



Mayer Hoffman McCann P.C.

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June 24, 2021

Mr. John Boule
California Statewide Automated Welfare System Consortium
744 P Street MS 8-5-46
Sacramento, CA 95814

Dear Mr. Boule:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide for California Statewide Automated Welfare System Consortium (the "Company" or "service organization"). This letter constitutes the entire agreement between the parties with respect to Mayer Hoffman McCann P.C.'s ("MHM") performance of the professional services described herein.

SCOPE OF WORK

The objective of our engagement is to perform a technical assessment over the Company's CalWIN and LRS/CalSAWS systems (together, the "Systems"). More specifically, our assessment will include the evaluation of the Company's information technology (IT) controls, specifically for the CalWIN and LRS/CalSAWS systems, to determine whether controls are implemented in accordance with the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, *Security and Privacy Controls for Federal Information Systems and Organizations* security control baseline requirements.

Our assessment will include the CalWIN and LRS/CalSAWS systems for 2021, 2022, 2023 and 2024; and the LRS/CalSAWS system for 2025.

OUR RESPONSIBILITIES

Our procedures will be performed in accordance with the Statements of Standards for Consulting Services issued by the American Institute of Certified Public Accountants. Because our procedures do not constitute an examination, we will not express an opinion on the subject matter described above.

We will perform procedures to determine whether controls have been implemented and documented with evidence to prove compliance to the control; all technical systems properly implement the security control according to the Center for Internet Security Controls (CIS) benchmark standard, where applicable, for the appropriate technology; non-technical controls are properly implemented according to the process documented in compliance with NIST and Cal/SAWS security control baselines; and known deficiencies are properly documented with Plan of Actions and Milestones (POAMs) created to track their remediation.

Our deliverables shall include a report that contains an executive level summary outlining the scope, approach, findings and recommendations; and the technical details and results of the assessment, including the NIST criteria, assessment procedures performed, any gaps or weaknesses identified, and the corresponding recommendation for remediation.

A report will be provided for each system, CalWIN and LRS/CalSAWS, for 2021, 2022, 2023 and 2024; and a single report for the LRS/CalSAWS system for 2025.

COMPANY RESPONSIBILITIES

The Company (i) assumes all management responsibilities related with this engagement; (ii) is responsible for evaluating the adequacy and results of the services provided; (iii) accepts responsibility for the results of the service provided; (iv) has designated an individual, preferably within senior management, having the suitable skills, knowledge, or experience to oversee the services provided.

Management is also responsible for:

- Providing all information required for our engagement to us, and for the accuracy and completeness of that information
- Allowing us access to all information they are aware of that is relevant to our engagement, and unrestricted access to persons within the Company from whom we determine it may be necessary to obtain information
- Communicating any instances of known material errors, fraud, violation of laws or governmental regulations or other illegal acts
- Informing us of any known or identified deficiencies in the design of controls or instances where controls have not operated as described

ENGAGEMENT STAFFING and FEES

The client service team assigned to you will be coordinated by the undersigned, who will be responsible for overseeing this engagement. We may elect to utilize staff and independent contractors to successfully complete this engagement. By way of your signature on this engagement letter, you authorize us to utilize our staff and independent contractors as appropriate in the fulfillment of the services described above.

We estimate that our fees for the services previously outlined for the next five years are as follows:

NIST 800-53 Assessment	2021 (CalWin & CalSAWS)	2022 (CalWin & CalSAWS)	2023 (CalWin & CalSAWS)	2024 (CalWin & CalSAWS)	2025 (CalSAWS)	Total
Total/Year	\$92,400	\$93,786	\$94,724	\$95,671	\$62,700	\$439,281

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services. Our fees include our administrative fee, but do not include any out-of-pocket expenses in connection with these services, such as for travel, if any, etc., which will be billed along with the professional fees. MHM may receive rebates or volume discounts in connection with certain reimbursed expenses. MHM does not credit any such payments to the Company but instead takes those payments into account when determining billing rates.

Additionally, our fees are dependent on the availability, quality and completeness of the Company's records and, where applicable, upon the Company's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Company employees preparing schedules we request, locating documents selected by us for testing, etc.). Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable. In addition, fees

for any related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fee referred to above and will be subject to separate arrangements. If there is a significant transaction or significant change to the attestation standards that requires us to spend a substantial amount of time that was not anticipated in our fees, there may be additional billings.

