

Staff Report

TO: Board of Commissioners

FROM: Administrator/Controller's Office

DATE: July 2, 2019

RE: Recommended Vendor for Required Independent Security Audit

BACKGROUND

Isabella County operates under an agreement with the Michigan Department of Health and Human Services (MDHHS) to take part in its Cooperative Reimbursement Program (CRP). Through this CRP agreement, the MDHHS reimburses the County Friend of the Court (FOC) and Prosecuting Attorney (PA) Offices for the services they provide to the Michigan Title IV-D child support program at a rate of 66%. While some counties have State-Managed Offices for the CRP, Isabella County maintains a County-Managed Office. This means that the County has the entire responsibility for the managerial, operational and technical controls over handling, storing and using confidential data. The County manages the office procedures and process controls, as well as controls over the IT infrastructure, hardware, and any County system that contains IV-D data. The County office procedures and process controls are reviewed by the MDHHS Office of Child Support (OCS) every other year during its IRS Internal Inspection site visits, but OCS does not review the IT infrastructure. Since IV-D data includes federal tax information (FTI), the IRS requires an Independent Security Audit of the County IT infrastructure, PCs, laptops, devices, and any County system that contains IV-D data.

While initial requirements have been met to ensure compliance, the Independent Security Audit must be completed by September 30, 2019. The audit must be conducted by an unbiased, independent entity. Vendors providing expertise in this specific discipline are defined as Professional Services in the County Procurement Policy #410, are solicited based on qualifications, and are not required to be obtained through a competitive bid selection process. Further, providing detailed information and access to our IT systems to potential bidders is not in the best interests of the County due to potential vulnerabilities and security risks. The Administrator/Controller's Office has researched and

identified vendors who perform such Professional Services and has requested pricing from them.

ALTERNATIVES

The County could choose not to perform the required Independent Security Audit, but would risk repayment of former, and disqualification of future, CRP reimbursements. In order to meet the deadline of September 30, 2019 for the audit, vendor selection is a necessary next step.

FINANCIAL IMPACT

The cost of the Independent Security Audit will be borne by the General Fund. The FOC and PA may seek reimbursement of the audit costs through future monthly CRP billings to MDHHS as an indirect cost to be returned to the General Fund.

OTHER CONSIDERATIONS

The CRP agreement mandates the completion of the Independent Security Audit as a new, routine requirement every three years. The completion of this audit is in response to this requirement, and not in response to specific issues.

RECOMMENDATIONS

Consider approving the Engagement Letter with Rehmann to provide consulting services relating to Isabella County's FOC/PA Independent Security Audit and authorize the Board Chair to sign the same.

ATTACHMENTS

Professional Services Proposal for Isabella County - Rehmann

Rehmann Engagement Letter

July 8, 2019



Delivering Business Wisdom

PROFESSIONAL SERVICES PROPOSAL FOR
Isabella County

Submitted by:

Jessica R. Dore, Principal

jessica.dore@rehmann.com

Rehmann | 5800 Gratiot Rd., Suite 201 | Saginaw, MI 48638 | 989.799.9580



July 8, 2019

Ms. Margaret McAvoy
Administrator/Controller
Isabella County
200 N Main Street
Mt Pleasant, MI 48858

Dear Ms. McAvoy:

Thank you for sharing information about Isabella County ("Isabella County") and your need for an Independent Security Audit. Rehmann Robson ("Rehmann") is eager to leverage our industry and technical experience, and knowledge of issues impacting your county to provide valuable solutions to Isabella County.

Based on our conversation with you, the attached proposal focuses on the specific needs you identified, and provides evidence for why you should choose Rehmann as your business advisory firm for this security audit.

When you partner with Rehmann, you can expect:

- a solid reputation in the industry
- an effective use of technology
- a desire to make you a totally satisfied client

We will contact you soon to discuss our next steps. In the meantime, if you have any questions about this proposal or the Firm's qualifications, please contact me.

Thank you for considering Rehmann.

