NEW YORK STATE
DEPARTMENT OF TRANSPORTATION

AUDIT GUIDE

CONSULTANT BUSINESS PRACTICES AUDITS
&
CONSULTANT CLOSEOUT DESK REVIEWS
# NYSDOT AUDIT GUIDE

## CONSULTANT BUSINESS PRACTICES AUDITS & CONSULTANT CLOSEOUT DESK REVIEWS

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I. BACKGROUND

a. PURPOSE

The purpose of this audit guide is to provide assistance to auditors performing New York State Department of Transportation (NYSDOT) Business Practices Audits (BPA) and contract closeout audits after a BPA has been performed. This guidance is not to be interpreted as strict directives. The auditor is expected to use professional judgment during the entire examination process.

The objective of a Business Practices Audit is to obtain current information regarding a consultant’s business practices that will allow:

1. The State of New York Department of Transportation to place reliance on the BPA during preaward reviews and closeout audits.
2. The consultant to take timely corrective actions when the BPA results in findings.

The timing of a BPA is every two years, starting six months after the close of the consultant’s fiscal year.

The target number of budgeted hours for a BPA is 250. This may vary depending on the risk assessment and circumstances for a particular audit. For example, budgets may be lower if another auditor has performed a FAR indirect cost audit, or higher if it’s a larger multi-divisional consultant with a high volume of NYSDOT activity but limited audit experience.

b. MATERIALITY

During the course of the examination, the auditor should keep in mind that if audit findings have the potential to change the costs charged NYSDOT all contracts during the period by $10,000 or more, the findings are material.
c. **BPA SCOPE**

The scope of a BPA encompasses four primary areas:

1. **Indirect Cost Rates** – Verify that the Contract Service Firm Annual Financial, Ownership and Accounting Practices Reports (CONR 385) submitted to NYSDOT for the two most current years were accurate and complete (ensure Part IV includes ALL NYSDOT agreements where the consultant is prime or sub); supported by official financial records; and that the indirect cost schedules included therein were prepared in accordance with NYSDOT agreement provisions and Part 31 of the Federal Acquisition Regulation (48 CFR 31).

If the consultant’s indirect cost rates have been audited by another CPA firm, before using the work of that auditor, ensure the other auditor is independent, the auditors performing the audit have a sound knowledge of FAR, and an external review of the other auditor’s audit quality has been performed within the last three years without revealing major quality deficiencies. Be sure to mention the other CPA’s work in the BPA report.

2. **Salary Rosters** – Verify that the Certified Salary Rosters submitted to NYSDOT for the two most current years were true (consistent with professional accomplishment records maintained by the consultant’s Human Resources office), accurate (consistent with official payroll records) and complete, prepared in accordance with NYSDOT Consultant Instruction Code 96-01.

3. **Billings** – Ensure that billings for the two most current years, either directly or through a prime consultant, to NYSDOT for labor, materials, expenses or services charged were actually delivered, incurred or rendered, the prices charged are just, reasonable, and in accordance with the provision of the applicable agreement. The auditor should use “estimates” to test the adequacy of the billing process. Testing should include, but is not limited to areas such as: a) Does the person preparing the bill use official accounting records for all billed items? b) Does this person have a working knowledge of FAR to be able to segregate unallowable expenses from the bill? c) Do employee timesheets equal the number of hours billed? d) Are billed other direct items supported by adequate documentation?
The auditor should include testing of when prime consultants pay their subconsultants. The applicable NYSDOT clause usually requires subconsultant payment within 10 days after the prime is paid. Also, be sure the consultant is not retaining a portion of the subconsultant’s bill, and then billing the entire subconsultant’s bill to NYSDOT. The NYSDOT contracts should not provide the consultant with working capital. In addition, test the subconsultant final voucher payment process, costs and fee, used by the prime consultant. (The prime is responsible for closing out subconsultant contracts and, therefore, should have a pro-active procedure to gather appropriate information to close subconsultant’s contracts.)

4. Accounting System – Verify that the consultant has an acceptable accounting system, costs are segregated by cost objective, adequate and proper justification of the various rates charged to perform work exists, and is aware of the Federal Highway Administration and NYSDOT cost eligibility and documentation requirements in FAR (48 CFR Part 31) and standard NYSDOT contract provisions (e., a) Article 6 “Final Payment”; b) record keeping requirements (Appendix A); and c) cost allowability [Exhibit C or E] of agreement terms).

d. BPA REPORTING

The BPA report will be written in accordance with Government Auditing Standards and the AICPA Compliance Attestation Standards. The report will express a conclusion about the reliability of a written assertion that is the responsibility of another party (the consultant). The AICPA Attestation Standards are contained in AT 601. The GAO is expected, in the near future, to issue a revision to the “Government Auditing Standards” which will address the attestation issue.

The auditor should consider the following points when writing a BPA report:

1. Audit findings should include, in narrative form, the condition, criteria, effect, cause, and recommendation. The auditee’s response and a discussion of any recommended follow-up action should be included. Although separate paragraphs for each of the above areas is unnecessary, the auditor should ensure all areas are covered in the narrative.

At the Exit Conference, request the consultant to prepare a response, including a corrective action plan, for all audit findings. Although only material audit findings will be shown in the BPA report, a Management Letter should be prepared which provides details on audit findings that are “sensitive” or that could become material in the future.
If the contractor responds in detail, summarize the detail so that no proprietary information is included. Include the full consultant’s response with the letter to NYSDOT.

During the course of a BPA audit, an economy and efficiency finding may emerge. These findings should be put into the Management Letter for future consultant action. If findings and recommendations are significant, the NYSDOT Contract Audit Bureau should be notified before the report or management letter are issued.

2. Audit report should not contain extensive details. The audit report will have a wide distribution (e.g., subconsultant’s BPA reports will be given to the prime) and, therefore, these reports should not include any proprietary information. Show the indirect rates, but not amounts. If material audit findings exist, explain the nature of each issue, but show the impact of each issue in percentage terms, not dollars.

3. Show all details in the working papers.

4. Provide a list of direct non-salary expenses that the consultant segregates adequately in the accounting records such as subconsultant, CADD, Travel, Meals, Lodging, and Outside Reproduction. These will be used by NYSDOT in future contract awards.

