

General Services Administration
Federal Supply Services

Authorized Federal Supply Schedule Price List

Financial and Business Solutions Services

FSC Group: 520
Contract No.: GS-23F-0016T
Contract Period: January 9, 2007 to January 8, 2012
Business Size: Small Business
SBA Certified 8(a) Firm
SBA Certified Small Disadvantaged Business
DUNS No.: 19-9331781

On-line access to contract ordering information, terms and conditions, up-to-date pricing, and the option to create an electronic delivery order is available through GSA Advantage!, a menu driven database system.

The INTERNET address for GSA Advantage! is <http://www.gsaadvantage.gov>

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CUSTOMER INFORMATION

To send RFQ or obtain additional information, please contact:

- Lani Eko; (703) 647-7444, direct (703) 299-9834; FAX: 1-866-211-7964;
leko@laniekocpas.com
- Jamila Webb; (703) 647-7444, direct (703) 299-9837; FAX (866) 211-7964;
jwebb@laniekocpas.com

Ordering Address: Lani Eko & Co., CPAs, PLLC, 110 S. Union Street, Suite 101,
Alexandria VA 22314

Web Address: www.laniekocpas.com

1.a) Special Item Numbers:

- SIN 520-7 Financial and Compliance Audits
- SIN 520-11 Accounting
- SIN 520-13 Complementary Financial Management Services

1.b) N/A

1.c) For prices see below.

2) Maximum Order: \$1,000,000 per SIN.

3) Minimum Order: \$300 per SIN.

4) Geographic Coverage: Nation-wide.

5) Point (s) of Production: 100 N. Pitt Street, Suite 320, Alexandria, VA 22314

6) Discount from List Prices or Statement of Net Price: Prices stated at Net Price.

7) Quantity Discount: Negotiable.

8) Prompt Payment Term: To be negotiated with ordering agency.

9) Government Purchase Card (below micro-purchase level): Yes.

9.b) Government Purchase Card (above micro-purchase level): No.

10) Foreign Items: None

11.a) Time of Delivery: To be negotiated with ordering agency.

11.b) Expedited: To be negotiated with ordering agency.

11.c) Overnight and 2-Day Delivery: To be negotiated with ordering agency.

11.d) Urgent Requirements: To be negotiated with ordering agency.

12. F.O.B. Point(s): Destination.

13.a) Ordering Address: Lani Eko & Company, CPAs, PLLC, 110 S. Union Street, Suite 101, Alexandria, VA 22314
Attn: Lani Eko

<p>13.b) Ordering Procedures: The ordering procedures information on Blanket Purchase Agreements (BPA) and a sample BPA can be found at GSA/FSS Schedule home page (www.fss.gsa.gov/schedules).</p>	<p>14) Payment Address: 110 S. Union Street. Suite 101, Alexandria, Virginia 22314</p>
<p>15) Warranty Provision: Lani Eko & Company, CPAs, PLLC will exercise due professional care and competence in the performance of the services being provided hereunder.</p>	<p>16) Export Packing Charges: N/A.</p>
<p>17) Terms and Conditions of Government Credit Card Acceptance: Government credit cards are not accepted for purchases above micro-purchase level.</p>	<p>18) Terms and Condition of Rental, Maintenance, and Repair: N/A.</p>
<p>19) Terms and Conditions of Installation: N/A.</p>	<p>20) Terms and Conditions of Repairs Parts Including Dates, Price and Discount: N/A.</p>
<p>20.a) Terms and Conditions of Any Other Service: To be negotiated with ordering agency.</p>	<p>21) List of Service and Distribution Points: N/A.</p>
<p>22) List of Participating Dealers: N/A</p>	<p>23) Preventive Maintenance: N/A.</p>
<p>24.a) Special Attributes such as Environmental Attributes: N/A.</p>	<p>24.a) Section 508 Compliance Information: N/A.</p>
<p>25) Data Universal Number System (DUNS) Number: 199331781.</p>	<p>26) Central Contractor Registration: Yes.</p>

About Lani Eko & Company, CPAs, PLLC

After over 20 years of providing auditing and accounting services to federal agencies, including six years as a Senior Manager with the Public Sector Group of Ernst & Young, Mr. Eko founded Lani Eko & Company, CPAs, PLLC (LEC). LEC is a professional and technical services company specializing in auditing and accounting, financial analysis, and management and information technology consulting. Our blend of financial and accounting, management consulting, computer science and general management expertise enables LEC to meet the most challenging and complex client requirements.

The firm you select is only as good as its people. We at LEC pride ourselves in producing solutions that meet and exceed our clients' needs. LEC embraces a tradition of excellence through strong technical and professional competence. As a result of these strengths, LEC is in a highly competitive position to assist our clients in meeting objectives of various federal financial management initiatives. We have assembled an exceptional team of experienced and dedicated professionals that work effectively together, and our clients know that Lani Eko & Company will provide the best service from the most highly qualified professionals. We staff our engagements with professionals who possess significant and relevant experience. Our key professionals are former employees of Big 4 accounting firms and large consulting firms. LEC professionals have extensive experience providing accounting, auditing and consulting services to various Federal entities. Specific tasks performed have included audits of financial statements, evaluations of internal controls, assessment of compliance with laws and regulations, evaluation of consistency between statements, assessments of the relevance and reliability of performance data, and a variety of agreed-upon procedures. Over the last 20 years, LEC's professionals have assisted Federal agencies to overcome disclaimer or qualified opinions on their financial statements due to accounting, budgeting and financial reporting problems. In addition, LEC professionals have provided agencies with documentation of accounting practices and procedures, with recommendations for how they could improve those practices and procedures.

