

WORKPAPER A - 1

[This workplan is subject to change during the course of the engagement upon approval by both DTSC and MGO staff]

*Department of
Toxic
Substances
Control*
**Performance
Audit of the
Exide
Program**
*Detailed Work
Plan v.1*

January 30,
2017

This is a document that records the activities and outcomes related to the Performance Audit, conducted in accordance with Generally Accepted Governmental Auditing Standards (GAGAS). It will be used to guide the project implementation and is an evolving document, where our DTSC contact can provide input and comment to ensure that the audit meets their needs, within the scope of the project's objectives. This document is also to be used as a guide for the auditors, Partner and Technical reviewer to ensure work is conducted in accordance with standards and that key items are documented in the work papers.

**Performance
Audit**



Revision History

REVISION	DATE OF RELEASE	PURPOSE
1.0		Working draft submitted to DTSC
2.0		Revised Draft submitted to MGO to include revisions, per discussion.
3.0		To notate any changes to the workplan as needed.

Staffing Structure

The following are project staff members assigned to the engagement. While we do not anticipate any disruptions in project staffing throughout the engagement, we will inform DTSC of any staffing changes.

Technical Reviewer: Ken Macias: ken@maciasconsulting.com

Engagement Partner: Scott Johnson: sjohnson@mgocpa.com

Engagement Director: Mark Cousineau, Director: mcousineau@mgocpa.com

Audit Lead: Byron Matson, Senior Manager: bmatson@mgocpa.com,

Senior Auditor: Greta Macdonald, Manager: gbernard@mgocpa.com

Audit staff: Harrison Murk, Senior Associate: hmurk@mgocpa.com

Quality Control: Dennis Nelson, DVBE

Table of Contents

REVISION HISTORY	2
STAFFING STRUCTURE	2
TABLE OF CONTENTS	3
INTRODUCTION	4
PURPOSE	4
SCOPE	4
ORGANIZATION	4
PROJECT IMPLEMENTATION PLAN	5
1.1. WORKPLAN OVERVIEW	5
1.2. PHASE I: PROJECT PLANNING	7
1.3. PHASE II: IMPLEMENTATION OF PERFORMANCE AUDIT	9
1.4. PHASE III: PROJECT REPORTING AND DELIVERABLES	13
PROJECT LOGISTICS	15
2.1. TEAM ROLES AND RESPONSIBILITIES	15
2.2. CRITICAL SUCCESS FACTORS	16
2.3. COMMUNICATIONS PLAN	16

Introduction

Purpose

This document is the **shared working document** for the Performance Audit. It describes the components and activities of the engagement, as well as the project outcomes and deliverables, key work papers to be completed, and ensure compliance with GAGAS (not a full list).

This work plan lays out our approach for the performance audit and satisfies the deliverable for Task 1 in the RFP. Please note it is a living document that will be updated during and after the project implementation phase and will be used as MGO's guiding document to implement the engagement.

Scope

The Plan documents the activities to be completed during the Planning, Implementation, and Reporting phases of the project.

Organization

This plan presents our project implementation plan and includes references to generally accepted government auditing standards (GAGAS).

Internal MGO General Reminders:

Document the following in CASEWARE:

1. Record of Opening Conference
2. Independence Forms (all involved staff must fill out form)
3. Risk Assessment – (filled out by Lead Auditor/Manager)
4. Finalized Audit Plan (Implementation Plan below).
5. Records of Work Performed (for each task and subtask)
6. Records of Discussion
7. Data received from Client
8. Research, best practices, etc. for reference
9. Progress Reports (Lead auditor/Manager to email client bi-weekly for updates)
10. Record of Exit Conference
11. Draft Report, plus draft including comments from client
12. GAGAS Checklist for Review of Performance Audits (filled out by Lead Auditor, reviewed by Partner -Internal Quality Control Review)
13. Indexed Final Report

Project Implementation Plan

1.1. Workplan Overview

This work plan sets out MGO's understanding of the objectives for the Performance Audit for the Department of Toxic Substances Control's (DTSC) Exide Program from inception to date, and through June 2018. **We will provide the work plan to DTSC's Manager of Financial Operations, Assistant Deputy Director for Cleanup (Exide Project Director) and Exide Branch Chiefs (or designated DTSC staff) and meet to discuss DTSC feedback to incorporate into a final audit work plan for DTSC's approval. This workplan satisfies Task 1 in the RFP.**

The assessment will be broken into three distinct phases: (1) planning, (2) implementation, and (3) reporting. While there are distinct phases and tasks, each are interdependent with one another. Throughout the planning and implementation phase, we will keep DTSC staff informed of our progress, any issues and preliminary project information. Throughout the audit, we will ensure that sufficient data is collected and analyzed to support the final work product.