Sincerely,

Rehmann Robson



Jessica R. Dore
Principal

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What's important to you

We recognize that our role as your professional services firm is to advise you proactively, not reactively, so that your county can achieve and maintain its desired goals.

We understand that you have certain expectations of your professional CPA and consulting firm. Throughout our future partnership with Isabella County, we will be committed to exceeding your expectations. Our commitment, combined with our technical experience, will enable us to help you address your needs, including:

RESPONSIVENESS TO YOUR NEEDS

Isabella County requires a firm that is responsive to your requests. When you partner with Rehmann, your challenges become our challenges. We understand that you need answers to your questions so you can move onto the next issue. We are committed to completing your work on time and answering your questions quickly and accurately. In fact, our most recent client satisfaction survey revealed that overall, 98 percent of our clients were satisfied with our responsiveness.



MORE SERVICE

Nothing's more important than a timely response to your questions and concerns. We won't keep you waiting.

EFFECTIVE USE OF TECHNOLOGY

We use technology every day to improve profitability, efficiency, and the level of service provided for our clients. We continuously invest in technology purchases, implementation, and the training of all employees.



“At Rehmann, we believe the experience you have working with us is as important as the services we deliver. Each day, our goal is to help you get the most out of your Rehmann Experience. Simply put, we want to exceed your expectations.”

RANDY RUPP, CPA
CEO

Our services

Rehmann is committed to providing services that will allow you to make sound decisions regarding information security.

INDEPENDENT SECURITY AUDIT

As a result of the Office of Child Support (OCS) implementation of the Independent Security Audit requirement contained in Section 4.33(b) of the current (Fiscal Year [FY] 2017) Cooperative Reimbursement Program (CRP) Agreement these services are designed to assist you. The Independent Security Audit will cover IT infrastructure and PCs/laptops/devices that access the state systems or any county system that contains IV-D data.

In order to meet the minimum Independent Audit Security requirements, Rehmann will evaluate the IT infrastructure (network) and PCs/laptops/devices against the IRS Publication 1075 Section 9 by using the applicable IRS SCSEMs listed below:

- Management, Operational, and Technical (MOT)
- Network Assessment
- Microsoft Windows – Workstations (sample)
- Network – Firewall
- Network – Switch/Router
- Printers (sample)
- OCSE Security Agreement Controls

There are automated checks involved in some of the SCSEMs listed above. For those automated checks, we will use our vulnerability testing tool, Nessus, to perform those checks.

Why partner with Rehmann?

FIRM HISTORY

What began in 1941 as a single, Saginaw-based accounting firm has evolved into a synergistic collection of business services with a common mission: to provide valuable business solutions. Rehmann has grown to become one of the largest CPA, business consulting and financial advising firms in the Midwest with over 800 associates throughout Michigan, Florida and Ohio.

The Firm inaugurated its accounting practice when Wayne Wagar opened its doors in September 1941. In October 1954, Jack Rehmann joined the Firm and in 1961 the Firm became Wagar, Lunt and Rehmann. Throughout the '80's the firm began a rapid expansion through a series of business combinations. In October 1985, it became Rehmann, Robson and Co.

With an eye on developing diverse business services, the Firm has since gone through various business combinations with other accounting firms and business management companies, creating a dominant force across Michigan's accounting and consulting community.

Rehmann is leading the charge of a new breed of accounting and business consulting firms, one that continues to adapt to a constantly evolving business realm; meeting the demands of today's businesses by offering a greater scope of resources and experience. Rehmann brings together these companies and subsidiaries under a common umbrella and identity.

SATISFIED CLIENTS

In our most recent client satisfaction survey, we asked nearly 500 clients about important service areas like ease of doing business, communication, responsiveness and pro-active solutions.

- Overall, 97 percent of our clients were satisfied with Rehmann
- Overall, 98 percent of our clients were satisfied with the ease of doing business with Rehmann
- Overall, 98 percent of our clients said that they intend on continuing their relationship with Rehmann

In the survey, we also asked our clients to share their thoughts on how we could improve. Those comments are most important to us. Because when it's all said and done, we believe it's about keeping clients satisfied.

