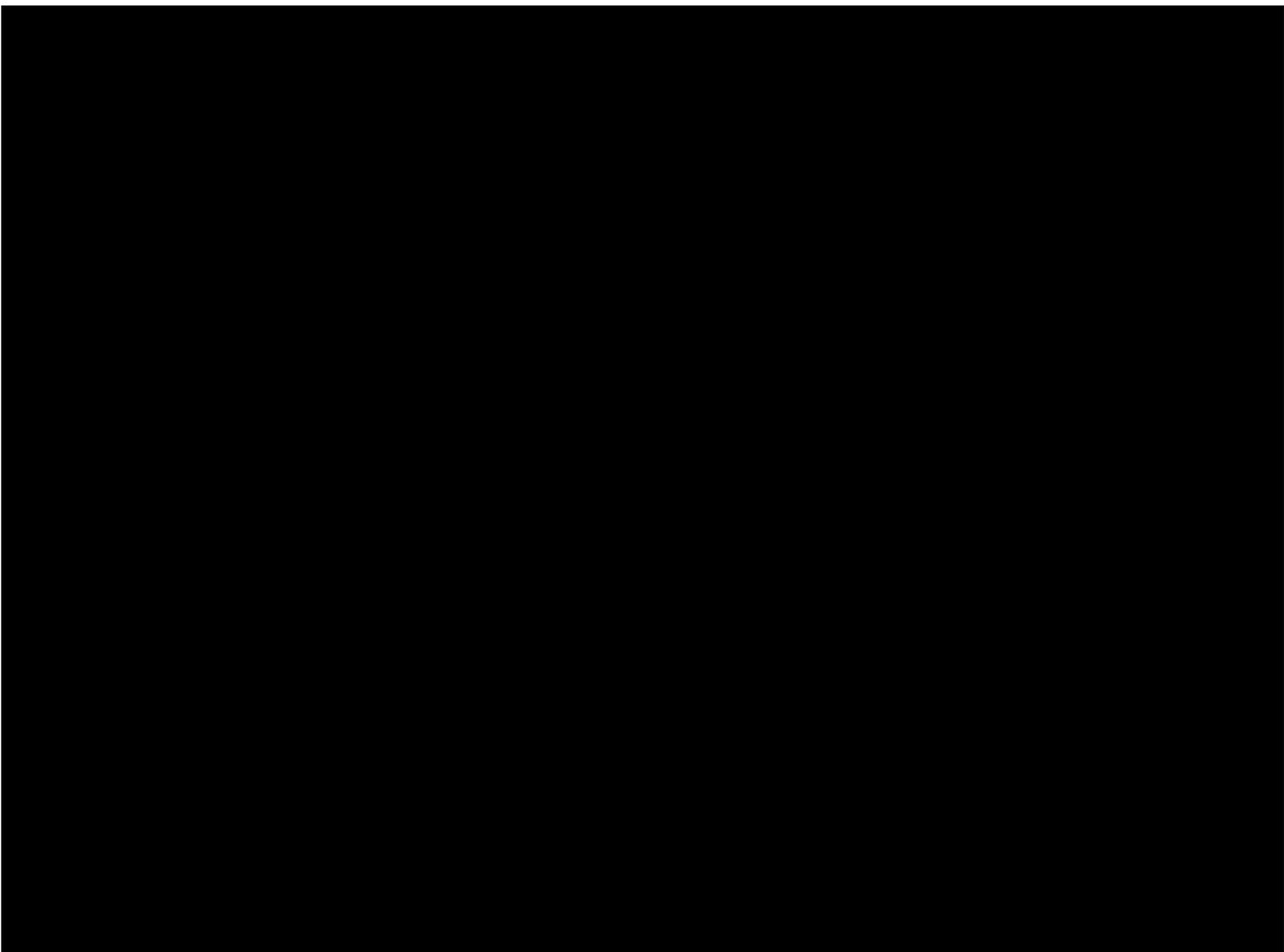
a. The individuals likely to administer and provide overall oversight to the engagement.