Below, we define the objectives, scope and methodology of the initial performance audit which includes a preliminary assessment of DTSC accounting systems, policies and procedures, internal controls, and records as it relates to the Exide project. We will be examining applicable systems and processes at the program and administrative accounting level listed below, per our proposal:

- Compliance
- Payroll or timekeeping activity efforts
- General ledger
- Accounts payable
- Contracting
- Revenue/receivables
- Budgeting
- Cost recovery
- Reporting

For the purposes of the preliminary and follow-up audits, objectives would be mainly designed to determine if program expenditures are (1) properly recorded in accordance with Generally Accepted Accounting Principles (GAAP), (2) documented, (3) program eligible and (4) chargeable to specific properties. This would be achieved by addressing the following components of the DTSC Exide program, to include ensuring the audit is conducted:

- a. Pursuant to governing rules and according to applicable federal and state guidelines.
- b. To include budget, procurement and accounting policies and procedures, including evaluation of:
 - budget components established by project management
 - internal control measures
 - segregation of duties
 - timekeeping
 - allocation of indirect costs
 - appropriateness of project costs

The audit reports will include a complete explanation of any areas of non-compliance that have a direct and material effect on the Exide program, on internal control over compliance or on the Exide schedule of expenditures.

Timeline and Deliverables

We are committed to implement the procedures contained within this plan according to the following agreed-upon schedule:

Overview of Timeline

Task/Activity	2017												2018					
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Planning																		
Task 1: Work plan Development																		
Implementation Tasks																		
Task 2 Preliminary Assessment																		
Task 3: Follow up Audits																		
Task 4: Final Audit																		
Reporting Phase																		
Results Meetings with DTSC																		
Draft Reports Issued																		
Comment Periods																		
Follow up Reports Issued																		
Final Report Issued																		

Deliverables and Due Dates

Deliverable	Audit Period	Audit Fieldwork Period	Due Dates
Audit Plan	All periods	January 9-23, 2017	January 31, 2017
Preliminary Assessment	FY 2015/16; 1 st & 2 nd Quarter - FY 2016/17	April 15-May 31	June 30, 2017
1 st Follow up Audit	FY 2016/17 - 3 rd & 4 th Quarters	July 10-August 30, 2017	September 30, 2017
2 nd Follow up Audit	FY 2017/18 - 1 st Quarter	November 6-30, 2017	December 15, 2017
3 rd Follow up Audit	FY 2017/18 – 2 nd and 3 rd Quarters	April 2-23, 2018	May 15, 2018
Final Audit	Wrap up of all previous audit work	May 21-June 15, 2018	June 30, 2018

MGO is committed to providing our deliverables within the promised timeframes. The above schedule above can be accomplished under the following assumptions:

- **Documentation requested is provided by DTSC in a timely manner.**
- **Interviews can be scheduled back-to-back within the period of time allotted.**
- **Key meetings are scheduled timely and not postponed.**
- **DTSC will provide timely comments and feedback to finalize the reports.**

1.2.Phase I: Project Planning

Government Auditing Standards requires that auditors must adequately plan and document the planning of the work necessary to address the audit objectives¹. Specifically, the standards require that auditors must plan the audit to reduce audit risk to an appropriate level for the auditors to provide reasonable assurance that the evidence is appropriate to support the auditor’s findings and conclusions. In planning the audit, we will assess audit risk to further define the audit objectives and the scope and methodology to address those objectives. Planning is a continuous process throughout the audit. Therefore, we may need to adjust the audit objectives, scope, and methodology as work is being completed.

¹ GAGAS 6.52 A written audit plan provides an opportunity for audit organization management to supervise audit planning and to determine whether the proposed audit objectives are likely to result in a useful report, etc.

