March 18, 2021

Mr. James Russell, Purchasing Director
George Mason University

We appreciate the opportunity to continue to be evaluated in round 1 of Negotiations as it relates to the proposal to provide internal audit co-sourcing services to George Mason University. CLA respectfully submits the following responses to your questions sent on March 16. Should you have any further questions or need additional information, please do not hesitate to reach out to me, Christina Bowman, at christina.bowman@claconnect.com or directly at 410-308-8064.

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Please describe in more detail the work performed for Arizona State University (p. 28) to review the functional and technical processes of all systems material to ASU's financial statements.

> *CLA Response: Services performed for Arizona State University included an assessment of the internal controls and processes for the various functional areas of the University to evaluate for proper segregation of duties. Departments included human resources, payroll, bookstore, financial aid, athletics, accounting, registrar, cashiering, research, and residential life. We also performed an IT assessment to review processes and controls over information security, access, change management, disaster recovery, PCI and web applications.*

Please describe the nature of your Single Audit practice (p. 19), including any work within higher education focus areas and how Mason might leverage that expertise or insights?

> *CLA Response: CLA performs more single audits than any other firm in the country. As a result, we have developed significant resources internally that are tailored to the various compliance requirements and best practices in Higher Education grant management. These tools include internal control aids and testing matrixes for student financial aid. We have assisted entities with grant applications and proposals, training on Uniform Guidance requirements, assistance with monitoring of subrecipients, preparing indirect cost rate proposals, among other grant related services. We can draw on these resources as the needs arise for GMU. In addition to these services, we also hold regular trainings that offer CPE and are generally free to attend geared specifically toward institutions of higher education. Examples of recent webinars have focused on COVID-19 impacts, HEERF challenges, Perkins close-out, and Employee Retention Credits. Links to past events may be found on our website at: https://www.claconnect.com/industries/higher-education#Events. Note that only the live events are eligible for CPE credit.*

Please describe the depth and capability of resources local to Mason.

- there appears to be 20 seniors and 18 associates in the higher education practice (p. 16), how many are local?

CLA Response: There are 9 seniors and 8 associates within a two-hour commute from GMU who have been identified as Higher Education industry professionals. In addition, we have listed below the number of total local resources in the Washington DC office.

Associates	*47*
Seniors	*46*
Directors	*58*
Managers	*14*
Signing Directors	*3*
Principals	*18*
Paraprofessionals	*7*
Support staff	*3*
Total for Office	***196***

- the designated IT person seems to be based in Tampa (p. A-11); what is the local IT capability?

  CLA Response: Kadian Douglas was identified as the lead for IT services for GMU, as she has significant higher education experience and regularly supports IT engagements in the Maryland region. However, CLA's Maryland office includes a principal, two senior associates and one associate who also specialize in Information Technology services across a variety of industries that will be leveraged for local support.

- what is the depth to coordinate activities beyond Taylor Powell?

  CLA Response: Taylor will act as the lead project manager and additional subject matter experts will be assigned based on their experience with institutions of higher education and the type of co-sourced project that is being requested. We have successfully executed similar projects by initiating a project with local resources, while leveraging additional higher education resources across the country.

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

- There seems to be a "5% client support and technology fee", what services does that provide (p. 38)?

  CLA Response: The technology and client support fee helps capture the costs of the value that CLA delivers. The fee supports technology expenses as well as client support costs including technology support, data security, technical resource subscriptions and indirect engagement support costs. We are committed to protecting the integrity of our technology environment and investing in bringing technological solutions to our engagements. Tools such as the Assurance Information Exchange, TeamMate for data analytics and Microsoft Teams will be incorporated into your engagement to streamline the project experience.

- what is the likelihood there will be additional costs, such as for travel?

CLA Response: The proposal prices are inclusive of travel for resources based in locations near GMU, specifically our Virginia, DC and Maryland offices and you will not be billed for travel from these offices. Should you desire a resource on-site from other CLA locations, we would bill directly for travel costs for those team members, not to exceed $5,000 per year. In all cases, we want to have an up-front discussion to best meet your needs and provide the most efficient process for completion of projects while preserving client satisfaction.

- what can be done to limit cost/fee variability?

  CLA Response: CLA is flexible to client needs and will work with you to achieve the desired results that limit costs incurred. We have the technology and capabilities to perform work in a 100% remote environment, limiting outside travel expenses and costs. However, should it be determined that a more efficient process can be completed on-site, we can arrange for local resources to the extent possible. We commit to discussing our proposed hours and fees for services before we begin each project.