LEC has a proven track record of providing audits, financial management advisory services and information technology services to federal agencies and departments. Our team possesses appropriate skill sets and experience which enables our company to assist our clients with various federal financial management services. By sustaining a strong customer focus, LEC has established and maintained a high level of client trust and confidence through its knowledge of and concern for the clients' business needs. LEC provides client service with proven methodologies, effective communication and appropriate technologies and knowledge. These are critical factors contributing to successful completion of projects within contract terms.

As LEC continues to grow, our goal is to recruit employees of the highest caliber who are committed to excellence and meet the firm's rigid professional standards. This ensures the continuity of a professional team in which we can take great pride and one in which our clients can place their full confidence. Our in-house support staff are dedicated to efficient provision of administrative assistance, providing maximum logistic support

possible to ensure that valuable advisory time is dedicated to attainment of engagements goals.

LEC's success to date is a tribute to the Company's commitment to providing its clients with the highest possible level of service. This commitment is born of the practical conviction that the Company's survival and growth are linked directly to the quality of its work and the extent to which the firm continues to provide its clients with exemplary products and services. Our company approach to management, recruitment, staff development, project performance, and quality control is geared to assuring the delivery of outstanding professional services and products to our clients, on schedule within budget, and in response to the specific technical and administrative requirements of each contract.

LEC's commitment to quality and providing cost-effective services is the cornerstone of our management philosophy. As the basis for our past success, this commitment stands as the foundation for our future growth. Lani Eko & Company is devoted to quality, and we have taken extra steps to assure that we meet and even exceed the professional standards of quality established by Government Auditing Standards and the American Institute of Certified Public Accountants (AICPA). Through dedication and commitment of our management and staff, our firm adheres to the most rigorous criteria of our profession established by Government Accountability Office and by the AICPA.

LEC is a U.S. Small Business Administration certified 8(a) and Small Disadvantaged Business.

Our Services

Lani Eko & Company, CPAs, PLLC diverse and technical expertise includes:

- **Chief Financial Officers' Act and Other Complementary Audits**

We perform CFO Act audits, financial statement audits, financial-related audits and performance audits. An independent assessment of an audited entity's a) financial statements in conformity with generally accepted accounting principles, b) financial information, adherence to financial compliance requirements and internal controls, or c) organization or program performance to identify areas for improvement. We assist agencies in developing questions for use at hearings, develop methods and approaches in evaluating a new or proposed program and forecast potential program outcomes. Also, LEC perform audits to recover funds resulting from overpayments, duplicate payments and underpayments.

- **OMB Circular A-123 Compliance**

The passage of Sarbanes-Oxley Act of 2002 (SOX) has refocused attention of federal agencies and departments to reevaluate current policies relating to internal control over financial reporting and management related responsibilities. To apply the requirements of SOX to federal arena, OMB Circular A-123 was revised through an appendix, Appendix A-Internal Control over Financial Reporting. Appendix-A

emphasizes management responsibilities for establishing and maintaining effective internal control over financial reporting by (i) requiring that documentation be maintained not only of the controls in place but also of the assessment process and the methodology management used to support its assertion as to the effectiveness of the internal control over financial reporting; (ii) requiring that management performed monitoring activities that include direct testing of controls as part of the assessment process; and (iii) requiring separate assurance statement from management on the effectiveness of internal control over financial reporting.

LEC's professionals have gained experience through direct knowledge of providing similar services to federal agencies and departments. Over the years, for major financial processes, including Fund Balance with Treasury, Obligations, Accounts Payable, Appropriations Received, Credit Program Receivables and Liability for Loan Guarantees, we have assisted in assessing risks, planning monitoring and developing testing, developing documentation standards, identifying key controls and compensating controls, and assessing effectiveness of controls. We do not believe in one size fits all approach; therefore, our professionals assist federal agencies and departments in developing Corrective Action Plans that meet their unique needs.

- **Contracts, Grants, and Cost Proposals Audits and Reviews**

LEC professionals assist agencies to determine propriety of grant charges, the financial capability of the prospective contractors, the adequacy of the offerors' accounting systems, the allocability and allowability of charges, compliance with enabling laws, and the reasonableness of proposed costs. The audits are in accordance with Government Auditing Standards, OMB Bulletins and Circulars, the cost principles set forth in Accounting Guide for Government Contracts, Federal Acquisition Regulations, and Cost Accounting Standard Board Rules and Regulations.

- **Accounting and Reconciliations Assistance**

We assist agencies in reconciling Fund Balance with Treasury and general ledger accounts, reconciling differences between proprietary and budgetary accounts, defining accounting transactions that comply with SFFAS requirements; establishing the necessary internal control for maintaining the accuracy and integrity of general ledger accounts; verifying accounting transactional logic and accuracy of balances; and correcting existing errors in the general ledger account balances, and training staff in the proper implementation of accounting policies and procedures. In addition, we perform transaction analysis, transaction processing, data analysis and summarization, technical assistance in devising new or revised accounting policies and procedures, classifying accounting transactions, and conduct special studies to improve accounting operations.

- **Financial Statements Compilations**

LEC assist agencies in compiling financial statements (Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources

and Statement of Financing) that comply with the Statement of Federal Financial Accounting Standards; other generally accepted accounting principles; and agency policies and procedures, and train agencies staff in compilation of financial statements.

- **Auditability Assessment**

We perform assessment of agencies current financial statements, procedures and ability to produce auditable financial statements; develop audit milestones for each implementation task; assist agencies to “cleanse” system data; find suitable alternative solutions to support general ledger balances that no longer have supporting data; enhance the data collection and retention process; and provide recommendations in order that agencies can meet their goals of issuing financial statements that comply with Statement of Federal Financial Accounting Standards.

- **Credit Reform Accounting**

The Federal Credit Reform Act of 1990 (FCRA), as amended significantly changed the way federal government budget and accounts for its credit programs. Under the FCRA, agencies are required to budget for the direct loans and guarantee loans present value of expected long term subsidy cost to the federal government. LEC professionals assist agencies to assess data quality and key assumptions; test loan models; review backcast and sensitivity analysis; assess proprietary of OMB Subsidy Calculator options selected; compare results of modeling to general ledger entries and review disclosures for consistency with SFFAS Nos. 2 and 18.