Project planning is a critical step to successful project outcomes. We will conduct a scoping exercise to determine what information we need to address, our objectives and how best to analyze data. Based upon the results of our scoping activities, we list below the activities that we will perform, although not necessarily in the order that we will implement them because we will maintain flexibility in order to best meet the objectives of the audit. Key tasks to be performed include:

- Preparation of an audit work plan (a condensed version of this document, outlining specific audit tasks)
- Review of background information; and other documentation
- Development of data collection instruments
- Submit document request

Project Kick-Off(s)

We will conduct/have conducted an entrance conference with DTSC to gain an overview of the program, systems in place and for introductory interviews with staff involved in the Exide program. We will use this opportunity to schedule subsequent on-site meetings with staff. We will also go over the work plan and data request during this meeting.

PRELIMINARY ASSESSMENT—Audit Planning, Risk Assessment and Scoping Activities

Obtain and Review Relevant Background Information

Once an entrance conference has been held, the lead auditor obtains and reviews relevant information related to the audit through a request (data request). This will include obtaining information regarding the DTSC's Exide program mission, goals and objectives, organizational structure, policies and procedures, processes, resources, outputs, and outcomes. The auditor's goal is to understand the program to be audited and to finalize the audit objectives.

For example, we will examine the DTSC Enforcement Order from 2014 which established that Exide was liable for all costs incurred by the DTSC in reviewing work plans and overseeing the work required by the Order including all California Environmental Quality Act costs. We will examine cost recovery efforts incurred by the work required by the order, including:

- 1) Cleanup of over 200 off-site residential properties in an Environmental Justice community;
- 2) Investigation and cleanup of additional off-site residential properties impacted by Exide operations;
- 3) Investigation of Industrial properties adjacent to the Exide operations; and
- 4) Development of a Corrective Measure Study and Remedy Selection document.

To expedite the planning process and to prepare for the implementation phase, we will submit an initial data request to each department for the following documents **prior to the entrance conference**:

- DTSC Organizational chart or directory listing staff names and contact information, specifically noting key staff related to the Exide Project, i.e. DTSC's Manager of Financial Operations and Exide Project Director and key administrative staff.
- Cost Recovery Policies & Procedures.
- Other policies and procedures (accounts payable, procurement, budgeting, etc.).
- Desk procedures, if available, for each position or function with involvement in the Exide program.
- Other procedural narratives such as departmental process flowcharts, documents and forms that provide descriptions or information about departmental functions, operations, and controls.
- Sample of system-generated cost reporting by activity and program area
- Exide program budget for FY 2015/16, FY 2016/17, by activity
- Exide program expenditures FY 2015/16, FY 2016/17 to-date

Conduct Risk Assessment

Governmental Auditing Standards require as part of a performance audit, we assess the risk associated with the program or agency to be audited. Once we've agreed upon the scope of the audit with DTSC, we need to identify and assess the risks associated with the agency, program, or policy under audit. Per GAGAS Section 6:

Section 6.05 *Audit risk is the possibility that the auditors' findings, conclusions, recommendations, or assurance may be improper or incomplete, as a result of factors such as evidence that is not sufficient and/or appropriate, an inadequate audit process, or intentional omissions or misleading information due to misrepresentation or fraud. The assessment of audit risk involves both qualitative and quantitative considerations. Factors impacting audit risk include the time frames, complexity, or sensitivity of the work; size of the program in terms of dollar amounts and number of citizens served; adequacy of the audited entity's systems and processes to detect inconsistencies, significant errors, or fraud; and auditors' access to records. Audit risk includes the risk that auditors will not detect a mistake, inconsistency, significant error, or fraud in the evidence supporting the audit. Audit risk can be reduced by taking actions such as increasing the scope of work; adding specialists, additional reviewers, and other resources to perform the audit; changing the methodology to obtain additional evidence, higher quality evidence, or alternative forms of corroborating evidence; or aligning the findings and conclusions to reflect the evidence obtained.*

Section 6.11 *Auditors should assess audit risk and significance within the context of the audit objectives by gaining an understanding of the following:*