NEXT STEPS

We are confident we can meet and exceed your expectations and would like the opportunity to deliver valuable business solutions to Isabella County.

It is our belief that we have addressed the needs of Isabella County in this proposal. However, if there is an area that we have not sufficiently covered, or if you have a question about our Firm's qualifications, please do not hesitate to call us for clarification. Please direct your questions or unresolved concerns to Jessica R. Dore at 989.799.9580.

Rehmann at a glance

Rehmann is a collection of professional service companies committed to providing valuable business solutions. We combine our knowledge and experience with our clients' to resolve the challenges they face. We call this promise "Business Wisdom Delivered."



(According to the 2018 Accounting Today's Top 100 Firms)

Office locations

Ann Arbor, MI	Jupiter, FL
Battle Creek, MI	Lansing, MI
Boca Raton, FL	Midland, MI (two locations)
Bonita Springs, FL	Muskegon, MI
Cheboygan, MI	Naples, FL
East Lansing, MI	Saginaw, MI
Farmington Hills, MI	Stuart, FL
Fort Myers, FL	Toledo, OH
Grand Rapids, MI	Traverse City, MI
Grandville, MI	Troy, MI
Jackson, MI	Vero Beach, FL

Industries served

Rehmann serves a wide range of clients. A full list of industries can be found on rehmann.com.

- Commercial
- Financial Services
- Healthcare
- Manufacturing
- Not-for-Profit
- Education
- Government
- Individuals & Private Households
- Private Equity Services

International Affiliation

Independent member of Nexia International

A network of independent accounting and business services firms that enables members to provide clients with local knowledge in any overseas marketplace.

Rehmann Robson

Certified Public Accountants and Business Consultants

- Comprehensive tax planning, consulting and preparation
- Outsourcing of finance, accounting and human resource functions
- Audit and assurance services and merger and acquisition analysis
- Business valuation and litigation support
- Computer and information technology security solutions
- Strategic business planning, consulting and transition planning services

Rehmann Financial

A Registered Investment Advisor

- Comprehensive financial planning and investment management analysis
- Retirement, estate and education savings planning for individuals and businesses
- Risk analysis and evaluation of insurance coverage

Rehmann Corporate Investigative Services

Professional Investigation and Security Consulting

- Fraud, embezzlement, fire and background investigations
- Surveillance services and forensic accounting
- Computer security incident response
- Asset protection services for business, legal and insurance clients

Your Rehmann team

The core service team for Isabella County will include individuals with extensive experience in information technology. These individuals not only have the experience providing the services outlined in this proposal, but they also represent management of our Firm. Our service philosophy guarantees significant involvement of our executives as part of each client relationship.

REHMANN CLIENT SERVICE PHILOSOPHY

All of the personnel assigned to your engagement have substantial experience providing consulting services to organizations like yours. Biographical resumes of each of the key team members are included on the following pages.

Our executives serving your management team and staff have years of hands on experience. The teams handling each area of the engagement are described below.


Rehmann is dedicated to controlling staff turnover because we recognize that efficient client service benefits both our clients and our firm. Our reputation for quality service and talented people allows us to recruit and retain committed professionals. We take pride in offering our employees a progressive employment structure, including flexible work schedules and competitive compensation and benefit programs. In addition, our year-round practice allows for constant staffing levels. All of these factors have contributed to a retention rate that is higher than the national average in the accounting industry. While some degree of staff turnover is inherent in the public accounting profession, our commitment to attract and retain top talent, and provide close involvement of



Jessica R. Dore, CISA

PRINCIPAL

Technology Risk Management

 989.797.8391

 jessica.dore@rehmann.com

 **Northwood University**
BBA, management information systems

“I partner with clients to help them identify risks and protect their business. We’re constantly monitoring exploitive software and vulnerabilities so clients can feel confident their systems are safe.”

CURRENT ROLE

Jessica leads Rehmann’s Technology Risk Management Group, overseeing cybersecurity assessments, information security assessments, vulnerability and penetration testing, social engineering testing, information security training and Sarbanes-Oxley Act (SOX) 404 consulting engagements for publicly-traded companies.