- **Budgeting**

We assist agencies in assessment and improvement of the budget formulation and execution processes; conduct special reviews to resolve budget formulation or budget execution issues and provide technical assistance to improve budget preparation or execution processes.

Why Use Lani Eko & Company?

The Best People

LEC is not a manufacturer of goods. We are a service provider. As a result, we recognize since the founding of our firm that our people are our greatest resources. At LEC, we nurture a healthy, creative, respectful, and pleasant environment. The foundation of our success is our people and the spirit of cooperation for the good of the company, its employees and customers. Our team consists of seasoned and dedicated federal financial management professionals, who have been both technical specialists in “Big 4” accounting firms and senior managers within federal agencies and departments. LEC’s staff possess a unique combination of essential skills related to Federal financial statement and audit preparation, accounting and reconciliations, OMB A-123 implementation, credit reform issues, budget preparation and execution policies and practices, training and other related areas derived from years of experience serving

Federal clients. Our staff understand the federal financial management arena, and know how to execute an assignment with maximum efficiency.

We Value Quality

At LEC, we understand our core values and business. The values of LEC are reflected in its motto “Quality Nurtured by Leadership and Integrity”. Our values are built on the concept of customer service, innovation, teamwork and experience. Our primary business is providing assurance and financial advisory services to federal agencies and departments. We do not purport to be everything to everyone. We strive to understand our clients’ business and needs, which is why we recruit candidates who have the best combination of experience, skills and cultural fit. Our senior management fosters these values through a cooperative management style reinforced through project management leadership. LEC has a proven track record of accomplishments at federal agencies; we are committed to the success of these agencies, and to developing relationships that bring strong value proposition to our federal clients.

Outstanding Federal Knowledge

LEC is fundamentally different and better than our competition in that our team has a long track record of accomplishments servicing federal agencies and departments. Our team has broad knowledge and understanding of federal financial management initiatives, federal budgetary accounting and proprietary accounting. Our team has assisted federal agencies and departments in complying with federal financial management initiatives, resolving audit findings and recommending solutions to complex accounting issues. LEC through its combination of people experience and knowledge, and proven service delivery, is uniquely qualified to successfully execute federal assignments.

Unsurpassed Service Delivery

LEC success is intrinsically linked with our clients. By employing and retaining seasoned staff who understands the federal financial management arena, investing in knowledge and technology, operating our firm within the framework of the American Institute of Certified Public Accountants and Government Accountability Office professional standards, and recognizing that we need to be flexible and innovative in offering solutions that will meet the needs of our clients today and tomorrow, we consistently strive to provide unsurpassed service delivery.

SPECIAL ITEM NUMBERS EXPERIENCE

520 7 FINANCIAL & PERFORMANCE AUDITS

Lani Eko & Company, CPAs, PLLC provides financial auditing services in accordance with auditing standards generally accepted in the United States and the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Bulletin. Services may include but are not limited to the following:

- Financial statement audits
 - Audit of financial statements prepared in conformity with standards of accounting issued by Statement of Federal Financial Accounting Standards (SFFAS) and by the American Institute of Certified Public Accountants (AICPA)
- Segments of financial statements
 - Audit financial information, e.g. statement of revenue and expenses, statement of cash receipts and disbursements, statement of fixed assets, budget requests, and variances between estimated and actual financial performance
- Internal controls
 - Audit for compliance with laws and regulations such as those governing the bidding for, accounting for, and reporting on grants and contracts including proposals, amounts billed, and amounts due on termination claims
 - Audit financial reporting and/or safeguarding assets including controls using computer-based systems
- Compliance with laws and regulations
- Economy and efficiency audits
 - Assess business practices
 - Evaluate acquisition of appropriate type, quality, and amount of resources at an appropriate cost
 - Assess duplication of effort by employees and work that serves little or no purpose
 - Evaluate the optimum amount of resources (staff, equipment, and facilities) in producing or delivering the appropriate quantity and quality of goods or services in a timely manner
 - Evaluate compliance with requirements of laws and regulations that could significantly affect the acquisition, protection, and use of the entity's resources
 - Assess management control systems for measuring, reporting, and monitoring a program's economy and efficiency
 - Evaluate reported measures of economy and efficiency
- Program results and program fraud audits
 - Assess whether the objectives of a new or ongoing program are proper, suitable,

- or relevant
- Determine the extent to which a program achieves a desired level of program results
- Assess the effectiveness of the program and/or individual program components
- Determine whether the program complements, duplicates, overlaps, or conflicts with other related programs.
- Assess compliance with laws and regulations applicable to the program.

520 11 ACCOUNTING

Lani Eko & Company, CPAs, PLLC diverse and technical accounting expertise includes:

- Analyze, process, and summarize transactions
- Assist in devising new or revised accounting policies and procedures
- Classify accounting transactions
- Perform special studies to improve accounting operations
- Resolve accounting issues
- Resolve and/or implement audit findings
- Assess or enhance accounting internal controls
- Improve operating efficiency and effectiveness

520 13 COMPLEMENTARY FINANCIAL MANAGEMENT SERVICES

Lani Eko & Company, CPAs, PLLC complementary financial management services include:

- Assess and improve financial management systems
- Conduct A-127 system compliance reviews
- Assist with implementation of corrective actions
- Document systems

