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**Appraisal Subcommittee**  
*Federal Financial Institutions Examination  
Council*

**Briefing Agenda**

**Date:** September 9, 2020  
**Time:** Immediately following the ASC Open Session Meeting  
**Location:** Go to the Link below to register for the Briefing  
<https://www.zoomgov.com/meeting/register/vJItcu-vpz0sHSKeZYABZEoDBW3ej0iKVD4>

**Briefing Topic(s)**

**TAF Grant**

- Notice of Funds Availability
- September 23, 2020 Special Meeting

**M. Abbott**

**Update on TAF Issues**

- Communication with TAF staff and Board Members
- Public use of USPAP Standards 1-6
- TAF Monitoring and Review legal opinion update

**J. Park**

**DRAFT - OUTLINE**  
**NOTICE OF FUNDING AVAILABILITY (NOFA)**  
**Funding Summary**

**Federal Agency Name:** The Appraisal Subcommittee

**Funding Opportunity Title:** Board Support, Innovation and Reform Grant in support of Transparency, Accountability and Sustainability

**Announcement Type:** Federal Non-Competitive Grant

**Eligible Entities:** The Appraisal Foundation

**Application Deadline:** November 15, 2020 (approximately)

**Award Period:** October 1, 2020 – September 30, 2023 (3 Year Award)

**Available Funds:** \$3,000,000 over three years

**Number of Awards:** 1

**Authorization:** Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), Title XI § 1109 (b)(4), 12 U.S.C. 3338 (Title XI)

**BACKGROUND**

Title XI’s purpose is to “provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, and by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.” In general, the ASC oversees the real estate appraisal regulatory framework as it relates to federally related transactions as defined in Title XI.

Title XI also requires the ASC to monitor and review the practices, procedures, activities and organizational structure of the Foundation and authorizes the ASC to grant funds as it deems appropriate to the Foundation to support grant-eligible activities of the Foundation’s Appraiser Qualifications and Appraisal Standards Boards (AQB and ASB).

**PURPOSE**

The purpose of this NOFA is to make funds available to the Foundation to support both the operations of the AQB and ASB, including projects and activities that promote innovation and reform in the operations of the AQB, ASB and the Foundation in general in support of transparency, accountability and sustainability.

**PROPOSED ACTIVITIES**

The ASC will invite a proposal from the Foundation that addresses the following issues and activities:

1. Support for AQB and ASB Activities. The Foundation should outline total costs of supporting the two Boards in FY 2021 and request up to 60% support for direct costs of the two boards as it relates to activities associated with real property appraisal. The proposal should reflect COVID-19-related logistical considerations and plan for both in-person or virtual meetings or a combination of the two for the next fiscal year.
2. USPAP Publishing and Revenue Model. The Foundation can request funds to commission an outside study that includes a review of the current publishing cycle for USPAP and its connection to the Foundation's revenue needs. The study should present alternative revenue models and provide estimates for technology and staffing costs to develop an alternative, cost effective and sustainable model to support Foundation operations. Identified costs would likely be grant-eligible.
3. USPAP STANDARDS 1-6 Codification Project. The Foundation should request funds to codify and make available STANDARDS 1-6 in a searchable, downloadable and Section 508 compliant format. This product should be completed within 18 months and the final product should be modeled after FASB's treatment of GAAP.
4. AQB/ASB/Board of Trustees (BOT) Reform. The Foundation can request funds to conduct a 360-degree review of the structure and operations of the AQB, ASB, and BOT focusing on issues that include, but are not limited to, diversity, term length, recruitment and selection strategies. Proposals and specific strategies to increase independence and number of real property appraisers are especially encouraged.
5. Practical Application in Real Estate Appraisals (PAREA). If the AQB continues to support the need for experience prior to licensing or certification, the Foundation can request funds to make PAREA operational. Grant-eligible activities include costs of building out specific modules, technology and staffing to deliver training both remotely and in person. Upon implementation, the program should be free or nominal cost to all trainees with ASC offsetting the majority of costs with grant funds.
6. Foundation Organization Reform. The Foundation can request funds for the following:
  - a. A full-time staff attorney to support the ASB and AQB.
  - b. Additional full-time professional staff to conduct research and write updates to USPAP in support of and in lieu of Board Members serving in staff capacity.
  - c. Executive search firm to conduct nation-wide, open competition for senior staff positions.
  - d. Development and implementation of a Board member recruitment strategy that results in more minority, women and real property appraisers represented on AQB/ASB/BOT.
7. Research and Analytics. The Foundation can request funds to develop a comprehensive data and analytics roadmap to provide better industry data to the Valuation field.