Matt Pagac and Tasha Youngblood Brown have handpicked a team with the right qualifications and experiences. Together, they will not only help oversee the execution of the core team but will also help identify and integrate the appropriate SMRs into internal audit activities as needed. Senior managers/experienced Managers will support Matt in leading the core team. Under their leadership, the core team will oversee and participate in all of the internal audit projects assigned to EY. This will allow us to drive a consistent approach to workstyles, workpapers and reporting, aligned to your expectations. We will staff consistent resources at the consultant and analyst levels wherever possible.

We recognize that Mason wants to work with a professional services firm that understands your business, treats you as an important client and consistently delivers exceptional service in a timely manner. We have created a team of professionals with the depth of experience and commitment needed to serve you. In selecting our team, we focused on internal audit services for risks that we are discussing with our higher education clients today. This core team outlined below will be supplemented by SMRs in areas including, but not limited to, major construction projects, Banner platforms and controls, data analytics, research, talent and forensics. These SMRs are an extension of our core team and will assist in audit planning to identify the most significant areas of risk to be included in the audit scope and audit execution in focused areas.

The team chart below depicts engagement leadership and your core local team with supplemental support from SMRs. Bios summarizing their background, experience and certifications are located in **Appendix A**.





b. Invoicing and payment processes

EY will submit invoices on a monthly basis and invoices will be due 30 days from invoice date as stated in the active MSA. EY will develop appropriate support that will accompany invoices through Mason’s required procedures.

7. Provide a sample engagement letter template likely to be used in this engagement.

[Redacted text block containing multiple lines of blacked-out content]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

[Redacted]

[Redacted text block]

[Redacted text]

8. Provide names, firms, and contact information for three (3) reference clients with whom you have had a successful working relationship.

[Redacted text]



5. Costs

5. Costs

A. Provide hourly costs by level of experience (e.g., 1-3 years, 3-5 years, >5 years), and specialty (e.g., operational, information technology).

[Redacted text]

[Redacted text]

[Redacted text]

[Redacted text]

| [Redacted] |
|------------|------------|------------|------------|------------|------------|------------|
| [Redacted] |
| [Redacted] |

[Redacted text]

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

B. Provide information related to volume /discount breakpoints.

[Redacted text]

C. Describe how you propose to handle any travel or out-of-pocket expenses related to provisions of these services. Specifically address expenses for resources based in locations near Mason.

[Redacted content]

A photograph of two young women sitting at a table outdoors, smiling and looking at a document together. The woman on the left has dark hair in a bun, wears glasses, and a colorful plaid shirt. The woman on the right has dark curly hair and wears a yellow top. A third person wearing a dark cap is partially visible on the left. The background is a blurred green outdoor setting.

6. Information protection

6. Information protection

A. Describe the protections you will use to safeguard information obtained during engagements from unauthorized use and disclosure, including, but not limited to, personal facts and circumstances related to individuals as well as information related to Mason’s actual or anticipated business facts and circumstances.

As stated in our Master Service Agreement, if we process Client Information that can be linked to specific individuals (“Personal Data”), we shall be responsible to you for maintaining the confidentiality of Client Information, within applicable law and professional regulations, including, where applicable, the EU-U.S. Privacy Shield Framework and the Swiss-U.S. Privacy Shield Framework, each administered by the U.S. Department of Commerce and to which EY has self-certified (collectively, the “Privacy Shield Framework”). Further information (including disclosures required by the Privacy Shield Framework) is set out at www.ey.com/us/privacysield. We will require any service provider that processes personal data on our behalf to provide at least the same level of protection for such data as is required by the Privacy Shield Framework and other legal and regulatory requirements applicable to us. If any Client information is protected health information under the Health Insurance Portability and Accountability Act, as amended, EY is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information.