- a. *the nature and profile of the programs and the needs of potential users of the audit report;*
- b. *internal control as it relates to the specific objectives and scope of the audit;*
- c. *information systems controls for purposes of assessing audit risk and planning the audit within the context of the audit objectives;*
- d. *provisions of laws, regulations, contracts, and grant agreements, and potential fraud, and abuse that are significant within the context of the audit objectives;*
- e. *ongoing investigations or legal proceedings within the context of the audit objectives; and*
- f. *the results of previous audits and attestation engagements that directly relate to the current audit objectives.*

1.3.Phase II: Implementation of Performance Audit

Below is our preliminary fieldwork plan. Once we conduct the risk assessment, preliminary interviews, and scoping activities, we will have identified where to concentrate our efforts in terms of testing and sampling transactions, therefore, specific procedures listed below are subject to change.

Objective 1: Determine the adequacy of internal controls of DTSC's Exide accounting system and records, at the program and administrative accounting level, including the system(s) ability to record, process, summarize, and report financial information, including budgeting and cost recovery; and the extent to which it ensures compliance with applicable regulations and general accounting principles. This satisfies Task 2 in the RFP.

We will compare the DTSC's control environment within the context of a framework for establishing and maintaining internal controls, which should provide reasonable assurance that program objectives are being achieved:

Performance Audit Tasks:

1. Conduct an overall internal control assessment of the DTSC Exide Program by examining the environment within the context of COSOs internal control framework:

- a. Control Environment: We will review DTSC financial operations division (or department responsible for creating and maintaining a well-defined administrative control environment) through the following tasks:
- o Document Review – We will determine if policies and procedures clearly outline roles and responsibilities of staff involved in the process, and delegation of authority is clearly defined and documented. We will assess the consistency of terms and conditions for contract templates.
 - o Interviews – We will conduct interviews with financial management and employees to obtain relevant supporting data and information regarding the control environment, financial systems, and to discuss potential control weaknesses. We will interview staff from the four divisions where contracts originate.
 - o Functional Analysis – We will conduct an assessment of functions administered by the program. This analysis will include discussions and observations of finance and those tasked with contract management processing to identify controls and oversight practices in place over the procurement and contract management process. This assessment will provide the basis to identify whether internal control weaknesses exist within the program.

Specifically, we will collect the following and document in a matrix:

- Obtain and review the DTSC's existing policies and procedures governing fund administration of reimbursable accounts, i.e., set-up/creation, reconciliation, appropriation, disbursement, authorization, etc. Document in one column of the matrix.
- Obtain other fund administration documentation that contains key information related to monitoring, evaluating, and reconciliation. Identify any other existing documentation, such as prior audits, workflows, process maps, or manuals related to the current processes in place governing pass-through accounts.
- Document best practices for cost recovery, in another column in the matrix.
- Document what activities should be occurring for cost recovery, and identify the responsible division within DTSC.
- Interview staff to obtain testimonial evidence on administration activities of transactions.
- Document activities that are actually occurring through the processes, noting key control points.
- Compare what should be occurring based on policies and procedures as well as best practices, to what is actually happening. Identify areas where gaps exist.
- Contrast results with government accounting standards and internal controls over cost accounting. Document differences among internal controls and procedures as well as differences from the current processes carried out by DTSC staff.
- Document results in a matrix and summarize findings.

To examine the extent to which DTSC's current information technology system supports its finance and accounting needs to support cost recovery efforts, we will conduct the following tasks:

- o Conduct an interview with the **DTSC's Manager of Financial Operations, Assistant Deputy Director for Cleanup (Exide Project Director)** to determine the general internal control structure in which the universe of transactions for the Exide program take place.
- o Review documentation such as policies and procedures and of the system's current capabilities and compare these to industry standards, especially the reporting functions of the current system.
- o Determine the sufficiency of the financial information system/accounting system in its ability to ensure accurate, reliable, and reportable cost data related to the Exide project.
- o Assess the conformance of DTSC's accounting and budgeting policies and procedures to government standards and best practices.