Jessica provides information technology (IT) consulting and security services to a wide range of clients, primarily financial institutions. She is a member of the Firm’s Financial Institutions Leadership Group.

SERVICE AREAS

- Information systems and technology
- Cybersecurity assessments
- Information security awareness training
- Policy development
- Social engineering

EXPERIENCE

Jessica has extensive experience conducting IT security assessments for multiple institutions throughout the country. She has an in-depth knowledge of National Institute of Standards and Technology (NIST) standards, SOX 404 compliance, Gramm–Leach–Bliley Act (GLBA) compliance and Control Objectives for Information and Related Technology (COBIT) standards, as well as extensive knowledge of IT systems.

Prior to joining Rehmann in 2005, Jessica worked as an associate programmer at Auto-Owners Insurance Company in the financial systems group, where she designed and developed information systems. Jessica also worked in the e-commerce department at Dow Corning Corporation for five years.

A CLOSER LOOK


- Jessica has written several articles on security issues including “The Future of Money,” which explored the benefits and disadvantages of emerging payment platforms and digital currency.
- Jessica presents on a range of cybersecurity topics at industry conferences and for niche organizations. She has conducted numerous internal webinars at Rehmann and leads information technology and cybersecurity training sessions for clients.
- Jessica is a 2018 recipient of 1st State Bank’s RUBY Award, which honors professionals in the Great Lakes Bay Region under the age of 40 who have made their mark in their professions.





David M. Kure, CEH, CISA, CSXF, MCP

CONSULTING MANAGER

Technology Risk Management

 248.458.7895

 david.kure@rehmann.com

 **Baker College**
BS, information technology security
AAS, computer networking technology

“We partner with clients to ensure their needs and concerns are fully understood and addressed. There’s nothing more rewarding than helping clients implement security controls that meet their evolving business and industry needs.”

CURRENT ROLE

David has extensive experience evaluating profit and loss data, identifying and resolving invoice and inventory discrepancies, and managing budget and sales forecasts. Working with Firm leaders, he develops and presents security training sessions for a variety of financial institutions. He also lends his expertise to cross-functional teams throughout the Firm by providing holistic overviews of software processes and solutions.

A detailed and meticulous associate, David plans and conducts IT risk assessments and Sarbanes-Oxley compliance assessments. He also assists with detailed audits of IT systems and infrastructure configurations to verify they are secure and support related applications and business processes. He works closely with clients and leverages his experience with similar engagements to quickly identify and resolve technical issues.

SERVICE AREAS

- Information technology (IT) and security audits
- Risk assessments
- Information security awareness training
- Sarbanes-Oxley compliance
- Social engineering
- Penetration testing and vulnerability assessments

EXPERIENCE

David was a network security intern at AT&T, gaining experience on a variety of industry fundamentals, including security modeling, network architecture, network hardware inventories and policy review. For 12 years, he worked at Anixter, Inc., holding roles of increasing responsibility related to parts testing, quality control and operations management for the company’s Midwest region. Prior to joining Rehmann in 2013, David was a help desk analyst at CareTech Solutions, where he investigated IT issues for timely problem resolution.

A CLOSER LOOK

- David mentors associates throughout the Firm, sharing industry knowledge to help them navigate challenges and develop the skills necessary to serve clients and advance in the field.
- A featured speaker for various industry organizations, David has addressed technology-related topics such as security best practices, breach response, vendor management and protecting businesses from cybercrime.



Jeromy S Butts, CISA

IT AUDIT SENIOR ANALYST
Technology Risk Management



616.975.2863



jeromy.butts@rehmann.com



Ferris State University

BS, information security and intelligence
with a concentration in digital forensics
and medical informatics

CURRENT ROLE

Jeromy is an information technology audit senior analyst with Rehmann and is based in the Grand Rapids office. He is responsible for IT risk assessments including GLBA compliance, Sarbanes-Oxley compliance, physical security, contingency planning, network architecture and network access, financial systems and IT general controls.