- Identify systems requirements
- Plan and develop systems
- Assist in meeting agency financial management system requirements
- Assess and improve financial reporting and analysis
- Develop new reporting formats and pro-forma financial reports
- Assist in improving and streamlining reporting and analysis processes
- Perform cost-benefit or other special financial analyses
- Assist with the requirements of the Government Performance & Results Act
- Assist with devising and implementing performance measures and related processes and systems
- Assist with strategic and operational financial planning
- Resolve audit recommendations
- Assist in managerial cost accounting
- Assist in financial policy formulation and development
- Perform economic and regulatory analyses:
 - Develop methods for analyzing costs, benefits and impacts of regulations and policies.
 - Collect data and prepare Information Collection Requests for approval by OMB.
 - Conduct exposure and risk analyses.
 - Develop, modify or apply risk characterization models to analyze and evaluate policies, programs and regulations.
- Perform actuarial services and/or actuarial data analysis services:
 - Collection, analysis, editing, calibration and data entry of Employee Benefit Plan information.
 - Conduct updates of a full actuarial valuation pension plan database, program major upgrades or significant new modeling capabilities.
 - Perform quantitative analysis of covered pension plans to identify plans that are

potentially noncompliant or underfunded.

- Assist with quality assurance efforts.

PAST PERFORMANCE

OFFICE OF THRIFT SUPERVISION

Lani Eko & Company, CPAs, PLLC is engaged by the U.S. Department of Treasury, Office of Inspector General, as the auditor on the FYs 2011, 2010, 2009 and FY 2008 audits of the financial statements of the Office of Thrift Supervision, a component of the U.S. Department of Treasury. The engagement included evaluation of internal control structure and assessment of compliance with applicable laws and regulations. The audits were conducted in accordance with the following audit standards: Government Auditing Standards issued by the Comptroller General of the United States (yellow book); GAO/PCIE Financial Audit Manual, and applicable Office of Management and Budget Bulletin, *Audit Requirements for Federal Financial Statements*.

DEFENSE NUCLEAR FACILITY SAFETY BOARD

Lani Eko & Company, CPAs, PLLC was engaged by DNFSB to perform audits of the financial statements for the fiscal years 2010, 2009 and 2008. The engagement included evaluation of internal control structure and assessment of compliance with applicable laws and regulations. The audit will be conducted in accordance with the following audit standards: Government Auditing Standards issued by the Comptroller General of the United States (yellow book); GAO/PCIE Financial Audit Manual, and applicable Office of Management and Budget Bulletin, *Audit Requirements for Federal Financial Statements*.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES – Service and Supply Fund

Lani Eko & Company, CPAs, PLLC is engaged to perform the audit of U.S. Department of Health & Human Services – Service & Supply Fund (SSF) consolidated Balance Sheet as of September 30, 2008, and an analysis of Retained Earnings as of September 30, 2008; and an audit of the Consolidated Balance Sheet as of September 30, 2009, and related Statements of Net Cost, Changes in Net Position; and analysis of Retained Earnings as of September 30, 2009. The audits will be conducted in accordance with the following audit standards and guidance: Government Auditing Standards issued by the Comptroller General of the United States (yellow book); GAO/PCIE Financial Audit Manual, and Office of Management and Budget (OMB) Bulletin 07-04, *Audit Requirements for Federal Financial Statements*. Accordingly, we will perform the following:

- Determine whether the basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- Obtain an understanding of the components of internal control and assess the level of control risk relevant to the assertions embodied in the classes of transactions, account balances, and disclosure components of the financial statements in accordance with paragraph 6.8 of the Bulletin.
- Obtain an understanding of the components of internal control relating to the existence and completeness assertions relevant to the performance measures included in the MD&A in accordance with paragraph 6.11 of the Bulletin.
- Perform tests of compliance with laws and regulations in accordance with paragraph 6.12 of the Bulletin.

- Prepare separate audit reports on the financial statements, internal control, and compliance with laws and regulations in accordance with Section 7 of the Bulletin.

U.S. DEPARTMENT OF EDUCATION

Lani Eko & Company served as a subcontractor on the 2011, 2010, 2009, 2008, 2007, 2006 and 2005 CFO Act audits of the U.S. Department of Education (the Department). The audits were performed in accordance with generally accepted auditing standards, **Government Auditing Standards, issued by the Comptroller General of the United States, and applicable Office of Management and Budget Bulletin, *Audit Requirements for Federal Financial Statements*.**

Lani Eko, a key member of LEC's team, served as the Project Manager on the CFO Act audits of the Department for fiscal years 1999, 2000, 2001, 2002, 2003 and 2004. From 1998 through 2002, the Department faced similar issues confronting federal agencies today such as disclaimer or qualified audit opinions, material weaknesses or reportable conditions in internal control, restatement of prior years' financial statements balances. Working cooperatively with the Office of Inspector General and the Department's Office of the Chief Financial Officer, we identified several material weaknesses and reportable conditions, and recommendations which the Department was able to address. As a result, the Department received its first unqualified opinion from an IPA in 2002. In 2003, the Department became the first and only cabinet level agency awarded the President Award for Excellence in financial reporting, and the Department also met the accelerated reporting deadlines in FYs 2004 and 2003.

Also, Lani Eko served as the independent review manager on the financial advisory engagement to the Department. The purpose of the engagement was to evaluate the processes by which payments can be made by the Department and to determine if these processes were adequately controlled and effective. The engagement composed of three phases: a) identification of the 12 key payment processes (\$50 billion disbursed annually) by the Department employees; b) developing business process maps that document each payment stream; and c) identification and reporting of opportunities for enhancement of controls and improved efficiencies in the identified payment streams. The engagement resulted in 12 reports documenting business process maps, observations, corrective actions and best practices.

USDA – FARM SERVICE AGENCY

Farm Service Agency has contracted with Lani Eko & Company for the following financial management support services:

Compilation of Financial Statements

- Compile financial statements and footnotes in accordance with OMB Circular A-136, subsequent revisions and supplements to the bulletin by OMB or USDA, and changes to the FSA methodology, and other applicable criteria. The five required financial statements are the Balance Sheet and Related Notes, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources.