Appendix A

Appendix A

Core team bios



Matt Pagac

Engagement Executive

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Background. Matt is a managing director in the Business Consulting practice of Ernst & Young LLP. Matt has over 24 years of experience, 20 related to professional services, where he has provided internal audit, internal control and other consulting services, along with external audits, to a variety of organizations, from Fortune 500 to startups to nonprofits.

Previous experience. Matt has overseen a broad range of engagements, including internal audit co-sourcing engagements, Sarbanes-Oxley 404 testing, internal audit services, government compliance program assistance, external reporting services and bankruptcy remediation services. Matt assists in setting the strategy for the execution of EY services, including planning and reporting. Matt has led a number of new IA engagements and has an appreciation for the dedication and investment required for successful outcomes.

Education and certifications. Matt has a BS in Accounting from Michigan State University and an active certified public accountant (CPA) license.



Lacey Scheeper

Lead, Business Process Risk

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Background. Lacey is a manager in the Business Consulting practice of Ernst & Young LLP. Lacey has more than 10 years of SOX and internal audit experience. She focuses on leading various-sized global internal audit and internal control teams across several sectors. Lacey has 2+ years of experience with an international higher education company.

Previous experience. Lacey has experience in outsource and co-source IA functions. She has led a variety of IA engagements and was primarily responsible for overseeing scoping, process documentation, interviews, reporting and coordination with SMRs. The scope of the audits was financial, compliance and operational-related and included general controls reviews, audits of significant financial reporting processes (Payroll, Revenue, Procurement, ASC 606, etc.) and program reviews. Lacey works closely with various SMRs to deliver high-quality audit results. She was focused on providing general SOX guidance and control rationalization and assisted in redesigning business processes including indirect tax and enrollment to cash (i.e., admission, pricing, financial aid, billing, payment/collection subprocesses). Additionally, Lacey has 3+ years of experience leading audits for a not-for-profit organization.

Education and certifications. Lacey has a BS in Accounting and a minor in Information Technology from Monmouth University. Additionally, she is a certified Project Management Professional (PMP).



Dan Backman

Lead, IT Risk

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Background. Dan is a senior manager in the Technology Risk practice of Ernst & Young LLP. Dan brings eight years of experience in delivering internal audit, internal controls and IT audit.

Previous experience. Dan has previously worked with IA departments, leading their IT general controls (ITGCs) walk-throughs and application control testing, including ITGCs in higher education. Dan was responsible for leading integrated audit engagements including ITGC testing and application control testing. Dan has also been responsible for leading and performing ERP controls and pre/post-implementation reviews.

Education and certifications. Dan has a BS in Information Systems and Management from Salisbury University. Dan is a Certified Information Systems Auditor (CISA).



Katie Thompson

Manager, IT Risk

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Background. Katie is a manager in the Technology Risk practice of Ernst & Young LLP. She has over seven years of professional services experience in business consulting with a focus on technology risk. She brings a depth of experience in our Technology Risk service offerings.

Previous experience. Katie has led the development and execution of the IT ICFR program for an international higher education company over the last three years. The global transformation efforts have included assisting with management's development of a global risk and control framework, policies and procedures, remediation guidance, and overall status and program management reporting abilities.

Education and certifications. Katie has a BBA in Computer Information Systems from James Madison University and is a CISA.



**Willenea S
Dennard**

*Senior, Business Process
Risk*

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Background. Willenea is a senior in the Business Consulting practice of Ernst & Young LLP. She has nine years of experience in auditing and accounting for a diverse set of organizations. She led internal control reviews, conducted audit testing, developed process flowcharts, and supervised staff- and senior-level resources.

Previous experience. Willenea has assisted a multinational for-profit education entity in preparing its S-1 filing. She assisted in addressing comments from the Securities and Exchange Commission (SEC) relating to adjustments to the company's financial statements, financial statement disclosures, revenue recognition and remediation of internal controls over financial reporting. Additionally, she has assisted in the implementation of control compliance for a school board.

