September 10, 2020

Via Email: kimberly.stirner@sbafla.com

Kimberly Stirner
Chief Audit Executive
State Board of Administration of Florida (SBAFLA)
1801 Hermitage Boulevard
Suite 100
Tallahassee, FL 32308

Dear Kim,

Thanks for your interest in using The Whole Person Project's training and consulting services. It is our pleasure to present this proposal to you for review, and to provide you with options to achieve Internal Audit's goals. We look forward to working with you and your team again. The proposal content belongs to The Whole Person Project, Inc., and cannot be used in part or entirety if The Whole Person Project, Inc. (TWPP) is not selected for this project.

Proposal to Provide Value-added Auditing Techniques Training

Situation Summary

The June 2019 Risk Management Convergence session reviewed baseline techniques for process mapping and analysis, risk identification and assessment, and control evaluation: the core activities needed for risk management and internal auditing. Since then, Internal Audit has expanded its use of data analytics during its audits and has created continuous monitoring in specific SBAFLA processes. One of the benefits of this work has been to enable more data-based decisions concerning the business's risk management practices.

This year, the pandemic has necessitated virtual and remote work for the foreseeable future, increased reliance on technology and new applications, triggered unplanned workflow changes at SBAFLA, its suppliers and constituents, increased the potential for fraud, and created increased market volatility. Consequently, Internal Audit would like to increase the consistency with which data analytics is used during an audit's planning and testing phases to identify and assess risks, especially those related to fraud and COVID.

Objectives

Audit Leadership would like to provide all auditors with skills and techniques that will enable them to:

- Increase the use of specific techniques to identify and think critically about fraud and COVID-related inherent risks during audit planning
- Use a consistent critical thinking approach when analyzing data during planning and testing
- Consistently leverage existing audit tools to analyze data during the planning and testing phases
- Decrease audit cycle time without increasing audit risk
- Improve the inherent risk assessment process during audit execution so that high-risk areas, particularly those related to fraud and COVID are the focus
- Continue to document inherent risks clearly and consistently
- Expand the team's ability to add value to SBAFLA

The Project Value and Measures of Success

- Increased number of plausible fraud and COVID-related risks identified, discussed with business management, and tested (during audit execution and by continuous monitoring)
- Faster and more sustained constituent buy-in to corrective actions and solutions
- Decreased unresolved or repeat audit issues
- Narrowed gaps in differing opinions or positions between auditors and their constituents
- Increased number of meetings in which both sides feel they benefitted or created value
- Increased number of audits and reviews completed within budget
- Increased auditor confidence and job satisfaction when getting agreement from process, risk and control owners concerning control gaps, design flaws, and execution errors
- Increased number of times constituents reach out to auditors as a trusted advisor who can set up useful continuous monitoring for business management
- Increased perception of auditors as providers of useful data for decision-making

Methodology

Option 1 – Cameras-on, Hands-on Critical Thinking about COVID and Fraud Risk Working Session

1. Design and facilitate a 1.5 day session (which could be convened as three half-days) during which the participants would 1) learn a variety of critical thinking techniques; 2) apply these techniques to identify and document specific fraud and COVID-related risks (i.e., what could go wrong to create negative outcomes and what are the risk triggers or causes); and 3) identify the entities in SBAFLA's audit universe affected by these risks. As part of this working session, participants would draw conclusions about how they can incorporate the use of the critical thinking techniques in the audit methodology.

2. Develop a timed outline for this working session and meet with you to review it and agree on the content.

3. Develop or compile the participant materials, skill practice session information, and tools that will enable the participants to apply the techniques covered in the program. Collaborate with Audit Leadership to obtain pertinent background information, if needed.

4. Provide participants with pre-session reading material concerning COVID's business impact and current fraud schemes and ask participants to do some research on their own so that everyone comes to the session with a common knowledge base.

5. Convene a NASBA CPE-qualifying, interactive program for up to 10 participants in either a 1.5 day or 3 half-day format.

6. Provide the Internal Audit training coordinator with a post-training evaluation summary for internal coaching purposes.

7. Provide a NASBA CPE certificate to each attendee who signs in and completes the evaluation. TWPP will send NASBA-required documentation before the training.

Option 2 – Cameras-on, Hands-on Simulation: Thinking Critically About Data During Planning and Testing

1. Meet with you, Elizabeth Scott, and Charmaine Zhang to discuss how other audit departments have incorporated data analytics into their audit execution methodology and how you are approaching it today. Reach agreement on the approach the auditors should use during planning and testing to identify, document, and assess data-related risk and controls.

2. Design and facilitate a 2-day session (which could be convened as 4 half-days) during which the approach determined in Step 1 would be explained and the participants would have the opportunity to practice using the data analytics techniques during simulations based on SBAFLA's Accounts Payable data. This session's content would also include an explanation of several critical thinking techniques that are useful when identifying fraud and COVID-related risks. Participants would have the opportunity to practice using the critical thinking techniques during the simulation.

3. Develop a timed outline for the simulation and meet with you to review it and agree on the topics that should be included.

4. Determine the types of pre-session assignments, skill practice activities, and tools that would reinforce the training's objectives and desired behavioral change.