Invoices are due upon receipt and will be provided within 20 days of the end of the previous month. If our invoices for this, or any other engagements the Company may have with us, are not paid within 60 days after the receipt of invoice or the resolution of any billing dispute, we may suspend or terminate our services for this and any other engagements. If we suspend our services, we may require that the Company pay all amounts due and/or submit a retainer to MHM before we resume such services. The Company agrees that if we suspend or terminate our services as a result of nonpayment, we will not be responsible for any consequences. The Company must pay all invoices before we will issue our report.

For administrative convenience, the fees for our services will be invoiced through CBIZ MHM, LLC. If invoices are not paid within 60 days of the invoice date, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law.

DISPUTE RESOLUTION

If any dispute or claim of any kind, whether based on contract, tort, statute, regulation, or otherwise, arises out of, is connected with, or relates in any way to this engagement, or the relationship or the obligations of the parties, including without limitation any dispute as to the existence, validity, construction, interpretation, negotiation, performance, non-performance, breach, termination, or enforceability of this engagement letter (the "Dispute"), the parties agree to first endeavor to resolve the Dispute through non-binding mediation. The mediation shall take place within 60 days after one of the parties sends the other a request for mediation, unless the parties agree to a different time period. Completion of the mediation is a condition precedent to initiating any legal proceeding.

If the parties are unable to resolve a Dispute through mediation, then any party may initiate a legal proceeding.

Unless otherwise prohibited by law or applicable professional standard, in no event shall MHM or its personnel be liable for unforeseeable consequential, special, indirect, or incidental damages, or for punitive, or exemplary losses or damages relating to this engagement.

OTHER MATTERS

MHM's workpapers and files for this engagement are the property of MHM. If MHM receives a subpoena or other administrative, judicial, or government demand or request requiring it to provide information or documents, MHM will, unless prohibited by law, provide written notice to the Company of such demand or request. The Company shall reimburse MHM for our time at standard rates and reasonable expenses (including reasonable attorneys' fees and expenses) incurred in responding to such demands or requests.

Certain professional standards, including American Institute of Certified Public Accountants Code of Professional Conduct 1.700 and similar rules adopted by state boards of accountancy, prohibit the disclosure of client confidential information without client consent, except in limited circumstances. MHM will treat the Company's confidential information in accordance with applicable professional standards. The Company authorizes MHM to use email and other electronic methods to transmit and receive information, including confidential information, related to this engagement. MHM will employ commercially reasonable efforts to protect the confidentiality of transmitted information.

Should you request that we use a third-party electronic file transfer service in connection with this engagement, you acknowledge that MHM makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that third-party electronic file transfer service. You also agree that MHM is not

responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, third-party electronic file transfer service.

The Company agrees that we may provide CBIZ MHM, LLC with access to the Company's accounting, financial, and other records in our possession so that CBIZ MHM, LLC can provide the Company with any services it has engaged them to perform.

During the term of this engagement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

This engagement letter is effective from the date of this letter. If MHM commenced the performance of the services described herein prior to the execution of this engagement letter, the engagement letter shall nonetheless cover the performance of such services. This engagement will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out herein. Either party may terminate this engagement upon written notice to the other party irrespective of whether MHM has completed its services. The Company will be responsible for fees and expenses incurred through the date the termination notice is received.

Each year's services performed by MHM shall be considered to be separate and discrete from other year's services and deemed to have concluded upon MHM's issuance of its report.

In performing our engagement we will utilize professional and administrative staff who are employed by CBIZ MHM, LLC or its related entities. These individuals will be under the direct control and supervision of MHM, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and MHM and CBIZ MHM, LLC and its related entities have contractual agreements requiring confidential treatment of all client information.

It is common practice for professional service firms, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this engagement. On completion of this engagement, you agree that we may use the Company's name, logo(s), and a brief description of our services in publications and marketing materials, as well as discussions with prospective clients.

This engagement letter shall be governed by, and construed in accordance with, the laws of the State of California (without giving effect to the choice of law principles thereof), and all claims relating to or arising out of this Agreement or related to MHM's services, whether sounding in contract, tort, or otherwise, shall likewise be governed by the laws of that State (without giving effect to its choice of law principles). If any provision, or portion of a provision, of this engagement letter is deemed to any extent invalid, illegal, or otherwise unenforceable, such provision or portion of a provision shall be excluded, and the remainder of the engagement letter shall remain in full force and effect. No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. This engagement is being undertaken solely for the benefit of the parties to this agreement and no other person shall be entitled to enforce the terms of this agreement.

The undersigned is the engagement shareholder responsible for supervising the engagement and signing the report.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement. Please sign below and return a copy of this letter to us.

Respectfully submitted,

Adam B. Pfautsch
Mayer Hoffman McCann P.C.

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

California Statewide Automated Welfare System Consortium

By _____
Mr. John Boule
Executive Director

Date _____