- Prepare a trial balance and set of double-entry journal vouchers supporting adjustments and reclassifications to the general ledger for the financial statements.
- Prepare cross-referenced workpapers and schedules documenting and supporting each line on the trial balance and clearly explaining the reasons for any journal voucher adjustments.
- Prepare cross-referenced work papers and schedules supporting each line item on principal financial statements or footnotes.
- Develop and complete a quality review process to ensure all data in the financial statements and footnotes is supported by the work papers and the trial balance, that common data elements appearing in more than one statement and/or footnotes are identical, and that revisions and changes are correctly posted to the work papers, trial balance, and financial statements and footnotes.
- Summarize elimination entries that identify transactions with other Federal agencies.
- Present the FSA financial statement data in other formats, including the input for USDA financial statements and the input for the Federal Agency Consolidated Trial Balance (FACTS) transmissions.

Tie-Point Project

- The goals of Tie-Point Project are to: help agencies detect certain variances before they prepare and submit quarter-end or year-end accounting data; highlight new USSGL issues; help users gain a better understanding of USSGL-based accounting and reporting; and improve the integrity of data at the Government-wide level. We assisted FSA in validating tie-points and document specific exceptions.
- Develop, document and implement General Ledger (GL) review and analysis procedures on a monthly basis. The objectives of this work are to: sustain the integrity of the trial balance at the Treasury symbol level; ensure that all applicable account relationships are maintained; identify and resolve issues at the Treasury symbol level; propose corrective action; and inform senior management of any underlying issues, findings, and adjustments; and revise financial statements and corresponding footnotes.
- Performed GL analysis and support including: accounts relationships, variance analysis, and program analysis.

Audit Resolution

- Resolve Audit Findings, Adjust and Revise Financial Statements and Corresponding Footnotes.
- Resolve audit findings, proposed audit adjustments, revise the financial statements

and footnotes as necessary, and make alterations to the financial statement development process.

- Implement revisions suggested by auditors due to: availability of additional information, changes in underlying data, or other changes necessary to avoid a qualification or an adverse opinion, or changes in the process by which financial statements are developed.
- Respond to auditors questions, through FSA staff, relating to the work performed by the contractor.
- Ensure that revisions are properly documented and all affected accounts are appropriately adjusted.
- Assist in implementing auditor revisions, and other recommended improvements, in the development process. This includes changes necessary to help the agency move towards receiving an unqualified opinion on the next set of financial statements.

Methodology for Compiling Financial Statements

- Evaluate and analyze the existing financial statement and propose revisions for preparation of the FY 2007 FAS financial statements in accordance with regulatory requirements contained in OMB Circular A-136 and other relevant publications.
- Develop a detailed, step-by-step, written methodology (in written and electronic format) guide for financial statement compilation and footnotes preparation.

Review and Improve Financial Statement Process

- Prepare report on the FY 2007 financial statement process, including a list of suggested improvements in statement preparation, data gathering, and statement compilation, for consideration by the FSA Financial Management Division.
- Make necessary adjustments to the financial statement process methodology using experience gained during the FY 2007 financial statement development process.
- Implement suggested improvements and monitor changes in the process.
- Document and update the Standard Operation Procedure (SOP) and make necessary adjustments to the methodology using authoritative guidance, and implement suggested improvements and monitor changes in the process.

FEDERAL STUDENT AID

One of the most significant provisions of the 1998 Reauthorization of the Higher Education Act was the creation of a Performance Based Organization, Federal Student Aid (FSA), within the U.S. Department of Education (the Department). FSA is a discrete

management unit responsible for managing the operational functions supporting the Title IV programs (Title IV covers all operations dealing with post-secondary institutions, including FFEL Program loans, direct loans, Pell grants, etc.). The U.S. Department of Education, Office of Inspector General engaged LEC to evaluate the appropriateness and effectiveness of internal control over selected aspects of FSA operations, in accordance with the **Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* and *Internal Control Management and Evaluation Tool* and the Office of Management and Budget's (OMB) *Circular A-123, Management's Responsibility for Internal Control***, and internal controls generally.

The engagement covers the following FSA's operations that are considered highest priority for internal control reviews:

- Federal Family Education Loan (FFEL) Program Lender Oversight – Evaluation of FSA's controls to ensure that lenders are performing in accordance with relevant laws, regulations, and guidance, and lender billings are accurate.
- FFEL Program Guaranty Agency Oversight – Evaluation of FSA's controls to ensure that guaranty agencies are performing in accordance with relevant laws, regulations, and guidance, and guaranty agency billings are accurate.
- FFEL Program Loan Servicer Oversight – Evaluation of FSA's controls to ensure that loan servicers are performing in accordance with relevant laws, regulations, and guidance, and that loan collections are maximized.
- FFEL Program Loan Consolidation Oversight – Evaluation of FSA's controls over the consolidation process to ensure loans are consolidated in accordance with laws, regulations, and guidance.
- FFEL Program Oversight of Collection Agency Contractors – Evaluation of FSA's controls over the collection agency contractors to ensure that the contractors are performing in accordance with laws, regulations, and guidance, and as required by the contracts.

U.S. DEPARTMENT OF JUSTICE

From 2005 to 2010, LEC is part of the team assisting the U.S. Department of Justice in implementing the requirements of **OMB Circular A-123, *Appendix A-Internal Control over Financial Reporting***. Functions performed include: documentation of controls that have direct and material effect on financial reporting, control techniques, and compensating controls, b) assessment of internal control, c) documentation of management methodology for supporting assertion as to effectiveness of internal control, and d) testing of controls to ensure that they are in place and operating as intended.

LEC's professionals have gained experience through direct knowledge of providing similar services to federal agencies and departments. We have assisted in assessing risks,

planning monitoring and developing testing, developing documentation standards, identifying key controls, control techniques and compensating controls, and assessing effectiveness of controls.