5. Develop or compile the skill practice session information and tools that will enable the participants to apply the techniques covered in the program. Collaborate with you, Elizabeth Scott, and Charmaine Zhang to develop the content based on the SBAFLA Accounts Payable data.

6. Convene a NASBA CPE-qualifying, interactive program for up to 10 participants in either a 2-day or 4 half-day format.

7. Provide the Internal Audit training coordinator with a post-training evaluation summary for internal coaching purposes.

8. Provide a NASBA CPE certificate to each attendee who signs in and completes the evaluation. TWPP will send NASBA-required documentation before the training.

Timing

Option 1 requires 20 – 30 days from acceptance to complete.

Option 2 requires 30 - 45 days from acceptance to complete.

Joint Accountabilities Depending on the Options Selected

Internal Audit will:

1. Honor TWPP's Intellectual Property and use it only within the context of the chosen Option and for the Internal Audit department.
2. Provide TWPP with pertinent background information and work samples, as needed.
3. Assign someone to liaise between TWPP and Internal Audit to provide participant contact information, consolidate survey responses, and other logistical activity.
4. Provide training date options.

5. Provide TWPP with the email addresses and phone numbers of all participants for CPE purposes.
6. Review draft materials TWPP submits and provide feedback, if needed.

TWPP will:

1. Review and sign Internal Audit's Statement of Work, if applicable.
2. Develop and provide pertinent tools and reference materials, if applicable.
3. Develop the background information for skill practice sessions based on TWPP-supplied scenarios or Internal Audit work situations.
4. Walk through a draft of the participant materials with you.
5. Develop CPE-compliant invitations to be sent to the participants, if applicable.
6. Facilitate the live-online training session using Zoom or SBAFLA's platform.
7. Provide Internal Audit with a summary of the program evaluations to use for internal coaching.
8. Issue CPE certificates to those attendees who complete the requirements. Note: Training and workshops are NASBA CPE-qualifying.

Terms and Conditions

Fees for Option 1 are $15,600.
Fees for Option 2 are $17,900.

There are no hourly fees. No travel fees are expected, but would be submitted on a pass-through basis if incurred. All administrative, logistical, and communication expenses are included.

50% of the fees are due on acceptance; the balance is due 30 days after work starts.

If you choose to pay the entire amount by check or EFT when a project is accepted, we provide a 5% reduction in the total fee.

Credit card payments are accepted.

Acceptance

If you agree with the joint accountabilities, please sign and return a copy of this proposal to me. We look forward to working with you again.

Sincerely,

[redacted]

Ann M. Butera
President

APPROVED AS TO LEGALITY
[redacted]
CRAIG A. MEYER
ASSISTANT GENERAL COUNSEL

Approved by:

[redacted]

Lamar Taylor
Chief Operating Officer/Chief Financial Officer

_X_ **Option 1: Cameras-on, Hands-on Critical Thinking about COVID and Fraud Risk Working Session**

___ **Option 2: Cameras-on, Hands-on Simulation: Thinking Critically About Data During Planning and Testing**

ADDENDUM ONE
to The Whole Person Project (TWPP) Letter of September 10, 2020 to the State Board of Administration of Florida

1. Notwithstanding any provision in this agreement between the parties, TWPP acknowledges and agrees that the SBA is bound by the provisions of Chapter 119 (Public Records), Florida Statutes, and in the event of any conflict between Chapter 119, Florida Statutes, and the terms of this Agreement between the parties, the provisions and procedures of Chapter 119, Florida Statutes will prevail.

2. **IF TWPP HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ITS REQUIREMENT TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF THE PUBLIC RECORDS AT:**
STATE BOARD OF ADMINISTRATION OF FLORIDA
POST OFFICE BOX 13300
TALLAHASSEE, FLORIDA 32317-3300
(850) 488-4406
SBAContracts_DL@sbafla.com

3. Consistent with the Florida Transparency in Contracting Initiative, the SBA posts certain operational contracts on its website, and this Agreement will be one of the agreements posted. TWPP hereby agrees that the SBA is authorized to post this Agreement (including any amendments or addenda hereto) and a description of the content of the Agreement (including any amendments or addenda hereto) on the SBA's website.

4. Notwithstanding any provision to contrary, this Agreement shall not be construed as a waiver (i) of the sovereign immunity of the State of Florida; (ii) a waiver of the State of Florida's rights under the 11th Amendment to the United States Constitution; or (iii) to a jury trial.

The Whole Person Project

[redacted]

Name: ANN M BUTERA
Title: PRESIDENT

October 13, 2020

State Board of Administration of Florida

[redacted]

Lamar Taylor
Chief Operating Officer/Chief Financial Officer
October 23, 2020

APPROVED AS TO LEGALITY
[redacted]
CRAIG A. MEYER
ASSISTANT GENERAL COUNSEL

Form **W-9**

(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

The Whole Person Project, Inc.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☑ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ ________

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) ________

Exemption from FATCA reporting code (if any) ________

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

82 Cerenzia Boulevard

6 City, state, and ZIP code

Elmont, NY 11003

Requester's name and address (optional)

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

☐☐☐ – ☐☐ – ☐☐☐☐

or

Employer identification number

[redacted]

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person ▶** [redacted] **Date ▶** 2/26/19

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*