- o Review and evaluate the internal control environment, accounting system and control procedures.
- b. Risk Identification: Finance Management (or those tasked with account set up) and those tasked with vendor contract administration should have a sufficient understanding of staff processes and controls to identify where risks are greatest. We will examine the depth of knowledge and level of understanding of risks from the assigned staff's perspective by:
 - o Interviewing staff responsible for both account set up and vendor (i.e. external providers of remediation efforts, community outreach, investigation, soil testing, etc.) contract administration management and staff, and
 - o Examining the adequacy of system or manual tools available to those staff to assess risk on a regular basis, i.e., how and when they are notified by project managers of excessive change orders and when contract amendments occur, if applicable.
- c. Control Activities: We will assess the adequacy of the internal controls surrounding the contracts, agreements and orders for clean-up and testing, monitoring and close out cycle, as well as the contract management process from the inception to billing to cost recovery. We will likely use a number of review and audit techniques in this project in order to gain an understanding of the internal controls environment in the process:
 - o Review control activities associated with ensuring that contracts, agreements and orders are in place with applicable cost recovery language.
 - o Control activities surrounding monitoring of spending against cost estimates and ensuring updates.
 - o Control activities performed by technical or administrative staff to monitor charges against project side codes and ensuring payments.
 - o Control activities related to project management.
 - o *Information Processing* – two aspects, Application Controls and General IT Controls, which relate to the overall effectiveness of IT controls to ensure the proper operation of DTSC's information systems.
 - Application Controls are those related to procedures to check the accuracy of the output data, including follow-up on exceptions. Application controls are designed to help ensure completeness, accuracy, authorization, and validity of all transactions during application processing. It includes both the routines contained within the computer program code as well as the policies and procedures associated with user activities such as entering data, and producing or reporting results.
 - General IT Controls involve maintaining control procedures to restrict the access to the program data and the ability to make modifications to the data, including software updates and back-up or disaster recovery procedures, to ensure the continued operation of the information systems. General controls are needed to ensure the function of application controls, which depend on computer processing, and includes the structure, policies, and procedures that apply to the agency's overall computer operations.
- d. Information and Communication: We will assess the frequency and methods for communication between finance, technical project or administrative managers and consultants/vendors as applicable to monitoring clean-up project status, performance, problems, amendments if authorized by the contract terms, and authorizations for change orders, more specifically:
 - o Identify any instances of a lack of documentation in the process that contributes to the risk that (1) management may not be well informed of the contractor's performance; (2) time, energy,

and information could be lost if the contract administrator must be replaced; and (3) useful evidence will not be present in the case of a dispute with the contractor.

- o Assess the overall adequacy of the record-keeping function.
 - o Assess whether the system allows for records to be appropriately maintained, stored and assembled.
 - o Determine if the requisite documentation is sufficient to support financial records for the time period in review.
 - o Identify the coordination efforts between technical staff and Financial Assurance staff to review cost estimates and financial assurance documents.
- e. Monitoring: We will review policies and procedures for their focus on contract monitoring of outcomes to ensure that both the contractor and DTSC are adhering to the contract terms appropriately. We will inquire as to the current process for monitoring contract performance, such as:
- o Review documentation maintained by contract administrators on contractor performance, i.e., collect information on scope, schedule, cost and quality categorized as status reporting, progress reporting, etc.
 - o Monitoring contract expenditures, terms of contracts, and processing invoices, as well as the overall budget of the program.

What the analysis will allow us to say: We will identify those areas of DTSC's Exide program where general controls are weak and where there is greatest risk. We will report on the sufficiency of the various systems in place, in terms of adherence to general accounting principles, cost reporting and efficiency and effectiveness related cost tracking and recovery, and progress towards delivery of the project within the allotted budget.

Objective 2: Assess the sufficiency of the cost tracking system, and provide a summary of total incurred costs of the Exide program for time periods (FY) 2015/2016 and first quarter (FY) 2016/2017, and each six months thereafter. This satisfies Task 3 in the RFP.