SERVICE AREAS

- Risk assessments
- Information technology audits
- Sarbanes-Oxley compliance
- Social engineering

EXPERIENCE

Jeromy began his IT career in 2013. He has worked extensively in IT security awareness training and social engineering assessments through email threat analysis and computer forensic analysis. He has earned the Certified Information Systems Auditor (CISA) designation.


PROFESSIONAL ORGANIZATIONS


- Mid-Michigan Banking Group



Michael J. Vanderlinden

CONSULTING SENIOR

 248.458.7885

 michael.vanderlinden@rehmann.com

 **American Public University**
BS, Information Security Systems

Rochester College
Associate of Liberal Arts

CURRENT ROLE

Michael primarily works on IT risk assessments and consulting engagements. He is involved in detailed audits of IT systems and infrastructures to verify systems are secure, and he supports related applications and business processes.

SERVICE AREAS

- Risk assessments
- Information technology audits
- Sarbanes-Oxley compliance
- Social engineering

EXPERIENCE

Michael has more than 10 years of management and investigation experience. Prior to joining Rehmann in 2016, he worked with a multinational retailer as an asset protection manager, where he was responsible for the security, safety and compliance of the building. Prior to that, he served as a police officer with the Armada Police Department.

“I provide IT analysis, reports and recommendations for clients to ensure their needs are being addressed.”

Your investment

NO SURPRISE INVOICES

We strive to deliver business wisdom for a fee that is fair, reasonable and representative of the value delivered. Our approach to establishing fees is to discuss expected outcomes and the proposed services to be provided before work is done. This reduces the possibility of surprises when invoices are ultimately delivered. If services are required beyond the scope of this engagement, we will discuss it with you before beginning any work, and provide a cost estimate for those additional services.



MORE SERVICE

We make it a priority to keep you informed about what we're doing for you — and what you're paying for it. Our transparent billing practices help clients clearly evaluate the value our services provide.

Based on our discussions, the scope of the engagement and estimated fees are as follows:

Services	Estimated Fees
FOC/PA Independent Security Audit	\$20,000 - \$24,000

The fee estimate is based on anticipated cooperation from Isabella County personnel, the assumption that unexpected circumstances will not be encountered during the engagement. Fees for out-of-pocket expenses (mileage, meals, and lodging) will be billed at actual as incurred, not to exceed \$1,500.

In addition, miscellaneous phone conversations and inquiries are generally non-chargeable client services unless such conversations result in significant (greater than 1 hour) research or consulting time.

PEACE OF MIND
FORWARD-THINKING
CONFIDENCE
TRUSTWORTHY
GUIDANCE
COLLABORATION
BUSINESS SOLUTIONS
RELENTLESS SERVICE

THE REHMANN EXPERIENCE

July 8, 2019

Ms. Margaret McAvoy
Administrator/Controller
Isabella County
200 N Main Street
Mt Pleasant, MI 48858

Thank you for the opportunity to provide *Isabella County* (the “*County*”) consulting services relating to the County’s FOC/PA Independent Security Audit. This letter sets forth the engagement’s scope and lists our fees.

We will document the results of the engagement in a formal report to be delivered to County management. As part of this engagement, we will not perform management functions, make management decisions or act, or appear to act, in a capacity equivalent to that of an employee.

We will perform services for the County based on present professional standards, laws and regulations. Management is responsible for identifying and ensuring that the County complies with applicable laws and regulations.

The scope of this engagement is listed in Appendix B and details the schedule of the fieldwork to be completed over the course of the engagement period.

Upon completion of our engagement, we will discuss preliminary findings and comments with the County’s designated IT liaison and other members of the County’s management (as applicable in the circumstance). We will then prepare a written report formalizing our findings, comments, recommendations, and other items deemed worthy of management’s attention.

Our fees for this year’s engagement will range between \$20,000 and \$24,000, plus out of pocket expenses, not to exceed \$1,500, such as report production, word processing, postage, travel, etc. and a nominal allocation of our technology related overhead costs. This fee is based on anticipated cooperation from the County’s personnel and the assumption that unexpected circumstances will not be encountered during the performance of these procedures. Fees for additional projects or research time will first be discussed and then be billed to the County at an agreed-upon rate and amount of time to be spent on each project. In these circumstances, we may also issue a change order form (an attached example is provided at Appendix C).