<b>TAF Grants Payments 2000 - 2020</b>			
<b>Year</b>	<b>Board Support</b>	<b>State Grant</b>	<b>Total</b>
2000	\$ 697,237		\$ 697,237
2001	\$ 870,373		\$ 870,373
2002	\$ 791,066		\$ 791,066
2003	\$ 800,000		\$ 800,000
2004	\$ 822,444		\$ 822,444
2005	\$ 1,081,170		\$ 1,081,170
2006	\$ 992,789		\$ 992,789
2007	\$ 1,052,446		\$ 1,052,446
2008	\$ 1,117,534	\$ 5,745	\$ 1,123,279
2009	\$ 1,338,160	\$ 230,986	\$ 1,569,146
2010	\$ 1,188,059	\$ 263,701	\$ 1,451,760
2011	\$ 811,654	\$ 186,518	\$ 998,172
2012 <sup>(1)</sup>	\$ 409,105	\$ 134,455	\$ 543,560
2013	\$ 313,798	\$ 84,255	\$ 398,053
2014	\$ 392,377	\$ 218,483	\$ 610,860
2015	\$ 250,000	\$ 238,116	\$ 488,116
2016	\$ 350,000	\$ 255,024	\$ 605,024
2017	\$ 350,000	\$ 271,016	\$ 621,016
2018	\$ 332,675	\$ 213,036	\$ 545,711
2019	\$ 324,571	\$ 243,746	\$ 568,317
2020	\$ -	\$ 17,590	\$ 17,590
<b>Total grants amounts paid</b>	<b>\$ 14,285,458</b>	<b>\$ 2,362,671</b>	<b>\$ 16,648,129</b>

(1) January-September 2012 9 month grant. AF switched to ASC FY for FY13 grant (October-September)

Statement of Work – 2020 ASC Grantee Audit requirements.

ASC programs and operations

## **1. Purpose**

The purpose of this procurement is to obtain professional audit services from an independent public accounting firm to determine whether the Appraisal Foundation (Foundation): (1) used funds for authorized purposes in accordance with applicable statutes, regulations and standards; (2) properly accounted for and controlled expenditures made with ASC funds; and (3) used the funds in a manner consistent with support of the AQB and ASB Boards and the Foundation in general.

## **2. Overview and Background**

The ASC was created pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI). The ASC oversees the real estate appraisal regulatory framework as it relates to federally related transactions as defined in Title XI.

The ASC's sole source of revenue is from fees paid by appraisers and appraisal management companies (AMCs) to be on the National Registries which Title XI requires the ASC to maintain (technically this is still congressionally appropriated funds). The ASC may use its funding to support its activities under Title XI, and to make grants to the Foundation and 55 State regulatory Boards.

The Foundation is a not-for-profit corporation (501c3) formed in 1987 and tasked in Title XI with supporting the Appraisal Standards Board (ASB) and the Appraiser Qualifications Board (AQB). Pursuant to Title XI, the ASB promulgates the Uniform Standards of Professional Appraisal Practice (USPAP), and the AQB establishes minimum credentialing criteria (examination, education, experience) for appraisers. USPAP is then adopted by State Regulatory bodies that are charged with enforcing USPAP standards for covered appraisals in their State.

Since 1989, the ASC has provided approximately \$21.6 million in grant funds to the Foundation, which has paid for development of USPAP in its current form. Over time, the amount of direct grant funding from the ASC to the Foundation has decreased as revenue from the sale of USPAP manuals and training courses has increased.