Performance Audit Tasks:

2. Determine if program expenditures are (1) properly recorded in accordance with Generally Accepted Accounting Principles (GAAP), (2) documented, (3) program eligible and (4) chargeable to specific properties. Conduct an analysis to assess total incurred costs for the Exide program to date (occurring every six months after March 2017 until March 2018). ***This task satisfies Task 3 in the RFP and third bullet point under description of services in the RFP.***
 - a. From inception to-date, prepare a spreadsheet of state incurred costs of the Exide program.
 - Request and analyze system generated reports of incurred costs of the program.
 - Identify costs both internal, i.e. staff time, as well as external costs, such as contractor testing, remediation, community outreach and training.
 - b. Identify whether the expenditures were properly recorded in accordance with GAAP. Additionally, determine the extent that expenditures were;
 - documented,
 - program eligible;
 - and chargeable to specific properties.

3. To assess the accuracy and sufficiency of the cost tracking system, and available supporting documentation, we will test verifiable documentary evidence against information reported in the system through the following sub-tasks:
 - a. Review cost tracking policies and procedures. Identify what should be occurring.
 - b. Organize costs by expenditure type, location, and other cost categories, or as requested by DTSC.
 - i. Based on the number cost categories and universe of costs incurred as well as those costs incurred but not yet billed, we will pull a statistically valid sample of records and test system information against supporting documentation.
 - ii. Summarize any variances and discuss with DTSC staff.
 - iii. Identify any gaps in the process, i.e. compare what is actually occurring versus what should be occurring, according to policies and procedures in place.
 - iv. Identify the cause for any identified gaps in the process and potential impact.
 - c. Assess cost tracking and recovery efforts for time period in review, i.e. what percentage of costs are incurred, billed and paid, versus billed but not yet received.

Other possible tasks:

 - d. Prepare an analysis of project budget to actuals, for time period under review.
 - e. Present summary of aforementioned cost data for the Exide program, to date.
 - f. Determine the extent to which expenditures have been made in compliance with applicable rules and regulations, legislation, etc.

What the analysis will allow us to say: We will report on total costs of the program to date, cost recovery by category and system or process improvements that can be made to strengthen the overall cost recovery process. We will also report on the underlying reliability of the data and accuracy of total costs incurred to date.

Deliverables: Summary of Preliminary Findings and Follow-up Audits

Our Preliminary and Follow-up Audit Findings Report will include:

- o Summary of existing controls and any general gaps in controls, noting manual and system functions, strengths and weaknesses, and opportunities for improvements; for example, policies and procedures, processes, and reporting related to vendor contract management.
- o Recommended changes to policies and procedures, and processes to ensure adequate controls are in place as well as conformance to accounting standards such as GAAP.
- o Preliminary recommendations for improvements related to strengthening DTSC policies, procedures, and contract administration controls, and cost recovery activities, and financial strategy for efficiently and effectively administering and reporting on cost recovery efforts. We also provide a ranking of priority for each recommendation's implementation.

1.4.Phase III: Project Reporting and Deliverables

We will hold an exit conference with DTSC at the conclusion of our preliminary assessment and first audit report and presentation.

1. Hold Preliminary Results Meeting (Exit Conference)

Prior to preparing the draft report and templates, we will meet with DTSC staff to present our preliminary findings. This will likely be presented in a power-point style format containing summaries of what we found, recommendations, etc.

2. Develop Report Outline and Deliverables

Prior to completing the fieldwork, we will start developing a report outline. The report outline will describe the overall message of the report and a description of the findings supporting the report message.

3. Conduct Internal Quality Control Review (IQCR)

In assessing compliance with the generally accepted government auditing standards (GAGAS) general standards for independence, professional judgment, and competence on individual performance audits, the reviewer(s) will complete a checklist with workpaper references filled out by the lead auditor and will ensure completeness and adherence to GAGAS.

[Checklist for Review of Performance Audits Performed is to be completed by the lead auditor and include Work paper references in each appropriate section. Partner and/or Technical Reviewer will review each reference and complete the checklist. This document will be included in CaseWare]

4. Submission of the draft report to DTSC for comment

This task provides representatives from the Division the opportunity to review and comment on the report. Throughout the report period, MGO will work with the Division to respond to questions or issues upon receipt by each reviewer. Tasks to be performed include:

1. Meet with the Division to address comments
2. Agree on changes
3. Update the draft report
4. Submit to the Division
5. Receive additional comments
6. Update the draft report

5. Prepare Final Report

The final report will contain the required contents of a performance audit report are presented in GAGAS section 7.08 and **satisfies Task 4 in the RFP.**

- Objectives;
 - Scope and Methodology;
 - Key Findings;
 - Recommendations, conclusions, as appropriate;
 - A statement about the auditor's compliance with GAGAS;
 - A summary of the views of the responsible officials; and
 - If applicable, the nature of any confidential or sensitive information omitted.
6. Subsequent follow up reports will follow the same template or another template mutually agreed-upon by DTSC and MGO, but will facilitate follow-up to determine whether appropriate corrective actions have been taken since the prior report.