5. Include an Appendix A showing:

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Prime Consultant (If applicable)</th>
<th>Total Contract or Subcontract Amount</th>
<th>Costs Incurred Year 1</th>
<th>Costs Incurred Year 2</th>
<th>Cumulative Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>D0009999</td>
<td>Roadway</td>
<td>$1,800,000</td>
<td>$500,000</td>
<td>$400,000</td>
<td>$1,200,000</td>
</tr>
</tbody>
</table>

Costs incurred may be costs billed if the auditor has assurance that the official accounting records are being used for billing purposes.

6. In the audit report transmittal letter to the consultant, mention that if more current information is unavailable, the BPA reviewed CONR rate may be used for 30 months if the BPA revealed no material findings or 18 months if findings were reported.

7. If the auditor is using the work of another CPA, usually a FAR indirect rate audit, mention the other audit in the BPA report.
e. CONTRACT CLOSEOUT AUDIT WITH A BUSINESS PRACTICES AUDIT

1. If the BPA has no audit findings perform a desk review:
   a. Gather information from the CAB: State Engineer acceptance of project, contract documents, contract folder, rate history, salary rosters, BPA report on prime and any subconsultants.
   b. Scan the “estimates”, and, if applicable, the CONR 385 submissions for unusual items, obvious potential significant questioned costs, and compliance with special contract terms and conditions including maximum amount payable (MAP).
   c. Confirm that correct indirect rates, and “usage” rates such as CADD, were applied.
   d. Ensure the salary roster rates were used.
   e. Verify the mathematical accuracy of the prime and subconsultant’s costs and fee charged NYSDOT.
   f. Obtain subconsultants’ releases provided to prime consultant.
   g. Follow up any prior BPA findings or other audit leads.
   h. Prepare an “agreed upon procedures” report.

NYSDOT Contract Audit Bureau (CAB) will establish a fixed dollar amount for performing a desk review. The target time budget is 50 hours. However, if the auditor has information regarding additional procedures that should be performed, an Audit Planning Memorandum should be prepared for the consideration of the NYSDOT CAB.

2. If the BPA has material audit findings, perform a desk review that includes all of the above audit steps plus a visit to the consultant to test the area of the material finding. For example, if the billing portion of a BPA reveals the consultant is submitting direct non-salary expenses (DNSE) that have not been entered into the company’s official accounting system, test the DNSE on the closeout contract to the supporting records.

3. If a BPA and a closeout are being done at the same time, perform the BPA first in order to determine the scope of audit needed on the closeout.
I. BACKGROUND

The New York State Department of Transportation Contract Audit Bureau (NYSDOT-CAB) has initiated a program to perform attestation examinations of consultants with the objectives of expediting contract closeouts. The program involves the examination of the consultant’s assertions on its business processes related to NYSDOT contract billings.

[Name of Auditee ] has a high level of consulting activity with NYSDOT.

II. SCOPE

The scope of our engagement is to examine [Name of Auditee ]’s assertions that:

- The Contract Service Firm Annual Financial, Ownership and Accounting Practices Reports (CONR 385) submitted to NYSDOT for the years ended [Periods] were accurate and complete; supported by official financial records; and that the indirect cost schedules included therein were prepared in accordance with NYSDOT agreement provisions and Part 31 of the Federal Acquisition Regulations (48 CFR 31).

- The Certified Salary Rosters submitted to NYSDOT for the years ended [Periods] were true, accurate and complete, prepared in accordance with NYSDOT Consultant Instruction Code 96-01.

- Billings for the two year period ended [Period end dates], either directly or through a prime consultant, to NYSDOT for labor, materials, expenses or services charged were actually delivered, incurred or rendered, the prices charged are just, reasonable, and in accordance with the provision of the applicable agreement.

- The consultant has an acceptable accounting system, adequate and proper justification of the various rates charged to perform work, and is aware of the FHWA and NYSDOT cost eligibility and documentation requirements in 48 CFR Part 31, and standard NYSDOT contract provisions. [a) Article 6 "Final Payment"; b) record keeping requirements (Appendix A); and c) cost allowability (Exhibit C or E) of agreement terms].
Our examination will cover the following business processes as they relate to above assertions:

- Human Resources/Payroll
- Procurement/Cash Disbursements
- Billing
- Overhead rate calculation.

III. RISK ASSESSMENT

Based on the information gathered at NYSDOT, we determined the preliminary audit risks for each business process as follows:

<table>
<thead>
<tr>
<th>Business Process</th>
<th>Risk</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources/Payroll</td>
<td>[High, Median or Low]</td>
<td></td>
</tr>
<tr>
<td>Procurement/Cash Disbursements</td>
<td>[High, Median or Low]</td>
<td></td>
</tr>
<tr>
<td>Billing</td>
<td>[High, Median or Low]</td>
<td></td>
</tr>
<tr>
<td>Overhead Rate Calculation</td>
<td>[High, Median or Low]</td>
<td></td>
</tr>
</tbody>
</table>

The overall risk is assessed as [High, Median or Low].

IV. ATTESTATION EXAMINATION APPROACH

Presented below is our preliminary approach based on our overall risk assessment:

- Document via inquiry and observation, the consultant’s policies, procedures and related internal control over human resources, payroll, timekeeping, purchases, cash disbursements, CONR 385 preparation and billing processes and perform test of controls.

- Review the mathematical accuracy of CONR 385s and reconcile them to the financial statements, trial balances and general ledgers.

- Reconcile salaries and wages amounts to the company’s labor distribution or equivalent reports and with Forms W-2 and 941’s.
• [Without FAR audited overhead rates] Scan purchases journal and/or cash disbursements journal for potential unallowable items.

• [Without FAR audited overhead rates] Analyze miscellaneous revenue and contingency accounts for possible adjustments.

• [Without FAR audited overhead rates] Determine whether costs unallowable per the FAR, contract(s) terms and NYSDOT Policy are correctly presented in the CONR 385.