In 2019, the ASC significantly revised its grantmaking program in anticipation of collecting additional registry fees and thus making more grants. The revised policies and procedures for ASC grantmaking can be found in its Grants Handbook

<https://www.asc.gov/Documents/GrantsFundingCorrespondence/ASC%20Grants%20Handbook.pdf> that was adopted in December 2019.

In general, the contractor must be able to perform three types of audit work for the ASC:

**GRANT, CONTRACT AND COOPERATIVE AGREEMENT AWARDEE AUDITS.** The Contractor, on behalf of ASC, will conduct grant, contract or cooperative agreement audits in accordance with generally accepted government auditing standards (GAGAS) to determine in general whether awardees are compliant with Title XI, financial and administrative terms and conditions of their award agreement, which may include applicable Office of Management and Budget Circulars, the Uniform Administrative Requirements, Cost

Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 or Contract Cost Principles, 48 CFR PART 31 (FAR).

**PERFORMANCE AUDITS.** The contractor may be asked to conduct agreed-upon-procedures audits, inspections, or examinations of ASC grantee or contract programs and operations in accordance with applicable standards. These engagements may include assessments of Board governance, executive compensation, program effectiveness and impact, economy, efficiency, internal controls, and compliance with laws and regulations.

**FINANCIAL STATEMENT (FS) AUDITS OR REVIEW OF COMPLETED FS AUDITS.** The financial statement audits must be conducted in accordance with U.S. generally accepted auditing standards (GAAS) and other standards as applicable and provide an opinion concerning the financial statements. A review of an FS audit will spot check completed audits in areas to be identified in conjunction with ASC staff. The purpose of the reviews is to interdependently verify the quality and veracity of the Auditor's opinion.

### **3. Scope of Work**

The audits that will be conducted under this procurement and which are part of this SOW will be of the Foundation and will include a Financial Statement audit review of the 2019 financial statement and audits of two grants covering fiscal years 2017, 2018 and 2019 for AQB and ASB support and an Investigator Training program. Total grant funds to be audited are approximately \$2.5M. To date, the only Foundation audit commissioned by the ASC has been an annual agreed upon procedures review. The ASC's 2020 audit plans reflect its commitment to developing a high-quality grant program that includes rigorous standards for grantee transparency and accountability for all grant funds spent by ASC grantees.

The Contractor shall conduct grant awardee audits in accordance with generally accepted government auditing standards (GAGAS 2018) of the Foundation. For planning purposes, the following table presents the amount of funds and different types of audits that will be conducted at the Foundation in 2020.

The Contractor will evaluate the eligibility of expenses incurred against the grant funds in accordance with Title VI, the CAA, applicable OMB regulations and guidance, and applicable ASC guidance and previous award documentation, if any, and test the existence of assets purchased with the grant funds.

#### **PLACE(S) OF PERFORMANCE**

The Contractor shall perform the majority of the work at the offices of the grantees, at various locations and at the Contractor's location. The number of visits and duration of each visit will largely depend on the Contractor's planned audit procedures.

#### **PERIOD OF PERFORMANCE**

The period of performance shall be for one year from the award date.

#### 4.0 TASK 1 – Grant Awardee Audit

Conduct an incurred expenses audit of two Foundation grants for fiscal years 2017, 2018, 2019. The grants and amounts to be audited are below:

<b>The Appraisal Foundation</b>						
<b>Description Project Year</b>	<b>2017 Board Support</b>	<b>2017 Investigator Training</b>	<b>2018 Board Support</b>	<b>2018 Investigator Training</b>	<b>2019 Board Support</b>	<b>2019 Investigator Training</b>
<b>Grant Award</b>	\$ 350,000	\$ 309,085	\$ 350,000	\$ 310,000	\$ 350,000	\$ 278,000
<b>Match</b>						
<b>Earned Interest</b>						
<b>Total Funds Available</b>	\$ 350,000	\$ 309,085	\$ 350,000	\$ 310,000	\$ 350,000	\$ 278,000
<b>Less: Reported Costs</b>	\$ 350,000	\$ 271,016	\$ 332,675	\$ 213,036	\$ 324,786	\$ 243,746
<b>Remaining Funds</b>	\$ -	\$ 38,069	\$ 17,325	\$ 96,964	\$ 25,214	\$ 34,254
<b>Reprogrammed</b>	\$ -	\$ -	\$25,634.00		\$ 24,509.00	\$ 2,104.00