U.S. DEPARTMENT OF STATE

Lani Eko & Company, CPAs, PLLC is under contract to provide audit and financial advisory services on the programs, activities and functions of the U.S. Department of State including Broadcasting Board of Governors, and other Federal entities under the authority of the Secretary of State (including U.S. embassies and consulates, U.S. sections of international organizations, and joint voluntary agencies). Specifically, LEC shall:

- Provide technical aid and training
- Perform financial audits, performance audits, indirect cost audits, special purpose audits, or expanded scope audits.
- Perform pre-award surveys, pricing reviews, quality control reviews, evaluations, analysis, and follow-ups.
- Conduct surveys, provide technical assistance, and prepare audit plans and reports.
- Perform other work under the Inspector General Act of 1978, the Foreign Services Act of 1980, and the Chief Financial Officers Act of 1990.

U.S. DEPARTMENT OF DEFENSE

Lani Eko & Company, CPAs, PLLC is under a Blanket Purchase Agreement to support the Office of the Undersecretary of Defense (Comptroller), Defense Finance and Accounting Services and the Department of Defense activities. Specifically, LEC will provide support in the following areas:

- **Examination of Financial Management System Auditability:** The objective of these engagements is to assess whether the Financial Management System, which includes the Enterprise Resources System (ERP), will support an unqualified audit opinion. LEC will perform an examination to determine whether management's assertion that these portions of the entity are auditable. The scope of the examination will be determined in accordance with the Government Accountability Office/President's Council on Integrity and Efficiency (GAO/PCIE) Financial Audit Manual.
- **Audit Readiness Validation Examination:** The objectives are to determine whether management's assertion of audit readiness of a specified element, account, line item or financial statement is fairly stated in all material respects; and to obtain sufficient information about any deficiencies discovered during the engagement and detailed recommendations that, when implemented, will result in the specified element, account, being audit ready. LEC will perform an examination in accordance with, *Government Auditing Standards*, and the Statements on Standards for Attestation Engagements (SSAE), specifically AT Section 101, *Attest Engagement*.

- **Audit:** The objective of the audit will be to determine if the specified element, account, line item or financial statement presents fairly, in all material respects, the balance of the specified element, account, line item or financial statement. LEC will perform an audit of a specified element, account, line item or financial statement in accordance with, SAS 62, *Special Reports* (AICPA Codification of Statements on Auditing Standard (AU) Section 623, *Special Reports*); *Government Auditing Standards, July 2007 Revision* (GAO-07-731G), and the *GAO/PCIE Financial Audit Manual*.

U.S. DEPARTMENT OF TREASURY

Lani Eko & Company, CPAs, PLLC (LEC) was awarded a contract for services to support the U.S. Department of Treasury, Office of Financial Stability (OFS) and other Treasury financial programs and initiatives. The services under this contract include:

- **Accounting Services**
LEC will support U.S. Treasury's management and staff in recording, reconciling, and reporting financial transactions in conformance with generally accepted accounting principles. The requirements address the provisions of providing accounting support and assistance to achieve and maintain an unqualified financial statement audit opinion surrounding activities such as: a) credit reform accounting and modeling; b) budgeting; c) internal accounting controls; and d) accounting considerations for financial institutions.
- **Internal Controls**
LEC will support U.S. Treasury's management and staff with: a) developing and sustaining a robust internal control program; b) maintaining/achieving unqualified statements of assurance of internal control processes; c) responding to internal and external auditor, reviewer, and oversight bodies; d) providing recommendations specific to enhancing internal controls; e) developing frameworks and plans to identify, document, test, and amend controls; f) identifying, managing, and mitigating risks; and g) managing asset-related activities.
- **Program Compliance**
Supporting U.S. Treasury's management in the areas of designing, implementing, maintaining, and executing a robust compliance management regime in support Treasury programs and processes. LEC shall provide overall support to ensure compliance with applicable laws, regulations, legal agreements, and business documents.
- **Systems - Requirements, Life-Cycle Planning, Development, and Independent Verification and Validation (IV&V)**

LEC will support U.S. Treasury in managing, developing, designing, documenting, testing, deploying, operating, and maintaining systems associated

with managing Treasury programs and operational activities. This support shall include a reasonable assurance that the system, as defined, complies with all applicable laws and regulations, including controls around handling personally identifiable information and which include the ability to perform auditable and reportable quality control edits. LEC shall assist with the planning, design, development, and integration of business and functional systems in support of Treasury operations. Upon system deployment, LEC shall assist with regular review and planned/ad-hoc system upgrades as needed.

- **Organizational Design and Maintenance**

LEC will support Treasury's management and staff in the design, development, maintenance, and socialization of organizational and operational models and structures; job descriptions and core competencies; and, policies and procedures. This includes making recommendations based on research and knowledge of best practices and assisting management with documenting, maintaining, and socializing business processes, information technology upgrades, and implementation of new systems to support organizational re-engineering.