• [Without FAR audited overhead rates] Review the independent CPA’s work papers to determine whether costs unallowable per the FAR, contract(s) terms and NYSDOT policy are correctly presented in the CONR 385.

• Obtain from CAB, the Certified Salary Rosters submitted for the [Periods], and test to payroll and personnel records of the consultant to verify their accuracy.

• Obtain management representation over management’s assertions.

V. REPORT TO BE ISSUED

• Independent Accountant’s Report on management’s assertions for the years ended [Periods].

• Preaward Report for the years ended [Periods].

VII. HOURS

The budget hours for the assignment is [Hours].
COSO: CE = Control Environment; RA = Risk Assessment; CP = Control Procedures; RC = Record-keeping and Communications; MR = Monitoring and Review

ORGANIZATION:

1. How is this company organized? (CE, CP, MR)

2. What are the legal entities? (CE, CP, MR)

3. Who are the owners? What is their background? (CE, CP, MR)

4. Is there an outside accountant? If yes, who, where are they located and what is their background in the consulting/construction industry? What services are performed? (CE, MR)
   a) audit, review or compilation?
   b) maintenance of records?
   c) taxes?
   d) CONR 385, Overhead?

RECORD KEEPING/ACCOUNTING SYSTEM:

1. How long do you keep your accounting records such as ledgers, journals, journal entries, invoices, canceled checks, etc.? (CP)

2. How long do you keep personnel records such as personal history files, salary history, etc.? (CP)
3. Do you have an outside service processing your payroll or accounting? (Please provide details) (RC, CE, RA)


**HUMAN RESOURCES/PAYROLL:**

1. How is the decision to hire a new employee made? (CP)

2. How is a new employee selected? (CP)

3. How is new employee information, including salary information, entered into the payroll system? (CP, RM)

4. How are subsequent changes (promotion, salary changes) to payroll-related employee information entered into the system? (CP, RM)

5. What are the procedures for preparing time sheets? Is all time accounted for? Are employees’ time sheets reviewed by the supervisor? (CP, RM)

6. Who enters the time sheet information into the payroll system and general ledger? (CP, RM)

7. Who distributes payroll checks to employees? Who signs payroll checks? (CP, RM)
8. Do you offer direct deposit? What documentation do you maintain on direct deposit authorizations? (CP, RM)

9. Do you have a personnel file for each staff? What information does this file contain? What documentation do you have on staff classification and salary history? (CP, RM, RC)

10. Who is responsible for preparing certified salary roster? What steps do you take to ensure its accuracy? (CP, RM, RC)

11. Do you maintain a labor distribution (time analysis) report? If yes, what information does this report contain? (CP, RM, RC)

12. How is payroll information entered into the job cost reports? (CP, RM, RC)

13. Are you using any part-time or contracted labor on NYSDOT work or other clients? (RA, CE)

14. Are you leasing employees or is there any outside administration of fringe benefits? (RA, CE)

PROCUREMENT/ CASH DISBURSEMENTS

1. How is a purchase initiated (describe steps and personnel involved in preparation and approval of purchase requisition or contract initiation documents and personnel responsible for the development of specifications for goods or services)? (CP, RC, RM)

2. How are vendors selected? By who? (CP)
3. Do you get volume discounts? If yes, from whom? How are the discounts recorded? (CP)

4. Are you taking advantage of prompt payment discounts? (CP)

5. What are the steps involved in receipt of goods? Who is responsible for inspection/acceptance of goods? (CE, CP)

6. What are the steps for processing of invoices, employee expense reports, matching of invoices to receiving reports and purchase orders? (CP)

7. What are the steps of preparation of vouchers and journal entries; review and approval of vouchers and je’s and entry to the general ledger? (CP, RM)

8. Who has the authority to sign the checks? Are there any conditions for authorization and/or payments (e.g. transactions above a certain amount)? (CE, CP)


10. Are regular financial reports prepared (by whom) and reviewed (by whom)? (CE, CP, RA, RC, MR)
BILLING:

1. Who has responsibility over preparation, maintenance and review of billing records (describe the steps)? (CE, CP, RM)

2. Are billing documents compared to Job Cost Records? (CE, CP, RM)

3. Who is responsible for ensuring:
   a. Costs billed are supported and conform with contract terms? (CP, RM)
   b. The most current overhead rate is used? (CP, RM)
   c. Fixed fee amounts conform with the NYSDOT contract terms? (CP, RM)

4. How do you ensure that subcontractor/subconsultant are paid timely? (CP, RM)

5. Who is responsible and how do you ensure that for subcontractors/subconsultants:
   a. Costs billed are supported and conform with contract terms? (CP, RM)
   b. The most current overhead rate is used? (CP, RM)
   c. Fixed fee amounts conform with the NYSDOT contract terms? (CP, RM)

6. How do you ensure that costs billed are not incurred prior to Federal-aid authorization? (CP, RM)
CONR 385:

1. Who is responsible for preparing CONR 385? (CP, RM)

2. What steps do you take to ensure that CONR 385 is accurate and conforms with FAR? (CP, RM)

FAR AUDIT PERFORMED BY OUTSIDE AUDITOR:

1. Has any other government agency reviewed the CPA’s audit report? (RA, MR)

2. Please provide a copy of peer review letter of the CPA firm issuing the audit report. (RA, MR)
Mr. Thomas J. Goodfellow, CPA  
Director  
NYSDOT Contract Audit Bureau  
1220 Washington Avenue  
State Campus, 610/7A  
Albany, NY 12232-0868  

(Date)

Dear Mr. Goodfellow:

In connection with your examination of our assertions that: (a) the CONR 385 for the year(s) ended [Period end dates] are accurate and complete, supported by official financial records, and the indirect cost schedules included therein were prepared in accordance with standard NYSDOT agreement provisions and Part 31 of the Federal Acquisition Regulations (48 CFR 31); (b) the certified payroll rosters for the year(s) ended [Period end dates] are supported by payroll and time accounting records; (c) billings to NYSDOT for labor, materials, expenses or services charged were actually delivered, incurred or rendered, the prices charged are just, reasonable, and in accordance with NYSDOT agreement, and (d)[Name of Auditee] has an acceptable accounting system, adequate and proper justification of the various rates charged to perform work, and is aware of the FHWA and NYSDOT cost eligibility and documentation requirements in 48 CFR Part 31, and standard NYSDOT contract provisions - i) Article 6 “Final Payment”, ii) record keeping requirements (Appendix A), and iii) cost allowability (Exhibit C or E) of agreement terms; we confirm, to the best of our knowledge and belief, the following representations made to you during your examination:

1. We are responsible for complying with the following requirements:

   a. Preparation of the CONR 385, including the direct cost schedule, based on our books and records, and in conformance with Federal Acquisition Regulations and NYSDOT requirements.

   b. Presentation of certified salary rosters for labor rates and position classifications based on actual salaries paid to persons in the appropriate labor classifications, determined in accordance with NYSDOT requirements.

   c. Maintenance of systems and procedures and adequate internal controls for time accounting in conformance with NYSDOT requirements.

   d. Time and rates billed on NYSDOT agreements are for actual time charged by persons in appropriate classifications at the appropriate rates pursuant to the certified salary rosters and NYSDOT agreement terms.

   e. Direct non-salary amounts billed to NYSDOT agreements are for items or services provided for in the agreement that were acquired and paid for during the period audited.
2. We are responsible for establishing and maintaining effective internal controls over compliance with NYSDOT agreements.

3. We have performed an evaluation of the company’s internal controls for ensuring compliance and detecting non-compliance with the requirements described above.

4. We have disclosed to you all known non-compliance with requirements described above, including non-compliance occurring after [Period end date].

5. We have made available all documentation and other information related to compliance with the requirements described above.

6. There have been no communications from regulatory agencies, internal auditors, or other independent accountants or consultants regarding possible non-compliance with the requirements described above, including communications received between [Period end date] and [Date of Representation Letter].

7. There have been no fraud or other illegal acts that would have a material effect on the assertions mentioned above.

8. We believe that the effects of the uncorrected misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

9. We have responded fully to all inquiries made to us by you during the engagement.

10. Your report is intended solely for the use of [Name of Auditee], NYSDOT and the prime consultants on NYSDOT agreements that [Name of Auditee] may be working on and should not be used by any other parties.

________________________________   ________
Signature       Date

________________________________
Title
Re: Business Practices Audit Report
Audit: [Assignment Number]
Period: FYE [Period(s) Ended]
Preaward Blanket Expires: [PA Blanket Expiration]

Dear :

Attached for your information and file is a final copy of the referenced audit report.

The report indicates that [Firm Name] has complied with the financial requirements for NYSDOT agreements for the year(s) ended [Period(s) Ended]. The audited rates are as follows:

<table>
<thead>
<tr>
<th>FYE1</th>
<th>FYE2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Rate</td>
<td>[Field Rate1]</td>
</tr>
<tr>
<td>Office Rate</td>
<td>[Office Rate1]</td>
</tr>
<tr>
<td>Combined Rate</td>
<td>[Combined Rate1]</td>
</tr>
</tbody>
</table>

Billings on active agreements should be adjusted for the audited rates for the appropriate periods to the extent such rates do not exceed specific agreement limits for overhead and funds are available for such purposes. [Your CONR 385 rate for FYE [Next CONR Year Due], which is due by [Next CONR Due Date], may be used for preaward pricing purposes for future designations].

For any future negotiations, the following costs are recognized as direct costs in your accounting system:

<table>
<thead>
<tr>
<th>DNSC1</th>
<th>DNSC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNSC3</td>
<td>DNSC4</td>
</tr>
<tr>
<td>DNSC5</td>
<td>DNSC6</td>
</tr>
</tbody>
</table>
A list of active agreements for the audited periods and the prime consultants on those agreements is included in Appendix A of the auditor’s report. We have no objection to the distribution of the results of the audit to those prime consultants listed or to any local government in New York State you may be working with on USDOT Federal-aid projects.

The auditor noted other matters involving [Firm Name]’s business practices which were reported to firm management and NYSDOT in a separate letter.

The Department has established an audit appeals process for the purpose of hearing major disagreements with audit findings after distribution of the final audit report. Any requests for an appeal should be directed to Mr. John Chevalier, Secretary-Audit Appeals Panel, Building 5, Room 420, 1220 Washington Avenue, Albany, NY 12232-0753. The request must be received by this Department no later than four weeks from the date of this letter and must include a “Statement of Facts” of not more than three pages.

We would like to thank you and your staff for your cooperation during the audit.

Sincerely,

Thomas J. Goodfellow, CPA
Director
Contract Audit Bureau

Attachments: Business Practices Report
Report to Management (Firm Only)

cc: R. Grathwol, Contract Management Bureau, 108/5
    G. Sweeney, OEODC, G16/4
NEW YORK STATE
DEPARTMENT OF TRANSPORTATION

REPORT ON BUSINESS PRACTICES REGARDING NYSDOT CONTRACTS

[Periods]

[Name of Auditee]

ASSIGNMENT NO. [XX-16-XXXX]

[Auditor]
CERTIFIED PUBLIC ACCOUNTANTS
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<td>Appendix A</td>
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INDEPENDENT ACCOUNTANT’S REPORT

Contract Audit Bureau
New York State Department of Transportation
Albany, New York 12232

Re: [Name of Auditee]
Assignment No. XX-XX-XXXX

We have examined the following assertions by [Name of Auditee], the Consultant for the years ended [Period end dates]:

C The Contract Service Firm Annual Financial, Ownership and Accounting Practices Reports (CONR 385) submitted to NYSDOT for the years ended December 31, 1999 and 1998 were accurate and complete; supported by official financial records; and that the indirect cost schedules included therein were prepared in accordance with NYSDOT agreement provisions and Part 31 of the Federal Acquisition Regulation (48 CFR 31).

C The Certified Salary Rosters submitted to NYSDOT for the years ended December 31, 1999 and 1998 were true, accurate and complete, prepared in accordance with NYSDOT Consultant Instruction Code 96-01.