#### 4.1 Task 1 - Planning - Kick-off Meeting and/or Entrance Conference

Within 10 days of the award of the contract, the Contractor will provide the ASC with a pro forma draft engagement letter, prepared in accordance with GAGAS paragraph 8.20, showing the communications the Contractor plans to make to the grantee being audited. The ASC intends to use the engagement letter generated as a product of this task order as a model document for future task orders, so the Contractor is encouraged to consult with the ASC on the content of the letter.

Within 30 days after the award of the contract, the Contractor shall schedule a kick-off meeting (in-person or via conference call) with ASC personnel. The purpose of the meeting is to introduce the ASC, its staff and the Contractor team members, discuss the engagement plan and related milestones, and review the scope of work. In addition, the ASC will provide comments or suggestions to the Contractor on the draft engagement letter content.

Within 30 days of the kick-off meeting, the Contractor shall conduct an entrance conference for the Foundation audit that includes ASC management and Foundation staff. An agenda for the meeting must be provided at least one full business day in advance of each meeting date, and include, at a minimum, the following topics:

- a. Introductions of Contractor, ASC personnel, and other attendees
- b. Scope and methodology of the audit(s)/engagement
- c. Expected timeframes for completing the audit(s)/engagement
- d. An explanation of the purpose and content of the engagement letter
- e. Logistical needs for completing the engagement work (e.g., access to systems and networks, workspace, contact information. etc.)
- f. Documentation to be requested from the audited entity (a “Prepared by Client” or PBC list)

## Deliverables

- 4.2.1 Draft Engagement Letter
- 4.2.2 An agenda for the Kick-off meeting to the ASC at least one (1) full business day in advance of the meeting
- 4.2.3 Minutes of the Kick-off meeting to the ASC within 5 business days after the kick-off meeting
- 4.2.3 Final Engagement Letter issued to the grantee with a copy to the ASC no less than five business days prior to the scheduled entrance conference
- 4.2.4 Entrance conference agenda and PBC List for the engagement to invited ASC and audited entity officials at least one (1) full business day in advance of the entrance conference
- 4.2.5 Within 5 business days after the entrance conference, a record of the entrance conference documenting the date and time of the meeting, the list of attendees, including names, titles, phone numbers (or a separate copy of the meeting's sign-in sheet) and e-mail addresses, information discussed and results of the discussions

## **5.0 Task 2 – Audit Survey and Internal Controls Assessment, Audit of Foundation**

The Contractor shall provide a draft Survey and Internal Controls Assessment Report, referenced to supporting work papers, to the ASC within 15 business days after the completion of the on-site survey fieldwork. The Survey and Internal Control Assessment Report shall include a summary of the results of the audit survey, assessment of prior audits, if applicable, and the site visits and their impact, if any, on the scope of the Audit, and testing of significant internal controls. This should include a brief description and assessment (*i.e.*, flowcharts, bullets, etc.) of the controls that are significant to the audit objectives. The report shall also include the Contractor's assessment of the risk(s) that the grantee's systems (manual or automated) are not properly designed, placed in operation, or operating effectively to achieve the control objectives for controls that are significant to the audit objectives.

The survey and internal control assessment report shall discuss the audit risks noted in the survey phase, provide a summary of the business processes, transaction cycles, and lines of items of costs that were reviewed and assessed, as applicable, and provide the overall conclusions on the design, implementation, and effectiveness of relevant controls. The report shall provide a succinct analysis and identification of risks that should be focused on during the next phase of the Audit based on the audit results from the survey and internal control assessment. Supporting documentation of the work performed and the Contractor's associated results and conclusions shall be located in the Contractor's Audit work papers.