FEDERAL COMMUNICATIONS COMMISSION/UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

The Federal Communications Commission (FCC) appointed the Universal Service Administrative Company (USAC) as the permanent administrator of the Universal Service Fund (USF) and the Universal Service Support Mechanisms as set forth in Title 47, Part 54, Section 701 of the Code of Federal Regulations. Annually, USAC disburses over \$2.5 billion to state and local school districts and Rural Health Care facilities

Lani Eko & Company performed nation-wide audits of 15 Rural Health Care facilities and 20 state and local school districts that are beneficiaries of the Universal Service Fund and the Universal Service Support Mechanisms. The objectives of the audits were: (a) to provide an opinion as to whether the RHC are in compliance with FCC's rules and regulations governing the USF program, set forth in 47 CFR Part 54, relevant FCC orders, and USAC implementing procedures, (b) detect waste, fraud, and abuse by RHC, (c) identify areas for improvement in the administration of the Universal Service Support Mechanism, and (d) identify improper payments made from the Universal Service Fund. The audits were conducted in accordance with auditing standards generally accepted in the United States and the **standards applicable to audits contained in *Government Auditing Standards, issued by the Comptroller General of the United States.***

U.S. DEPARTMENT OF ENERGY

LEC is engaged by the U.S. Department of Energy – Office of Inspector General to perform agreed-upon-procedures addressing subgrantees' accounting for and use of the \$5 billion Weatherization Assistance Program funds and State Energy Program funds provided by the Recovery Act. Specifically, for five (5) subgrantees, we determined whether: eligibility requirements were met; subgrantees complied with applicable regulations; costs were accurately reported; subgrantees were reimbursed for only

allowable costs in accordance with applicable cost principles; funds were spent on eligible energy projects involving local stakeholders and private-sector partners; subgrantees were spending available funds in accordance with project schedules and deadlines; and Recovery Act funds were properly accounted for, segregated, and reported. The engagement was conducted in accordance with all applicable requirements, such as the standards applicable to agreed-upon-procedures attestation engagements contained in generally accepted *Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States ("Yellow Book")*. Criterion for the audit includes the: *Recovery and Reinvestment Act of 2009; Energy Policy Act of 2005; Energy Independence and Security Act of 2007, Weatherization Program Notices and State Energy Program Guidance* issued by the Office of Energy Efficiency and Renewable Energy's Office of Weatherization and Intergovernmental Programs, and the terms of the subgrant. In addition, allowable costs were determined based on any applicable costs principles, such as *OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments and OMB Circular A-122 Cost Principles for Non-Profit Organizations*, as well as the terms of the subgrant and applicable Program criteria.

FEDERAL COMMUNICATIONS COMMISSION – Property Management Systems

Lani Eko & Company is engaged by the Office of Inspector General, Federal Communications Commission (FCC), to perform program audit of the FCC's compliance with the *Financial Systems Integrations Office, FSIO, (formerly Joint Financial Management Improvement Program)* Federal Financial Management System Requirements for Property Management Systems. Federal agency property management systems are critical for establishing financial accounting and maintaining physical accountability over property. Such systems assist property managers in managing their property in accordance with missions, roles, and regulations established by Congress.

The engagement was conducted in accordance with Government Auditing Standards. The execution of the engagement requires knowledge and experience with various federal guidelines and initiatives including: Publication Number JFMIP-SR-00-04, dated October 2000, titled "Property Management Systems Requirements"; *OMB Circular A-123; OMB Circular A-127, Financial Management Systems; GAO Property Management Systems Requirements Checklist; U.S. General Services Administration's Federal Personal Property Desk Reference; GAO Acquisition/Financial Systems Interface Requirements; and GAO Inventory System Checklist.*

FEDERAL COMMUNICATIONS COMMISSION – Travel and Purchase Card Program

Lani Eko & Company, CPAs, PLLC is engaged by the Office of Inspector General, Federal Communications Commission (FCC), to conduct the program audit of the FCC's Travel and Purchase Card Programs for the fiscal year 2009. This audit examined the FCC's travel and purchase card programs' compliance with GSA directives, Federal Travel Regulation, and guidance and best practices provided in *OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs.*

U.S. DEPARTMENT OF TREASURY – Office of Financial Stability

Lani Eko & Company served as subcontractor on a U.S. Department of Treasury, Office of Financial Stability (OFS) accounting support services for the Federal Trouble Asset Relief Program (TARP). We assisted in drafting of the OFS Credit Reform Accounting Procedures, general ledger accounts created for Transactions Under the TARP, OFS Financial Reporting Position Paper #09-01, Accounting for Certain TARP Transactions, Accounting for Direct Loan and Guarantee Loan Transactions under Credit Reform, OFS Management Assurance statement for the MDA, and Internal Controls Sub-Certification Checklist. Also, we performed reconciliations to ensure that all the transactions data in the Central Data Repository oracle were prepared and included in the OFS financial statements.

Also, LEC is a teaming member of PwC in documenting and testing internal control for the U.S. Department of Treasury, Office of Financial Stability (OFS). LEC personnel performed tests of controls over significant accounting cycles and compliance with laws and regulations that have direct and material effect on amounts in the financial statements.

USDA – Natural Resources Conservation Service (NRCS)

Lani Eko & Company is the primary subcontractor on a Financial Audit Remediation service to assist NRCS in identifying and correcting deficiencies; updating and documenting procedures; providing appropriate training to sustain the long-term effect of the improvements, identifying best practices, and help to position NRCS for auditability by FY 2011. We will clean-up financial and administrative information to improve accuracy and reliability of financial statements; formulate recommendations to further improvement in the NRCS financial management process; develop recommendation of procedures needed to improve efficiency, correct deficiencies, and comply with accounting and auditing standards; develop standardized process for financial operations and train NRCS employees in the implementation of procedures and process.

U.S. DEPARTMENT OF TRANSPORTATION – Federal Highway Administration

Lani Eko & Company served as a subcontractor on the 2005 CFO Act audit of the Federal Highway Administration (FHWA). The audit was performed in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and applicable Office of Management and Budget Bulletin, 01-02 Audit Requirements for Federal Financial Statements. LEC staff served in supervisory positions on the FHWA audit and primary responsibilities included planning and supervision of the following audit areas: Fund Balance with Treasury, Investments, PP&E, Loans Receivable, Debt to Treasury, Statement of Budgetary Resources, and Statement of Financing.