C Billings for the two-year period ended December 31, 1999, either directly or through a prime consultant, to NYSDOT for labor, materials, expenses or services or overhead charged were for goods and services actually delivered, incurred or rendered, at actual allowable cost, and fixed fee is charged, all in accordance with the terms of the applicable agreements.

C The consultant has an acceptable accounting system, adequate and proper justification of the various rates charged to perform work, and is aware of the Federal Highway Administration and NYSDOT cost eligibility and documentation requirements in 48 CFR Part 31, and standard NYSDOT agreement terms. [see: a.) Article 6 “Final Payment”; b.) record keeping requirements (Appendix A); and c.) cost allowability (Exhibit C or E) of agreement terms].
These statements are the responsibility of [Name of Auditee]’s management. Our responsibility is to express an opinion on these statements based on our examination.

Our examination was conducted in accordance with Government Audit Standards and attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the assertions listed above and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, [Name of Auditee]’s assertions over its CONR 385s, Certified Salary Rosters, NYSDOT billings and adequacy of its accounting system for the years ended [Period ended dates], have been achieved in accordance with NYSDOT agreement provisions, Part 31 of the Federal Acquisition Regulation (48 CFR 31), applicable NYSDOT Consultant Instructions and other policies referred to in the terms of NYSDOT Agreements.

This report is intended solely for the information and use of [Name of Auditee] and the NYSDOT and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

[Auditor’s Location]
[Date of the Report]
INTRODUCTION

[Use the following paragraph for DBE firms only]
The New York State Department of Transportation has initiated a Pilot Program to perform attestation examinations of Disadvantaged Business Enterprises (DBE) consultants with the objectives of expediting contract close-outs and timely release and payment of retainage held by prime consultants where appropriate.

[Use the following paragraph for all BPA audits]
The attestation examinations were conducted in accordance with Government Auditing Standards and standards established by the American Institute of Certified Public Accountants. The attestation engagement involves the examination of the firm’s assertions on its business processes related to NYSDOT contract billings and compliance over applicable Federal Highway Administration (FHWA), Federal Acquisition Regulations (48 CFR 31) and NYSDOT cost and eligibility requirements.

[Name of Auditee] has a high level of [use the term “sub-consulting” or “consulting” or both] activity with [use the term “NYSDOT prime consultants” or “NYSDOT” or both].

The examinations covered the following key business processes as they relate to [Name of Auditee]’s assertions:

C Human Resources/Payroll
C Procurement/Cash Disbursements
C Billing
C Overhead rate calculation

A. CONR 385s

A Contract Service Firm Annual Financial, Ownership and Accounting Practices Report (CONR 385) is required of contract service firms and associated consultants doing business with NYSDOT to provide current identification and overhead rate information for contract billing and precontract pricing. It also provides basic information on the accounting system and organization of contract service firms for pre-award and post audit purposes. Financial information in the CONR 385 should conform to the standard NYSDOT agreement provisions and Part 31 of the Federal Acquisition Regulations (48 CFR, Chapter I, Part 31). In addition, the CONR 385 has to be certified by an authorized official of the firm, and submitted to the NYSDOT Contract Audit Bureau six months after the end of the fiscal year.
A. CONR 385s - CONTINUED

Methodology and Approach
We reviewed the mathematical accuracy of the CONR 385s and reconciled the same to the general ledger and financial statements. We also reconciled the salary and wage amounts reflected in the CONR 385s to [Name of Auditee]’s payroll registers and payroll tax reports namely, Forms W3 and 941. We ascertained whether indirect cost components are in compliance with FAR and NYSDOT criteria through a review and analysis of sensitive accounts and scanning of cash disbursements journals for potentially significant unallowable items. We also determined that the CONR 385 properly excludes direct costs or like items of costs and that direct technical labor was properly reported. Likewise, we reviewed the reasonableness of compensation for [Name of Auditee]’s key employees and compliance with NYSDOT guidelines. In addition, we performed tests to determine whether cost allocations for field and home office or combined overhead rates are in conformity with NYSDOT policy.

Findings
The result of the findings on the combined overhead rates was a [decrease or increase] of [percentage]% for [1st period end date] and a [decrease or increase] of [percentage]% for [2nd period end date], which resulted in combined overhead rates of [percentage]% and [percentage]%, respectively. [If necessary add “The related field and office rates as adjusted, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Combined</th>
<th>Field</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>109%</td>
<td>101%</td>
<td>119%</td>
</tr>
<tr>
<td>1999</td>
<td>108%</td>
<td>103%</td>
<td>112%</td>
</tr>
</tbody>
</table>

[Note: Rates should be rounded to the nearest whole percentage. The auditor should list here, in brief summary form, all material adjustments made with the appropriate FAR or NYSDOT reference. Use of proprietary details should be avoided. The terms “material adjustments” and “material finding” relate to total NYSDOT agreement billings (or billable charges) in each period. Known questioned costs that are material to the total period billings should be reported. A model for assessing materiality similar to that described in OMB Circular A-133 Section 510 and the related SOP may be used.]
NEW YORK STATE DEPARTMENT OF TRANSPORTATION

REPORT ON BUSINESS PRACTICES REGARDING NYSDOT CONTRACTS
[Name of Auditee]

RESULTS OF THE EXAMINATION - CONTINUED

A. CONR 385s - CONTINUED

Recommendation
["We recommend that the consultant adjust its billings for overhead on NYSDOT projects for the periods audited based on the adjusted rates listed above, subject to the specific terms of its NYSDOT agreements, including maximum payment limitations and agreement rate guidelines.” The auditor should include brief recommendations for each finding or type of finding, as necessary]

Response
[Insert summary response from auditee]

B. CERTIFIED SALARY ROSTERS

Firms currently providing consultant engineering, surveying, and related services to New York State, or in federally aided agreements with various municipalities in New York are required to submit one certified roster for the calendar year listing all their employees providing services in their transportation related organization. The salary rosters are required to be certified by an officer or principal of the firm to attest its accuracy and completeness. The certified salary rosters are due by April 15 of the following calendar year.

NYSDOT Consultant Instruction Code 96-01 enumerates procedures for the preparation of annual salary rosters.