Education and certifications. Willenea has a BS in Accounting and a Master of Business Administration (MBA) from Florida A&M University. She is also a licensed CPA in the state of Virginia.

Subject-matter resource bios



**Tasha
Youngblood
Brown**

*Higher Education, Lead
SMR*

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@ey.com

Background. Tasha is a managing director in the Government & Public Sector – Higher Education practice of Ernst & Young LLP with more than 25 years of experience across the technology, government, health care and higher education industries. As the US East higher education leader, Tasha works with local government, higher education institutions and K-12 school districts to optimize operations to achieve better outcomes and meet their missions. Her specific experience includes enterprise risk management, internal audit including IT and regulatory compliance.

Previous experience. Tasha previously worked at Princeton University in the Office of Audit and Compliance (OAC) as the Director of Internal Audit responsible for day-to-day operations and reporting to the university cabinet and executive compliance committee. She had accountability for the completion of the internal audit plan including consulting projects and investigations covering business process, IT and research-related risk areas at the university and Princeton Plasma Physics Lab (PPPL). She had direct management of the internal audit staff and co-sourced external audit firms in specialty high-exposure areas (e.g., health care, construction/real estate, NCAA, sponsored research and Department of Energy cost allowability audits).

Education and certifications. Tasha has a BA in Political Science and an MBA in Accounting and is currently completing an EdD in Educational Leadership – Higher Education from Monmouth University. She is a CISA.



Navid Ariaban

*Construction & Real
Estate*

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Background. Navid is a manager in the Construction & Real Estate Services (CREAS) practice with Ernst & Young LLP. Navid has more than 13 years of experience in the engineering, construction and real estate industry, including extensive experience with Syracuse University.

Previous experience. Navid has experience assessing the performance of project management principles against contractual requirements and leading practices. He has prepared independent estimates to completion and estimates of cost at completion and provided advice and guidance during the entire capital project life cycle including technology leading practices. He has also performed assessments of the risk management program for various projects including the evaluation of the following areas: cost management, contract administration, vendor quality, schedule management, insurance (OCIP) analysis, project budget, change order management and construction management. Navid also has direct experience as a structural design engineer designing commercial and residential projects.

Education and certifications. Navid has a BS in Civil Engineering with a focus on Infrastructure from the University of Maryland. He has a Construction Project Management and Planning certification from Columbia University and a certificate in business administration from Georgetown University.



Eric Ardila

Banner ERP

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ey.com

Background. Eric is a senior manager in the Business Consulting practice of Ernst & Young LLP based out of Miami, Florida. Eric has over 15 years of professional experience in IT risk management, business process improvement and systems implementations for organizations with complex IT environments.

Previous experience. Eric's work has primarily focused on internal controls design and readiness assessment, including the implementation of an internal control framework for Banner in higher education institutions located in the US, LatAm and Australia. The scope of the engagement encompassed the design of business and IT controls, data quality assurance, testing of integrations with satellite systems, the design of financial reports and reconciliations between Banner and ERPs, and the assessment of policies and procedures governing the enrollment-to-graduate cycle.

Education and certifications. Eric has a BSC in Computer Science and a BSC in Industrial Engineering from Universidad de los Andes and is a CISA.



Salman Shah

Research

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Background. Salman is a principal in the Business Consulting Research practice of Ernst & Young LLP. Salman leads the Research practice and brings over 15 years of experience working with universities.

Previous experience. Salman's work has primarily focused on assisting clients with strategic planning, operational performance improvement (including technology selection, implementation, enterprise rollout and post-implementation support) and compliance management. Prior to joining EY, Salman led Huron Consulting Group's clinical trials management systems (CTMS) practice, worked for a boutique strategy consulting practice of a large contract research organization (CRO) and ran his own IT consulting firm.

Education and certifications. Salman has a BS in Economics and Cellular & Molecular Biology from the University of Michigan - Ann Arbor.