Within 15 business days after the completion of the on-site survey fieldwork, the Contractor shall also submit to the ASC the planning document for performing detailed testing developed as a result of the survey and internal control assessment. At a minimum, the detailed testing planning document shall include the proposed audit program, including sections on tests of compliance with applicable laws and regulations, the sampling methodology, and detailed testing procedures to determine whether the grantee processes and procedures are in compliance with applicable regulations and meet the audit objectives.

The detailed testing plan shall consider the results of the survey and internal control assessment.



The Contractor shall conduct a conference meeting with the ASC within 5 business days after receiving the ASC's comments on the Survey and Internal Control Assessment Report and detailed testing planning document to the ASC to discuss the report and the effect of actual or potential findings on the planning for the detailed testing phase.

#### Survey/Internal Control Deliverables (60)

The Contractor shall:

- 5.1.1 Provide a referenced Survey and Internal Control Assessment Report and its work papers to the ASC within 15 working days after completion of on-site survey fieldwork and at least one week before the scheduled survey internal control assessment conference meeting
- 5.1.2 Provide a plan for performing detailed testing within 15 working days after completion of the on-site survey fieldwork
- 5.1.3 Conduct a survey conference within 5 business days after receiving the ASC comments on the Survey report

### **6.0 Task 3 - Preliminary Notices of Findings and Recommendations (NFRs)**

The Contractor shall document each engagement finding as identified during each engagement in the format of an NFR and provide a copy of a draft NFR to the Contracting Officer's Representative (COR) within 5 days of the identification of the finding. NFRs from each project will be documented separately. Within 5 days of receiving the COR's concurrence on issuance of each NFR, the Contractor shall provide a copy of each draft NFR to the appropriate audited entity management officials. The Contractor shall request a preliminary response that indicates whether audited entity official(s) agree with the facts as presented, the conditions found, and the criteria. Each NFR shall display a unique identifier (such as an NFR number) and show the condition, cause, criteria, and effect of the issue and the source of the information upon which the NFR is based. The Contractor will include in each NFR the Contractor's recommendation(s) for correcting the deficiency or improving controls or compliance. Each NFR will also be cross-referenced to the engagement documentation supporting the finding. The audited entity's management response shall be clearly documented in the working papers, including the source of the response and the date received.

The Contractor shall prepare a summary working paper for the engagement that clearly denotes whether each issued NFR is included within the findings in the engagement report, to which finding each NFR relates, and, if an NFR is not reported, the Contractor's basis for the decision to exclude the NFR from reported findings.

#### Preliminary NFR Deliverable: (70)

The Contractor shall provide to the COR documented NFRs within 5 days of being identified and to the management of the audited entity within 5 days of the receipt of concurrence to issue the NFR from the COR.

### **7.0 Task 4 – Findings/Reports**

#### **7.1 Conference on Post-Fieldwork Results and Findings**

Deliverable: Within 10 working days of the completion of detailed testing fieldwork, the Contractor shall schedule a conference call or meeting with the ASC to discuss and agree on the results of the substantive testing

and the audit findings and to assess whether all audit work is completed. The ASC and the contractor shall also agree on the significance of each finding.

## **7.2 Final NFRs**

NFRs will be issued, if applicable, for each separate and distinct finding in each audit. Based on the results of fieldwork NFR documents shall detail the final condition, criteria, cause, effect and recommendations of each finding identified during the audit. Each NFR shall be cross-referenced to the pertinent working papers and to the applicable sections of required reports. When applicable, recommendations for improvement shall also be included in the NFRs, required reports and work papers. Detailed NFRs shall be provided to the ASC at least 5 days before the scheduled fieldwork conference meeting at the ASC. If needed, revised final NFRs reflecting the comments, if any, discussed in the fieldwork conference shall be provided to the ASC no later than 10 days after the fieldwork conference. The NFRs shall be written in a manner that the content could be used in the audit report.

**Deliverable:** The Contractor shall provide final, complete NFRs to the COR at least one week before the Post-Fieldwork Conference (see 6.3.A) and shall provide any agreed-upon revisions to the ASC no later than 5 working days after the fieldwork conference.