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, management agrees that, notwithstanding the statute of limitations of the State of Michigan, any claim based on the engagement must be filed within 12 months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

This engagement letter and the attached Rehmann Robson LLC “Rehmann” Services Engagement Letter Terms reflect the entire understanding between us relating to the services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the County and Rehmann contained in this document shall survive the

Ms. Margaret McAvoy
Administrator/Controller
Isabella County
July 8, 2019
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completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included.

We appreciate the opportunity to work with you and your management team and believe this letter accurately summarizes the significant terms of our services engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The script is cursive and fluid, with the letters "L" and "L" at the beginning and end being particularly prominent.

ACKNOWLEDGEMENT:

This letter correctly sets forth the understanding of *Isabella County*.

(Officer signature)

(Title)

(Date)

Appendix A

Rehmann Robson LLC Services Engagement Letter Terms

ADDITIONAL SERVICES - The County may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated fees. We also may issue a change order form (an attached example is provided), or a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

MANAGEMENT'S REPRESENTATIONS - The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, misleading, incomplete, or omitted representations could cause us to expend unnecessary efforts. In addition, the County further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are false or misleading representations made to us by any member of the County's management.

MANAGEMENT'S RESPONSIBILITIES - The County's management is responsible for establishing, designing, and maintaining an effective internal control system, record keeping, management, decision-making and other customary management functions. An effective internal control system reduces the likelihood that errors or fraud will occur and remain undetected; however, it does not eliminate that possibility. Our work does not provide assurance that errors or fraud will not occur and may not detect errors or fraud should they occur. The County's management shall be fully and solely responsible for applying independent business judgment with respect to these consulting services and work product provided by us, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports or other work product or deliverables to the County.

WORKPAPER DOCUMENTATION - All engagement information provided to and received by Rehmann in the course of this engagement will constitute confidential information of the County. Rehmann will protect this information with reasonable safeguards and procedures. All Rehmann personnel working on this engagement will be instructed to preserve the confidentiality of the engagement material. All confidential material provided to and received by Rehmann will be scanned and stored securely.

All confidential material in possession of Rehmann shall remain the sole property of the County. The County agrees to allow Rehmann to retain any necessary copies as may be required by law or regulation. Rehmann will not distribute confidential material to any third party without the County's prior consent.

Rehmann's work product is prepared solely for the internal use of the County's management and employees. As the workpapers are the property of Rehmann, access by any third party to the workpapers will be subject to the requirements of Rehmann's standard policies for granting access to our workpapers, in addition to our prior approval of any other distribution or disclosure. We may be requested to make certain workpapers available to applicable state and federal regulatory agencies pursuant to authority given to them by law or regulation. Upon management signing of our required work paper release letter, we will provide them immediate and full access to our reports and work papers. If requested, access to such workpapers, will be provided under the supervision of Rehmann. Furthermore, upon request, we may provide photocopies of selected workpapers to applicable state and federal regulatory agencies. They may intend, or decide, to

distribute the photocopies or information contained therein to others, including other governmental agencies.

Notwithstanding anything contained herein to the contrary, if the County wishes to make reference to Rehmann or to disclose or disseminate in any manner any of Rehmann's work product or any portion thereof to a third party other than a regulatory agency, the County agrees to i) provide Rehmann with a draft of the proposed disclosure, ii) obtain Rehmann's written approval for inclusion of Rehmann name or work product in such disclosure before the disclosure is distributed, and iii) if requested by Rehmann, obtain from any specified entity or person and to provide to Rehmann a Non-Disclosure Agreement and/or Release in a form satisfactory to Rehmann in its sole discretion.

WORK SPACE - The County shall provide reasonable work space for Rehmann personnel at the County, as well as occasional administrative support services. The County understands that Rehmann's performance is dependent on the County's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by County personnel.

