

ATTACHMENT A

George Mason – Negotiation Questions

- 1. Please describe the depth and capability of resources local to Mason. It appears that most of the designated core team (Lacey Scheeper, Dan Backman, Katie Thompson) are located near Baltimore; is this considered "local". What are the local non-IT and IT resources available to Mason?**

Our local office is in Tysons Corner. From an Internal Audit (IT and non-IT) resource perspective, we have 75 resources comprised of 31 Staff, 21 Seniors, 12 Managers and 11 Senior Managers. Our professionals have a wide range of IA and IT capabilities, focused in Internal Audit, Internal Controls, SOX, Financial Audit Support and SOC reporting.

Overall, from a staffing perspective, we consider local first, Chesapeake (Tysons, D.C., Baltimore, Richmond) second, and our greater East Region third. We also consider specific experience needs in tandem with location and suggest optimal resources based on what matters most to our clients. For this proposal, we purposely identified a core team of Managers+ who have extensive experience in Higher Education and Internal Audit. Although some of our core team is aligned to our Baltimore office; they actually reside in areas across Maryland and Virginia. When required to be onsite, Lacey and Dan will have an hour commute. Katie lives in Northern Virginia and within minutes of the campus.

Although our core Managers+ on this proposal are from our Baltimore office, we expect travel to be minimal. We are happy to discuss the expenses and absorb up to 40 days of the cost of mileage for the core team members proposed, if that alleviates the concern on travel costs (if there is one). Based on the hours requested and their expected involvement on those hours, that is 100% of their potential mileage costs.

We feel it is very important to bring you the professionals with the right expertise, even if they are an hour away.

- 2. Please describe in more detail the work reviewing Banner system modules and IT organization structure (p. 10)**

Prior Banner work included:

- An assessment of the current state IT organization to determine if it was sufficient to provide the right level of support to the business process users (e.g., academic, administration resources) using Banner Student, Finance and Financial Aid to perform their day-to-day activities in the system. The team provided recommendations on how to improve the existing incident management process, including the escalation of incident tickets to the vendor. The team also provided recommendations on the security roles provisioned in Banner to limit access based on the principle of least privilege as well as to eliminate segregation of duties within conflicting activities.*
- An assessment of the structure of the IT organization to determine if the institution had the right IT organization model to support and provide troubleshooting to the multiple integrations between Banner and other subsidiaries systems (e.g., CRM, ERP, etc.) in agreement with the SLAs agreed between IT and academic and administration*

departments. The team provided recommendations to streamline IT processes and to repurpose IT resources to improve SLAs.

3. Please describe in more detail the work Eric Ardila has done to implement an internal control framework for Banner in IHEs in US, LatAm, and Australia (p. 35).

During Eric Ardila's prior internal control framework Banner project, he:

- *Established a risk-based systematic framework to design and document operational, financial reporting, and IT controls in Banner and subsidiary systems. Risks were identified and controls designed by performing end-to-end walkthroughs of the various subprocesses in the enrollment-to-graduate / revenue cycle.*
- *Reviewed project management and governance processes for each Banner roll-out and established controls around data conversation, integrations/interfaces, security roles, and segregation of duties.*
- *Led discussions with Ellucian to obtain a SOC 1 type II report for its SaaS version of the product that satisfied compliance requirements.*
- *Tested the reports and/or integrations used to perform account reconciliations between Banner and General Ledger (PeopleSoft). Tested operational reports used by management for business decision making.*
- *Provided guidance on revenue recognition requirements based on US GAAP, IFRS and other local financial reporting requirements.*
- *Perform operational, financial reporting and IT controls readiness walkthroughs prior to go-live to identify any further adjustments needed prior execution of controls in production.*

4. Please describe any costs or fees other than the hourly rate.

The are no surcharges on top of the hourly rates (i.e. administrative fees).

Also , there is no technology cost to be incurred, however if there is a desire to leverage any of our proprietary firm tools we are happy to discuss. Many of our clients do not desire these tools, however some find them to be beneficial to augment their needs. For instance, EY recently designed a tool, EY VIA (Virtual Internal Auditor), which is a digital solution aimed at transforming the way internal audit work is executed by automating tasks Internal Audit Departments perform to expand the breadth and depth of risks; and focus on deeper insights enabling better action plans and controls.

This digital platform enables full digitalization of the IA service delivery – Strategy and IA Management, Risk Assessment, Audit Planning, Execution, Reporting and Communication. We would be happy to review the tool's functionality and discuss the additional charges but only if this is something Mason would be interested in. This is not required for EY to complete the work. We plan to leverage existing tools used by Mason Internal Audit including any audit tools, SharePoint, Teams, etc.

- a. What is the likelihood there will be additional costs, such as for travel? Are the "Core Team" (e.g., Lacey Scheeper, Dan Backman, Katie Thompson - p. 21) all local?**

We appreciate the need to be cost conscious and respect our client's budgets. We strive for travel expenses to minimal, unless there is a desire/need for on-site resources from non-local (i.e. overnight stay) locations due to the needs of GM. Our resources can operate in a virtual environment as well to manage costs while availing you to resources that are non-local.

As described above in Question 1, we would expect to incur minimal expenses related to mileage (i.e. day trips for audits in the fieldwork, key meetings, etc.). Additionally, if there is a need for Subject Matter Resources (SMRs) to be onsite, we would discuss upfront and obtain approval prior to any expenses incurred. As a firm, we have been on "work from home" assignment for over a year and feel we can continue to leverage that option to drive down costs while still delivering quality execution and support services. Its also very advantageous to schedule resources as soon as your audit plan and needs are confirmed to source resources locally. For instance, if resources are needed at a moment's notice without planning, and must be on-site, that could drive up unintended travel expenses.

b. What can be done to limit cost variability?

We would recommend the following activities to limit cost variability:

- Annually or more frequently as needed, agree on co-source budget and support upfront so appropriate resources (i.e. local resources) can be assigned and reserved as far in advance as possible. As soon as the annual audit plan is set, staffing for the next 6-12 months forward is optimal from our experience. Also, timely management of changes is helpful as its common for audit plans to change during the year.*
- Review and agree on estimated expenses for audits (if expenses are required), prior to commencement of the audit.*
- Review budget vs actual reporting on a periodic basis. Obtain pre-approval if it is necessary for costs to exceed budget (i.e. scope/coverage or required support is necessary).*
- For reference purposes we provided a leverage model (described on page 28 in our response) that has been successful in supporting similar needs, provides appropriate levels of review from our perspective, and achieves the overall leverage mix which could allow GM to forecast summary costs on a RPH basis, if desired.*