## **7.3 Draft Engagement Report, Management Letter, and Exit Conference**

Within 15 full business days after the Post-Fieldwork Conference, the Contractor shall provide to the ASC a written report based on the results of the engagement in accordance with GAGAS and other applicable criteria as defined in paragraph 2.0.

The report shall include information showing the grantees expenditures of grant funds, including program income for 2017, 2018 and 2019 by budget and/or program category. The Contractor shall also report on amounts paid to or paid on behalf of the ASB and AQB by budget and/or program category. The preferred manner of reporting would be in schedules; however, the Contractor shall use professional judgment to determine the best method for reporting the expenditures in the context of the individual audit in a manner that achieves as much consistency from one audit to another as possible. It is advisable that schedules follow agreed upon reporting categories found in grantee budgets and grant agreements.

The report shall include findings that include all issues from the NFRs that are reportable under applicable professional standards in the judgment of the Contractor. The Contractor, at its discretion, may combine NFRs with related issues into any given finding. Preferably, findings will be reported in order from most to least significant. The Contractor shall include in reported findings the elements of condition, criteria, cause, effect, and recommendations for corrective actions.

In order for the ASC to associate each recommendation with the appropriate report and any related questioned costs, funds put to better use, or other metadata required for the upload, recommendations within each engagement report shall be numbered sequentially through the entire report, with a unique recommendation number for each one, and shall clearly identify questioned costs or funds put to better use that are associated with the recommendation. The Contractor is advised to consult and coordinate with the ASC concerning the preferred method for numbering recommendations when drafting the engagement report.

The Contractor shall report, in a separate draft management letter report, audit findings that are not significant to the audit objectives but warrant the attention of those charged with governance (GAGAS 2018 9.31). The Contractor shall include the reported findings from the management letter report in the exit conference discussions. The Contractor shall provide the draft management letter report to the COR at the same time as the draft audit report.

The draft report shall be provided to the COR for review and comment before issuance. Upon acceptance of the draft report deliverable, the COR will transmit the Contractor's draft reports to the ASC and the audited entity management and request formal written comments.

Within 5 days after the COR's acceptance of the draft report deliverables and no less than one (1) business day after the COR distributes the draft report to ASC management, the Contractor shall conduct an exit conference with the ASC, and the Foundation. The Contractor shall provide an agenda to the invitees at least one (1) full business day in advance of the meeting, which shall include, at a minimum, the following topics:

- a. Scope and methodology of the engagement
- b. Reported findings, recommendations, and views of management officials
- c. PBC documentation requests that remain outstanding, if any
- d. Expected tasks remaining and timeframes for completing the final audit report and management representations

Upon receipt of the audited entity's management response, the Contractor shall evaluate management's comments, if any, on the draft audit report. The Contractor shall also: (1) determine if changes requested by management should be made to the draft report; (2) determine if management's response addresses all of the report's recommendations; and (3) provide input to the COR as to whether the Contractor believes corrective actions and timeframes proposed by management are responsive and reasonably likely to correct the reported condition.

Deliverables: The Contractor shall:

- 7.3.1 Provide a written draft report on the results of the engagement, to include a separate written draft management letter, if applicable, to the COR not later than 15 business days after the Post-Fieldwork Conference
- 7.3.2 Provide an agenda for the exit conference to all invitees at least one business day prior to the exit conference and a written record of the exit conference to the COR within five (5) business days after the exit conference
- 7.3.3 Conduct an exit conference within 5 days after the COR's acceptance of the draft report deliverable and no less than 1 full business day after the COR distributes the draft to the ASC and the audited State's officials

#### **7.4 Final Performance Audit Report, Management Representations, and Completed Audit Program**

The Contractor shall prepare and submit to the COR a final written audit report, signed by the Contractor, not later than 10 days after the exit conference. The Contractor shall also provide a copy of the signed management

representations obtained from audited management at the same time as the final audit report. The auditor's report should be dated no earlier than the date on which management's representations are signed and dated. If applicable, the Contractor shall also provide a final, signed management letter report by the same date. The final reports shall incorporate: (1) report changes suggested by the COR or ASC management and agreed-to by the Contractor; and (2) management's responses to the draft report.