U.S. DEPARTMENT OF VETERANS ADMINISTRATION

Lani Eko & Company performed nation-wide audits of the seven (7) VA Consolidated Mail Order Pharmacy (CMOP) facilities. The objectives of the audits were to assist

management in reviewing, analyzing and evaluating its accounting records, financial procedures and internal controls. The audits were conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to audits contained in ***Government Auditing Standards, issued by the Comptroller General of the United States.***

FABS RATES

- SIN 520-7 Financial and Performance Audits
- SIN 520-11 Accounting
- SIN 520-13 Complementary Financial Management Services

Labor Category	1/9/2007 Through 1/8/2008	1/9/2008 Through 1/8/2009	1/9/2009 Through 1/8/2010	1/9/2010 Through 1/8/2011	1/9/2011 Through 1/8/2012
Partner/Principal/Heavy Senior Manager	\$140.00	\$144.20	\$148.53	\$152.98	\$157.57
Senior Manager	\$110.00	\$113.30	\$116.70	\$120.20	\$123.81
Manager	\$ 88.00	\$ 90.64	\$ 93.36	\$ 96.16	\$ 99.04
Supervisor	\$ 74.25	\$ 76.48	\$ 78.77	\$ 81.13	\$ 83.57
Senior Auditor/Accountant	\$ 62.00	\$ 63.86	\$ 65.78	\$ 67.75	\$ 69.78
Staff Auditor/Accountant	\$ 49.50	\$ 50.99	\$ 52.51	\$ 54.09	\$ 55.71

LABOR CATEGORIES

Partner/Principal/Heavy Senior Manager

Education: Bachelor's degree in accounting or other technical field from an accredited college or university with at least 24 semester hours in accounting.

Experience: Minimum of 10 years.

Certification: CPA or CGFM.

Areas of Specialization/Concentration: Audit and financial accounting assistance services.

Special Skills, Knowledge: Proficient knowledge of GAAP, GAAS, federal regulations, guidelines, standards and concepts, or other relevant industry practices pertaining to the engagement.

Responsibilities: Responsible for scope, direction and completion as well as the commitment of the Firm's resources to the engagement plan. Monitors the status of the engagement, and responsible for communications with the client, overall project management, quality control and presentation of final work product.

Senior Manager

Education: Bachelor's degree in accounting or other technical field from an accredited college or university.

Experience: Minimum of 7 years.

Certification: CPA or CGFM (8 years of audit or audit-related experience may be substituted for CPA/CGFM certification based on partner approval).

Areas of Specialization/Concentration: Audit and financial accounting assistance services.

Special Skills, Knowledge: Proficient knowledge of GAAP; GAAS; federal regulations, guidelines, standards, and concepts; or other relevant industry practices pertaining to the engagement.

Responsibilities: Manage and supervise project teams, provide on-site quality control, monitor engagement budget, plan and assign tasks to project team, advise and consult partners of all significant developments, review workpapers, oversees drafting of reports, provide technical assistance to federal agencies and project staff.

Manager

Education: Bachelor's degree in accounting or other technical field from an accredited college or university.

Experience: Minimum of 5 years.

Certification: CPA or CGFM (6 years of audit or audit-related experience may be substituted for CPA/CGFM certification based on partner approval).

Areas of Specialization/Concentration: Audit and financial accounting services.

Special Skills, Knowledge: Proficient knowledge of GAAP, GAAS, federal regulations,

guidelines, standards and concepts, or other relevant industry practices pertaining to the engagement.

Responsibilities: Manage and supervise project teams, provide onsite quality control, monitor engagement budget, plan and assign tasks to project team, act as liaison between project senior and project partner/principal, review workpapers, provide technical assistance to federal agencies and project staff.

Supervisory Senior

Education: Bachelor's degree in accounting or other technical field from an accredited college or university with at least 24 semester hours in accounting.

Experience: Minimum of 4 years.

Certification: CPA or CPA candidate.

Areas of Specialization/Concentration: Audit and financial accounting assistance services.

Special Skills, Knowledge: Proficient knowledge of GAAP, GAAS, federal regulations, guidelines, standards and concepts, or other relevant industry practices pertaining to the engagement.

Responsibilities: Supervise senior and staff auditors, provide technical guidance on work assignments, independently perform major segments of engagement, act as liaison between project staff and project manager, and perform assigned tasks related to the engagement.

Senior Auditor

Education: Bachelor's degree in accounting or other technical field from an accredited college or university.

Experience: Minimum of 2 years

Certification: CPA or CPA candidate.

Areas of Specialization/Concentration: Audit and financial accounting assistance services.

Special Skills, Knowledge: Proficient knowledge of GAAP, GAAS, federal regulations, guidelines, standards and concepts, or other relevant industry practices pertaining to the engagement.

Responsibilities: Performs field work, and supervises and review staff accountants' work.

Staff Auditor

Education: Bachelor's degree from an accredited college or university.

Experience: None required.

Certification: None required; CPA candidate preferred.

Areas of Specialization/Concentration: Audit and financial accounting assistance services.

Special Skills: Ability to work with minimal direct supervision.

Responsibilities: Performs specifically assigned tasks in accordance with directions provided by senior, manager, senior manager and partner.

APPENDIX – A: AICPA PEER REVIEW LETTER

Benjamin & Associates LLC

Certified Public Accountants

System Review Report

September 25, 2009

Review Number 281055

To the Managing Member of Lani Eko & Company, CPAs, PLLC
And the Peer Review Committee of the VSCPA

We have reviewed the system of the quality control for the accounting and auditing practice of Lani Eko & Company, CPAs, PLLC (the firm) in effect for the year ended April 30, 2009. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included (engagements performed under the Government Auditing Standards, and Attestations).

In our opinion, the system of quality control for the accounting and auditing practice of Lani Eko & Company CPAs, PLLC in effect for the year ended April 30, 2009, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency or fail. Lani Eko & Company, CPAs, PLLC has received a peer review rating of pass.

Benjamin and Associates, LLC
Certified Public Accountants
Firm Number 4169245

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