ACCURACY AND COMPLETENESS OF INFORMATION - Management agrees to ensure that all information provided to us is accurate and complete in all material respects, contains no material omissions and is updated on a prompt and continuous basis. In addition, management will also be responsible for obtaining all third-party consents, if any, required to enable Rehmann to access and use any third-party products necessary to our performance.

E-MAIL - The County acknowledges that (a) Rehmann, the County and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the County expressly requests otherwise, (b) no party has control over the performance, reliability, availability, or security of Internet e-mail, and (c) Rehmann shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann's reasonable control.

OFFERS OF EMPLOYMENT - Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise any of the other party's personnel without such other party's express written consent. If the County desires to offer employment to a Rehmann associate and the associate is hired in any capacity by the County, a market-driven compensation placement fee may apply.

ADDITIONAL FEES AND BILLING POLICIES - It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the County. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the County has confirmed its understanding of, and agreement to, any additional estimated charges.

Our fee estimate is based upon our discussions with management, in which management has disclosed no unusual problems or issues that would require us to expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of the County's

Appendix A

Rehmann Robson LLC Services Engagement Letter Terms

personnel, as required, and that there is a reasonable continuity of the County's personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the information and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and all such information and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested information and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will resume our work as soon as the information and records are provided to us and our professionals assigned to the engagement again become available.

In accordance with our Firm policies, work may be suspended if the County's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our Firm Administrator. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. The County will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through date of termination.

Our terms and conditions impose a late charge of 1 ½% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1 ½% will be applied to the entire past due amount.

MAXIMUM LIABILITY - The County agrees that our maximum liability to the County for any negligent errors or omissions committed by us in the performance of the engagement will be limited to the amount of our fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

TERMINATION OF SERVICES - We reserve the right to suspend or terminate services for reasonable cause, such as failure to pay our invoices on a timely basis or failure to provide adequate information in response to our inquiries necessary for successful performance of our services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the procedures for which we were engaged. The County is obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

We acknowledge the County's right to terminate our services at any time, and the County acknowledges our right to withdraw at any time, including, but not limited to, for example, instances where, in our judgment, (a) we can no longer rely on the integrity of management, or (b) management fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, subject in either case to our right to payment for charges incurred to the date of termination or resignation.

In the event that we determine to resign, and the County seeks damages allegedly resulting from such resignation, our maximum liability to the County in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for

current year consulting services performed up to the date of resignation.

THIRD PARTY PROCEEDINGS - As a result of our prior or future services to the County, we might be requested to provide information or documents to management or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to the County as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with this request. For all requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request.

PROMOTIONAL MATERIALS - The County consents to Rehmann's use of your County name and a factual description of the services to be performed by Rehmann under this agreement in Rehmann's advertising and promotional materials and other proposal opportunities.

Appendix B

Scope of Information Technology Consulting Services

Rehmann will evaluate the IT infrastructure (network) and PCs/laptops/devices against the IRS Publication 1075 Section 9 by using the applicable IRS SCSEMs listed below:

- Management, Operational, and Technical (MOT)
- Network Assessment
- Microsoft Windows - Workstations (sample)
- Network - Firewall
- Network - Switch/Router
- Printers (sample)
- OCSE Security Agreement Controls

Appendix C

Example

REHMANN CHANGE ORDER

Client: *Isabella County* (the "County").

Date:

Project Description (and estimated completion date, if appropriate):

Estimated Additional Fees: \$_____

We believe it is our responsibility to exceed the County's expectations. This Change Order is being prepared because performance by us of the above project and/or additional service efforts was not anticipated in our original Agreement dated July 8, 2019. The estimated fees for the above project have been mutually agreed upon by the County and Rehmann. It is our goal to ensure that the County is never surprised by the price for any Rehmann service, and therefore, we have adopted the Change Order Policy. The estimated additional amount above is due and payable upon completion of the project described.

If management agrees with the above project description and the estimated fee amount, please authorize and date the Change Order below. A copy is enclosed for the County's records. Thank you for letting us serve the County.

Agreed to and accepted:

Officer signature

Printed Name

Title

Date