Methodology and Approach
We recalculated the hourly rates presented in the Certified Salary Rosters and agreed these to [Name of Auditee]'s labor distribution, payroll registers, and personnel records. On a sample basis, we traced payroll amounts to evidence of payment and the labor distribution hours to official time records of [Name of Auditee]. We also reviewed the methodology used by [Name of Auditee] to calculate hourly rates and ascertained consistency with NYSDOT Consultant Instruction Code 96-01.

Findings
[Either “Based on the results of our examination, we noted no matters involving the consultant's CONR 385 submission relevant to the standard NYSDOT agreement terms, or FHWA and NYSDOT cost eligibility requirements in 48 CFR Part 31, that we consider material findings for the periods audited” or briefly present each material finding in accordance with standards and include additional sections for “Recommendations” and “Responses”]
C. NYSDOT BILLINGS

Payment requests for work performed under NYSDOT consultant agreements require certification from the consultant that billings, either directly or through a prime consultant, to NYSDOT for labor, materials, expenses or services charged were actually delivered, incurred or rendered, the prices charged are just, reasonable, and in accordance with the provision of the applicable agreement.

Methodology and Approach
For a sample of NYSDOT billings for the periods ended [period end dates], we performed the following:

1. Direct Labor
   C Agreed direct labor hours billed to hours reported in the time sheets.
   C Determined whether the titles and rates billed conform with specific agreement terms through a review of the NYSDOT contract provisions, employee personnel files and certified salary rosters.
   C Determined that hours and payroll costs per payroll register and labor distributions are posted and charged to proper accounts (i.e. as direct and indirect in the general ledger).
   C Agreed payroll information to canceled checks and certified salary rosters.
   C Traced payroll postings to labor distributions and job cost ledgers.

2. Direct Non-Salary Cost
   C Agreed direct non-salary costs to job cost ledgers, vendor invoices, purchase orders, evidence for internal charges and employee expense reports, as applicable.
   C Traced posting to the general ledger.
   C Reviewed classification and compliance with agreement terms, FAR and NYSDOT criteria.

3. Overhead
   C Determined that overhead is billed correctly using the audited, pre-award or CONR 385 rate that is required to be filed if such rates are available in that order.
   C Adjustments for overhead or for other audited costs are properly reflected.
C. NYSDOT BILLINGS - CONTINUED

4. Fixed Fee

C We agreed fixed fee billed to agreement terms.

Findings
[Either “Based on the results of our examination, we noted no matters involving the consultant’s billings relevant to the standard NYSDOT agreement terms, FHWA and NYSDOT cost eligibility requirements in 48 CFR Part 31 that we consider material findings for the periods audited” or briefly present each material finding in accordance with standards and include additional sections for “Recommendations” and “Responses”]

D. ACCOUNTING SYSTEM

In accordance with standard NYSDOT agreement terms, the consultant is required to maintain all books, documents, papers, accounting records and other evidence pertaining to cost incurred and is required to comply with applicable FHWA, FAR and NYSDOT cost eligibility requirements.

Methodology and Approach
We reviewed the adequacy of those internal controls relevant to compliance with the standard NYSDOT agreement terms, FHWA and FAR cost eligibility and documentation requirements.

Findings
[Based on the results of our examination, we noted no matters involving the consultant’s internal controls relevant to the FHWA and NYSDOT cost eligibility and documentation requirements in 48 CFR Part 31, and standard NYSDOT contract provisions that we consider material weaknesses. or briefly present each material weakness in accordance with standards and include additional sections for “Recommendations” and “Responses”]
NEW YORK STATE DEPARTMENT OF TRANSPORTATION

REPORT ON BUSINESS PRACTICES REGARDING NYSDOT CONTRACTS
[Name of Auditee]

RESULTS OF THE EXAMINATION - CONTINUED

D. ACCOUNTING SYSTEM - CONTINUED

We have also identified the following direct cost items that are allowable under NYSDOT consultant agreements. While these costs appear to be adequately segregated in the accounting records, they do not necessarily comprise the direct costs [Name of Auditee] proposes to include in the contract.

[list such as:
C  Travel
C  Reproduction
C  Equipment Rental
C  Prevailing Wage Rate Differentials & Net Supplemental Benefits
C  Special Insurance
C  Subcontractors
C  Outside Services
C  Field Supplies

OTHER MATTERS

[If necessary: “We noted matters involving [Name of Auditee]’s business practices which we have reported to the management of [Name of Auditee] and NYSDOT in a separate letter dated [date of letter].]
[Date]

[CPA Firm and Address]

Re: Assignment: [00-00-0000]
Agreement Number: [D000000]
Consultant: [XYZ, Inc.]

Dear [Beneficiary's Name]:

Your firm has been selected to perform agreed-upon procedures (attached) to assist the Department in closeout of the referenced consultant agreement.

The letter will confirm our understanding of the nature of the services you are to provide for New York State Department of Transportation Contract Audit Bureau under this contract closeout assignment.

You will apply agreed-upon procedures as specified in Attachment A. This will assist us in evaluating [XYZ, Inc.'s] management's assertion that the billings submitted to this Department by XYZ, Inc. under Contract [D000000] are allowable based on the contract provisions, the Federal Acquisition Regulation (48 CFR, Part 31) (FAR), and the policies prescribed by the New York State Department of Transportation. This assignment to apply agreed-upon procedures will be performed in accordance with standards established by the American Institute of Certified Public Accountants and in accordance with Government Auditing Standards issued by the Comptroller General of the United States. We are solely responsible for the sufficiency of the procedures. Consequently, you make no representation regarding the sufficiency of the procedures described herein for the purpose for which this report has been requested or for any other purpose. If, for any reason, you are unable to complete the procedures, you will describe any restrictions on the performance of the procedures in your report.

Because the agreed-upon procedures do not constitute an examination, you will not express an opinion on management's assertion. In addition, you have no obligation to perform any procedures beyond those listed in the attached Agreed-Upon Procedures for Closeouts of Engineering Agreements.