2. Project Logistics

2.1. Team Roles and Responsibilities

A clear definition of the roles and responsibilities of project team members helps to provide a better understanding of involvement, direction, and accountability among the individuals participating in the project efforts. The table that follows presents the roles and responsibilities of the various groups and individuals who will participate in the review.

INDIVIDUAL/ENTITY	ROLES(S)	PROJECT RESPONSIBILITIES
DTSC Zoe Bayar Sara Murillo	Project Sponsors	<ul style="list-style-type: none"> • Ensure project participants are available. • Actively participate in project meetings. • Ensure access to relevant data and DTSC Exide Program representatives. • Provide approval on approach and work plan. • Provide feedback on deliverables such as workplan and draft reports.
Ken Macias, MCG Partner (27%)	Technical Reviewer	<ul style="list-style-type: none"> • Performs quality assurance review of all work products to ensure that all audit work conforms to GAGAS, including workplan, risk assessment, findings, workpapers and final products. • Oversees and reviews all follow up audits to ensure that program expenditures were made in accordance with GAAP. • Ensures all deliverables meet client needs and requirements.
Scott Johnson, Partner	MGO Engagement Partner	<ul style="list-style-type: none"> • Management and client contact for project. • Implements initial engagement planning and coordination. • Responsible for timely completion of all project deliverables • Manages project scope and priorities and voices any issues and risks.
Byron Matson, Senior Manager	MGO Performance Audit - Lead	<ul style="list-style-type: none"> • Develops fieldwork plan, conducts onsite interviews, completes data collection instruments, analyzes data, develop findings and recommendations
Greta Macdonald, Manager	Senior Auditor	<ul style="list-style-type: none"> • Assists Lead Auditor with interview development, designs data collection instruments.
Harrison Murk Senior Associate	MGO Performance Audit - Staff	<ul style="list-style-type: none"> • Assists in all implementation tasks, specifically interviews and fieldwork.
Dennis Nelson DVBE (3%)	Quality Control Reviewer	<ul style="list-style-type: none"> • Reviews all work to ensure compliance with internal quality standards
Mark Cousineau	Subject Matter Expert	<ul style="list-style-type: none"> • Available as needed to ensure compliance with standards.

2.2.Critical Success Factors

The success of this review depends on the culmination of the critical success factors listed below:

- ✓ Access to and active participation of DTSC and Exide program contacts and business unit managers within the finance functional unit.
- ✓ Commitment by all parties to execute the activities within the project plan.
- ✓ Timely access to all relevant and requested data.
- ✓ No lapses or cancellations of scheduled meetings and follow up meetings.

2.3.Communications Plan

Within this section we are providing our proposed project communication plan. Effective communication is critical to the success of any project requiring a cooperative effort. Well-planned and ongoing communication helps prepare internal and external stakeholders for change by involving and educating them, while also managing their expectations. The purpose of the plan is to formalize project status updates and to describe when formal communication will occur with key stakeholders.

The following list contains communication methods that we will utilize to convey and collect information from the DTSC:

- ✓ Monthly progress reports, or more frequently, depending on level of project activity and/or direction from the project sponsor at DTSC
- ✓ Attendance at the following meetings
 - Kick off Conference
 - Exit Conference
 - One-on-one or group interviews
 - Interim results meetings with the project sponsor will be performed on an as-needed basis
- ✓ Other Scheduled Meetings
- ✓ Project Deliverables (workplan and risk register)

We encourage communication with all stakeholders. Scott Johnson, Partner or Mark Cousineau, Project Engagement Director will provide progress updates, or upon request, via written reports to the project sponsor. These progress reports will provide a description of the work that has been performed to date, the work to be completed in the upcoming two weeks, and description of any issues that need immediate attention.