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5/18



Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
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January 10, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, Division of Educational Improvement, to enter into a **sole source** Memorandum of Understanding (MOU) with the Office of Legislative Budget Assistant (LBA) (vender code 177870) in an amount not to exceed \$30,000, for an independent audit, effective upon Governor and Council approval through 06/30/2018. 100% Federal Funds.

Funds to support this request are available in the following accounts in FY 2018, Title I, Title II, Title III and School Improvement Grant:

	<u>FY 2018</u>
06-56-56-562000-25090000-102-500731 Contracts for Program Services	\$15,000.00
06-56-56-562000-25100000-102-500731 Contracts for Program Services	\$5,000.00
06-56-56-562000-25160000-102-500731 Contracts for Program Services	\$5,000.00
06-56-56-562000-11310000-072-502645 Grants - Federal	<u>\$5,000.00</u>
Total	\$30,000.00

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Page 2 of 2
January 10, 2018

EXPLANATION

The New Hampshire Department of Education (NH DOE) is requesting a **sole source** contract due to the fact that LBA conducts investigations, analyses, or research into the financial activities of the New Hampshire State government entities. The NH DOE will use LBA's contract with KPMG to do an independent audit. The NH DOE received an audit report from the U.S. Department of Education's (US ED) Office of State Support (OSS) for an audit completed last year. Action Item 9 of the OSS report requires the NH DOE to obtain an independent audit of the personnel expenditures for fiscal years 2014 – 2016.

The KPMG will audit the personnel expenditures made using funds from Title I, Title II, Title III and SIG programs for fiscal years 2014 - 2016. Therefore, this MOU will fulfill the OSS report requirement.

In the event Federal Funds no longer become available, General Funds will not be requested to support this MOU.

Respectfully submitted,



Frank Edelblut
Commissioner of Education

FE:hg:rlk

Memorandum of Understanding

Between

New Hampshire Department of Education

And

The Office of Legislative Budget Assistant

This is a Memorandum of Understanding (MOU) between the New Hampshire Department of Education (NH DOE) and the Office of Legislative Budget Assistant (LBA) defining the general arrangements for the implementation of an independent audit by KPMG required by the U.S. Department of Education's (US ED) Office of State Support (OSS) Pilot Fiscal Review Report (FY 2016) dated July 11, 2017.

MOU Period: Effective upon Governor and Council approval through 6/30/18.

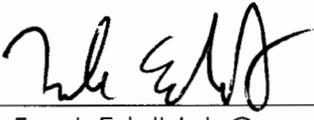
In accordance with the Fiscal Review from US ED, the LBA will:

1. Review all personnel expenditures made using funds from Title I Part A; Title II Part A; Title III and School Improvement Grant (SIG) funds in Federal Fiscal Years 2014, 2015 and 2016, to determine the extent to which such expenditures were supported by records sufficient to establish that personnel charges reflected the actual work performed on program activities.
2. Examine the amounts in the columns titled total, supportable and unsupported costs which were charged to the Title I, Part A; Title II, Part A; Title III and SIG federal programs for the years ending June 30, 2014, 2015 and 2016.
3. Conduct an examination to obtain reasonable assurance about whether the amounts in the columns titled total, supportable and unsupported costs as measured or evaluated against the criteria is free from material misstatement.
4. Designate a certified public accountant not employed in state service to conduct this review and accept the findings and report of the certified public accountant as fulfilling the provisions of this MOU.

BUDGET

The fees for proposed services will not exceed \$30,000.

This is a Memorandum of Understanding between the NH DOE and LBA regarding this independent audit by KPMG. All changes herein must be made by written amendment and executed for the parties by their authorized officials.



Frank Edelblut, Commissioner
NH Department of Education

1-12-18

Date



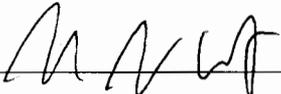
Michael W. Kane, Legislative Budget Assistant
Office of Legislative Budget Assistant

1/24/18

Date

By an authorized official of: the New Hampshire Office of the Attorney General

Name: John J. Conforti
Title: Assistant Attorney General

Signature/Date:  2/13/18

By an authorized official of: the Governor & the Executive Council

Name: _____
Title: _____

Signature/Date: _____