You will submit a report listing the procedures performed and your findings. This report is intended solely for our use, and should not be used by those who did not agree to the procedures and take responsibility for the sufficiency of the procedures for their purposes. Your report will contain a paragraph indicating that had you performed additional procedures, other matters might have come to your attention that would have been reported to us.
The fees for these services are fixed at $______. If you feel significant additional time is necessary to expand the procedures to minimize risk to the state of overpayment to the consultant, you should immediately notify us and prepare and submit a detailed planning memo. You may invoice us for 90% of the fee once we have approved the final report. The remaining 10% may be invoiced after you have submitted the work papers for this engagement to us. If a draft report is issued, you may invoice for 60% of the fee at that time.

We believe that this letter, and the attached agreed-upon procedures, accurately summarize the significant terms of this assignment. If you have any questions, please let us know.

Chapter 153 of the laws of 1984 requires the State of New York to process payments within 60 days of receipt to avoid interest payments to vendors. It is important that all engagements assigned to you proceed in an efficient manner and also that any failure to gain access to a consultant's records be immediately brought to our attention.

Sincerely,

Thomas J. Goodfellow, CPA
Director
Contract Audit Bureau

TJG:___
Attachment
Assignment Letter Attachment - Agreed-upon Procedures for Closeout Audits of Engineering Consultant Agreements (Where There is a Recent Business Practices Audit)

General: The agreed-upon procedures will be performed in accordance with Government Auditing Standards and the AICPA Attestation Standards for Compliance Attestation (part 600 of the AT Standards [draft]).

Materiality: For evaluating materiality, the auditor should use the guidelines for Business Practices Audits (currently projected error expected to exceed $10,000 for all NYSDOT work during an annual period), and should also consider current audit waiver guidelines (currently $300,000) and the projected cost to perform additional audit procedures.

(Note: If there are indications of high risk of possible material audit adjustments, and depending on the nature of the potential adjustments, the auditor should contact the NYSDOT Audit Supervisor immediately and consider preparing an Audit Planning Memorandum (APM) to expand the scope of the audit.)

Procedures (Outline):

1. Obtain and review the following documents.
   a. Copy of contract documents including supplementals and MOU’s
   b. payment estimates
   c. contract payment schedule (payment card) from NYSDOT Accounting Bureau
   d. overhead rate and audit history summary
   e. certified salary rosters
   f. copy of state engineer project acceptance
   g. current Business Practices Audit

2. Review the current Business Practices Audit and determine there are no material findings reported that would have a material effect on the allowability of submitted contract costs. (Note: If there are material findings reported, notify CAB immediately - see above.)

3. Determine that the state engineer has accepted the project.

4. Determine if any of the subconsultants represent a high risk of possible material audit adjustments. (Note: The auditor should consider, among other factors, the Department audit waiver guidelines, the extent of fluctuation in overhead rates, the contractual fee structure, and current Business Practices Audit findings in relation to the submitted amounts and possible material errors affecting submitted sub-consultant costs. Discuss any concerns with the CAB supervisor - see above.)
5. Confirm that correct indirect cost rates, salary rates and titles were used. Salary rates and titles should be conformed on a test basis to the certified salary rosters. Indirect costs and salary rates and titles should be conformed with the agreement terms. (Note: Other rates charged such as CADD, if significant, should also be conformed to agreement terms and audit history if significant.)

6. Scan the payment estimates for any unusual items and review appropriateness.

7. Verify the total amounts and fixed fee amounts for conformance with agreement terms.

8. Follow up on the status of corrective actions on prior BPA findings.

9. Prepare an agreed-upon procedures report, closeout certification (NYSDOT letterhead), and transmittals (NYSDOT letterhead). Any findings should be discussed with the consultant. If there are significant findings, a draft schedule should be presented to the consultant for review and comment.

10. Disclose significant other matters that may come to the auditor’s attention during the course of the audit.
Dear ___________________:

Attached for your information and file is a final copy of the above audit report.

The Department has established an audit appeals process for the purpose of hearing major disagreements with audit findings after distribution of the final audit report. Any requests for an appeal should be directed to Mr. John Chevalier, Secretary-Audit Appeals Panel, Building 5, Room 420, 1220 Washington Avenue, Albany, NY 12232-0753. The request must be received by this Department no later than four weeks from the date of this letter and must include a "Statement of Facts" of not more than three pages.

[FOR OTHER THAN CONSULTANT REPORTS]
This report has been submitted to the _____________________________ for further processing.
OR
[FOR CONSULTANT REPORTS]
If you do not exercise your right to appeal, amount(s) paid to date should be confirmed with the Department’s Accounting Bureau at 518-457-6493 and compared with amount(s) recommended by this audit. Any amounts you owe should be promptly remitted to the Accounting Bureau.

Sincerely,

Thomas J. Goodfellow, CPA
Director
Contract Audit Bureau

Attachment

cc: C. Boorn, Accounting Bureau, 401/5 (2 copies)
R. Grathwol, Contract Management Bureau, 108/5
J. LaBarge, Consultant Management Bureau, G01/4
J. Tynan, Construction Division, 101/4
J. O’Connell, Structures Division, 6th Floor/5Desk Audit w/BPA Report Format
Certification Letter

Office of the State Comptroller
State Office Building
Albany, NY 12236

Re: Contract Audit Report (Final)
   Consultant: ____________________________
   Contract: ___________
   Audit: ________________

Gentlemen:

This is to certify that appropriate audit procedures were performed on Contract D__________ with
_____________________ by ______________________, an employee of the NYS Department
of Transportation. All charges made by the Engineer for work done during the period
_______________________ were found, [after audit adjustments], to be just and true based on
their records and in accordance with the terms of their contract.

Details and work papers of the procedures performed are on file at the NYS Department of
Transportation office and are available to the Comptroller for his examination as may be
necessary. Payment of $____________________ is hereby recommended.