The final audit report and management letter must comply with Section 508 of the Rehabilitation Act of 1973. Contractors will be responsible for correcting and resubmitting products, at no additional cost to the Government, until the products meet the Web Content Accessibility Guidelines (WCAG) 2.0 Level A and Level AA Success Criteria and Conformance Requirements. The ASC reserves the right to reject final report deliverables that do not meet Section 508 accessibility standards.

Not later than 15 days after the delivery of the final audit report(s), the Contractor shall deliver to the COR a copy of the audit program showing evidence of completion of each audit step, the initials of the person responsible for completing each step, and either the date completed or a cross-reference to the working paper where the completion date is documented.

Deliverable: The Contractor shall:

- 7.4.1 Provide a final, signed audit report and, if applicable, management letter report not later than 15 days after the exit conference and a final, completed audit program not later than 15 days after delivery of the final report(s)
- 7.4.2 Provide a copy of the final, signed management representation to the COR not later than 15 days after the exit conference

## **7.5 Audit Documentation**

Not later than 10 business days after delivery of the final audit report(s), the Contractor shall deliver separate copies of the specific documents listed below to the ASC, except that the Contractor does not need to deliver duplicate copies of any documents the ASC has already received in final form and for which the ASC has acknowledged receipt. The Contractor shall deliver one full copy of the audit documentation for each audit to the COR within fifteen (15) business days after delivery of the final approved audit report(s). The copy or copies of the documentation shall be in electronic form using Microsoft Office or Adobe Acrobat formats.

For ASC or GAO reviews of the audit documentation, if the Contractor uses proprietary software to prepare the documentation, the software must be made available to the COR throughout the term of the contract. One copy of the software and any updates shall be provided to the COR at no cost. The Contractor shall provide training to the ASC and GAO staff on the use of electronic audit documentation programs if required. The Contractor shall, at no additional cost, provide training to the ASC and GAO on its audit approach and methodology if requested.

Audit documentation shall be retained and safeguarded for a minimum of ten years by the Contractor at no additional cost. Written authorization must be obtained from the COR prior to destruction of any audit documentation.

The engagement documentation copy for each engagement shall contain a copy of the draft engagement report and, if applicable, the management letter fully cross-referenced to the supporting engagement documentation.

Any changes made to any of the draft reports that are ultimately included in any final report shall also be fully cross-referenced to the supporting engagement documentation.

Specific engagement documentation the Contractor shall provide to the COR not later than 10 business days after delivery of the final audit report(s) includes:

- a. Audit plan or other document(s), including the audit program(s) that discusses the audit strategy, scope of work, and the determination of significance
- b. Audit program(s) showing evidence of completion of the planned audit steps
- c. Formal written communications of findings (*e.g.*, NFRs as required by section 6.2.B above), management responses and working papers supporting those documents
- d. The Contractor's conclusions about significant issues that occurred during the audit, if any, and their resolution

Deliverable: The Contractor shall provide: (1) listed engagement documentation not later than 10 business days after delivery of the final audit report(s); and (2) one full copy of the engagement documentation within fifteen (15) business days after delivery of the final approved engagement report.

#### **7.6 ASC Board Presentation**

If requested by the COR, the Contractor shall be required to present the results of the engagement to the ASC Board or designees. The presentation may be in the form of an oral discussion and/or PowerPoint presentation as determined by the COR. The Contractor shall provide a copy of all briefing materials, regardless of the form of presentation, to the COR at least 5 business days prior to the Briefing, and if the Briefing occurs as an oral discussion, a Record of Discussion summarizing the key points discussed during the Briefing.

Deliverable: Provide a presentation of the results of the engagement to the ASC upon request at any time within the period of performance designated by the ASC.

Provide a copy of all briefing materials, regardless of the form of presentation, to the COR at least 3 business days prior to the Briefing, and if the Briefing occurs as an oral discussion, a Record of Discussion summarizing the key points discussed during the Briefing.