Ernesto Garcia

Cybersecurity

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Background. Ernesto is a manager in the Federal Cybersecurity practice of Ernst & Young LLP. Ernesto is a Certified Information System Security Professional (CISSP) with 15 years of diverse experience performing information security risk assessments for a number of government organizations at the federal and state levels. His areas of focus include risk management, program and system-level security assessments, cloud security architecture, data protection, and threat and vulnerability management.

Previous experience. Ernesto's recent work included a campus-wide cybersecurity program assessment for Florida State University where he helped the CIO and CISO understand major security risks in their computing environment and developed recommendations to improve their security maturity through a three-year cyber program transformation road map. He is currently working with the [REDACTED] driving enterprise-level projects related to privileged access management and alignment of the Bureau's data with the proper classification and security controls.

Education and certifications. Ernesto has an MS in Technology Management from Columbia University, an MA in International Relations from Tufts University and a BBA in Information Management from Texas A&M University. He is a CISSP and a PMP.



Zay Husbands

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Background. Zay is a senior in the People Advisory Services practice of Ernst & Young LLP, where he helps his clients with some of their most complex people and HR functional matters. Zay has over four years of experience. His competency areas include human capital management (HCM) implementations, organizational design and talent acquisition process redesign in the information technology and financial services industries.

Previous experience. Zay has supported numerous risk and internal audit functions to evaluate HR functions, talent capabilities and HR technology implementations, including talent acquisition and recruiting processes and technology systems. Zay has over two years of HR transformation experience at the [REDACTED] and contributed to initiatives in the Performance, Talent and Systems pillars. He has extensive experience in the design, deployment and testing of HRIS integration development to connect HRIS to internal and external vendors/systems.

Education and certifications. Zay has a BS in Commerce, Management Concentration from the University of Virginia's McIntire School of Commerce. He is an active holder of the Society of Human Resources - Senior Certified Professional (SHRM-SCP) certification.



Joe DeVleming

*Forensics & Integrity
Services*

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Background. Joe is a Washington, DC-based senior manager in the Forensic & Integrity Services practice of Ernst & Young LLP. Joe has over 10 years of anti-fraud and investigatory experience serving both private- and public-sector clients and has conducted investigations, compliance reviews and assessments, and anti-fraud program evaluations and implementations. He has helped clients and their counsel uncover and investigate fraud schemes perpetrated by a litany of internal and external actors.

Previous experience. Joe's experience in the higher education sector includes multiple internal investigations at a major private research university, where he has worked for several years with the university's CFO and CAO to assess risk across varied areas of the university's operations. Joe's work involves direct outreach to external auditors and other entities within the university with oversight over the entities and operational areas in question. Through Joe's work, the university has identified numerous risk areas pertaining to fiduciary mismanagement at the entities under review, including hundreds of thousands of dollars in fee and employee compensation anomalies.

Education and certifications. Joe has a Master of Professional Accounting and a BA in Business Administration & Accounting from the University of Washington. Joe is a CPA, a Certified Fraud Examiner (CFE) and a Certified Anti-Money Laundering Specialist (CAMS).



Elizabeth McCutcheon

Data Analytics

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ey.com

Background. Elizabeth is a manager in the Business Consulting practice of Ernst & Young LLP, where she focuses on data analytics and technology risk. As a member of this group, Elizabeth has supervised teams in conducting payroll reviews, reviews of risk and control design/operating effectiveness, internal audit/operational compliance and IT audits.

Previous experience. Elizabeth manages the EY East Data Analytics team, where she oversees, coaches and assists IA teams with various scalable analytical projects. Elizabeth has experience creating custom complex dashboards that help the client visualize how they are performing against their KPIs within high-risk areas. She also has experience verifying the completeness of the journal entries and trial balances from the applicable general ledger system. Elizabeth has experience confirming that automatic system calculations, such as weighted average, cycle counts and depreciation calculations, are being calculated accurately.

Education and certifications. Elizabeth has a BS in Business Administration with a Minor in Information Technology from Monmouth University and is a certified PMP.

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