Sincerely,

Thomas J. Goodfellow, CPA
Director
Contract Audit Bureau

cc: C. Boorn, Accounting Bureau, 401/5 (2 copies)
    R. Grathwol, Contract Management Bureau, 108/5
RE: AGREED-UPON PROCEDURES REPORT ON CONTRACT CLOSE OUT RELATED TO A BUSINESS PRACTICES AUDIT

XYZ Associates, P.C.
CONTRACT NO. Dxxxxxx
NYSDOT Assignment Number 00-02-XXXX

We have performed the procedures enumerated below, which were agreed to by the State of New York Department of Transportation, Contract Audit Bureau, solely to assist in evaluating XYZ Associates, P.C.'s assertion that the cost elements and fees submitted under Contract D00xxxx are allowable based on the contract provisions, the Federal Acquisition Regulation (48 CFR, Part 31) (FAR), and the policies prescribed by the New York State Department of Transportation. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with Government Auditing Standards issued by the Comptroller General of the United States of America. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of procedures described below either for the purpose for which this report has been requested or for any other purpose.

Agreed Upon Procedures

1. Obtain and review: copies of contract documents, including supplemental agreements and memorandum of understanding; contract payment estimates and schedules; overhead rate and audit history summaries; certified salary rosters; NYSDOT engineering project acceptance; and, the most current business practice attestation report (BPA) and other recent audits. Note any areas of risk of potential overpayment pursuant to the terms in the paragraph above.

Findings:

2. Review the BPA and determine if there are material findings that would have a material effect on the allowability of submitted contract costs. If there are material findings reported, notify the NYSDOT Contract Audit Bureau immediately.

Findings:

3. Determine if the NYSDOT project engineer has accepted the project.

Findings:
4. Determine if subconsultants charged to the project represent a risk of material audit adjustments. Consider the NYSDOT audit waiver guidelines, the fluctuation of recent overhead rates, the contractual fee structure, and the results of the subconsultant’s current BPA and other recent audits.

Findings:

5. Verify that correct indirect costs rates, salary rates and titles and other rates were used. Salary rates and titles should be conformed on a test basis to certified salary rosters. Indirect cost rates, salary rates and titles should be conformed with the agreement terms. Indirect cost rates and other rates should be conformed with other audits performed, if any.

Findings:

6. Scan the payment estimates for any unusual items and review appropriateness of those items.

Findings:

7. Verify that the total amounts and fixed fee amounts conform with the agreement terms.

Findings:

8. Review status of any corrective action plans on recent audit findings, if any.

Findings:

9. Discuss all findings with the consultant. If there are material findings, a draft report should be presented to the consultant for review and comment. Disclose significant other matters that may come to the auditor’s attention during the course of the audit.

Findings:
We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management’s assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the State of New York Department of Transportation, Contract Audit Bureau and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Signature
Location

MMMMM DD, YYYY
Schedule of Submitted and Adjusted Cost Elements and Fee

For the Period _______________ through ________________

<table>
<thead>
<tr>
<th>Cost Elements and Fee</th>
<th>As Submitted</th>
<th>Adjustment</th>
<th>As Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct technical salaries:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$225,999</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Non-Salary Cost</td>
<td>56,222</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subconsultants:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>ABC</td>
<td>63,662</td>
<td></td>
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</tr>
<tr>
<td>DEF</td>
<td>117,231</td>
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</tr>
<tr>
<td></td>
<td><strong>$180,893</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overhead</td>
<td>282,498</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Fee</td>
<td>58,700</td>
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</tr>
<tr>
<td></td>
<td><strong>$804,312</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total before adjustment for amount over Maximum Amount Payable</td>
<td><strong>$804,312</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amount over Maximum Amount Payable  (4,312)

$800,000

Explanation of Adjustments:
1. General Background:

As required by New York State Department of Transportation (NYSDOT), cost reimbursements paid under Contract No. D00XXXX, awarded to XYZ Associates, P.C., have been subjected to agreed-upon procedures by Lumsden & McCormick, LLP.

Contract No. D00XXXX is a cost plus fixed fee, survey and design agreement for _____________.

2. Basis of Accounting and Presentation:

The schedule was prepared based on the provisions of the contract, the Federal Acquisition Regulation (FAR) 48 CFR, Part 31 and interpretations of FAR by NYSDOT.

3. Project Identification Number (PIN):

(a) The only PIN for this contract was xxx0.00.102.

OR

(b) The following reflects the total costs and fee billed by contract PIN:

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>PIN</th>
<th>Total Costs</th>
<th>Audited/Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>D00XXXX</td>
<td>S118.01.101</td>
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<td>-</td>
</tr>
<tr>
<td></td>
<td>3035.19.121</td>
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<td>3037.54.101</td>
<td>434,585</td>
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<td>609,989</td>
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<tr>
<td></td>
<td></td>
<td>$1,449,567</td>
<td>$1,449,567</td>
</tr>
</tbody>
</table>

AND

(c) There were no non-participating or Federal-aid ineligible costs billed under this contract

OR

(d) Describe non-participating or Federal-aid ineligible costs billed from details in the agreement and based on the audit.
CPA FIRM: ____________________________ ASSIGNMENT NUMBER: ___ - ___ - _____
AUDITEE: ____________________________ AUDIT TYPE: _________________________
EXPECTED DRAFT MO/YR: ___ / ___ EXPECTED COMPLETION MO/YR: ___ / ___
O/H YEARS: _______________________ NYSDOT DTL (per CONR 385 for
(year end dates) O/H Years for Business Practices
AUDIT RISK: High 9 Moderate 9 Low 9 Audits only): _________________________
AGREEMENT NOS: ________ ________ ________ ________ ________ ________ ________
ASSIGNMENT BUDGET Amount: _________________________ Final Due: ____________

APPROVAL RECOMMENDED BY:___________________________ ____________________
Contract Audit Bureau Manager Date

BUDGET APPROVAL BY:___________________________ ____________________
Contract Audit Bureau Director Date

MILESTONE APPROVAL

<table>
<thead>
<tr>
<th>MILESTONE</th>
<th>APPROVAL</th>
<th>POSTED</th>
<th>INITIAL/DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft Report (only If necessary - 60%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FINAL REPORT ACCEPTED (90% cumulative)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WORK PAPERS ACCEPTED (100% cumulative)</td>
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</tr>
</tbody>
</table>

COMMENTS: ______________________________________________________________

FORM MUST BE ATTACHED TO BILL FOR EACH ASSIGNMENT IN WHICH YOU ARE REQUESTING A MILESTONE PAYMENT.