



The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at wvOASIS.gov. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at WVPurchasing.gov with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

Header @ 1

List View

- General Information**
- Contact
- Default Values
- Discount
- Document Information
- Clarification Request

Procurement Folder: 1361009

Procurement Type: Central Contract - Fixed Amt

Vendor ID: 000000197366

Legal Name: BROWN EDWARDS & COMPANY LLP

Alias/DBA:

Total Bid: \$296,000.00

Response Date: 02/05/2024

Response Time: 10:19

Responded By User ID: readams

First Name: Rob

Last Name: Adams

Email: readams@becpas.com

Phone: 304-343-4188

SO Doc Code: CRFQ

SO Dept: 0704

SO Doc ID: INS2400000003

Published Date: 2/1/24

Close Date: 2/7/24

Close Time: 13:30

Status: Closed

Solicitation Description: Audit Service for Fiscal Year 2024

Total of Header Attachments: 1

Total of All Attachments: 1

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Audit Services 2024				74000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: See Attached Proposal

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2024

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
2	Audit Services 2025				74000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: See Attached Proposal

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2025

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
3	Audit Services 2026				74000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: See Attached Proposal

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2026

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
4	Audit Services 2027				74000.00

Comm Code	Manufacturer	Specification	Model #
84111600			

Commodity Line Comments: See Attached Proposal

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2027

CRFQ 0704 INS240000003

PROPOSAL

TO PROVIDE
PROFESSIONAL
AUDIT SERVICES



WWW.BECPAS.COM



FEBRUARY 7, 2024

Robert E. Adams, CPA, CGMA
Engagement Partner
readams@becpas.com

Office: 304.343.4188
Fax: 304.344.5035

300 Chase Tower
707 Virginia Street, East
Charleston, WV 25301

TABLE OF CONTENTS

Letter of Transmittal	1
History of the Firm	2
Our Commitment to Excellence	3
Government and Municipal Practice Expertise	3-4
Technology	5-6
Continuing Professional Education	7
Overall Charleston Office Experience	8
References	9
Expertise of Consulting Actuarial Staff - <i>Actuarial Risk Management</i>	10
ARM Services	11
BDO Resources	12
Service Philosophy	13
Our Methodology	14
Audit Approach Overview	14-15
Internal Control	16
Consideration of Laws, Regulations, Contracts, and Grants	17
Audit Plan and Execution	17-18
Scope of Work	19-20
Audit Timeline	21
Confidentiality	22
Affirmative Statements	23-24
Appendix A - Resumes	25-28
Appendix B - Peer Review Report	29
Appendix C - Consulting Actuaries	30
Appendix D - Firm License & CPA Licenses	31-33
Appendix E - Actuarial Risk Management Practice	34-39
Appendix F - Required Forms	40-46
Appendix G - Pricing Page	47

Letter of Transmittal



February 7, 2024

Josh Hager, Purchasing Manager
On behalf of the
West Virginia Offices of the Insurance Commissioner
2019 Washington Street, East
Charleston, WV 25305

Dear Mr. Hager,

We are pleased to present our qualifications to provide independent auditing services to the West Virginia Offices of the Insurance Commissioner, hereafter referred to as "the WVOIC", for the fiscal year ending June 30, 2024, with the option for three (3) additional one (1) year renewals. Brown, Edwards & Company, L.L.P. ("Brown Edwards") is a leader in providing services to governmental and municipal clients in West Virginia.

At Brown Edwards, we strive to deliver an exceptional experience for our clients, and we have found that experience is shaped by client expectations. While the WVOIC has provided detailed needs and expectations, we also know that in order to create a positive experience and maintain an enhanced client relationship with you, we need to focus on Client-Centered Expectations. Our goals for delivering an exceptional experience include adherence to our guiding principles:

- Frequent and proactive communication
- Local partners and directors
- Client involvement in decision-making
- High standards for deliverables
- Effective management of changes
- Ongoing performance feedback from our team

We are in a unique position to offer hands-on local service and consistency while providing industry and service specific teams of experts, including an active state and local governments and municipal authorities segment.

Brown Edwards is independent of the WVOIC as defined by U.S. generally accepted auditing standards and the *Government Auditing Standards* issued by the Comptroller General of the United States.

We are eager serve the WVOIC. Please do not hesitate to contact me directly with questions or to arrange a meeting.

Brown Edwards & Company, L.L.P

A handwritten signature in black ink that reads "Robert E. Adams".

Robert "Rob" E. Adams
Partner



History of the Firm

Formed in **1967** through the merger of Fred P. Edwards Company and C. A. Brown & Company

25 years of experience for partners and directors

10 years of experience for senior managers and managers

QUICK FACTS ABOUT BROWN EDWARDS

Inside Public Accounting's
Top 100 Public Accounting
Firms by net revenue



Pass opinion on our peer review for over 25 years, and inspected by the PCAOB since its inception

Recognized as one of
America's Best Accounting &
Tax Firms for 2023 by
Forbes Magazine

Forbes



More than 450 professionals serving the southeastern U.S.

- Accounting Today's Top
100 Firms by net revenue
- Listed as a Top 100 Firm
Pacesetter in Growth by
Accounting Today



Top 50 Construction Accounting Firm as compiled by Construction Executive magazine

Our Commitment to Excellence

5 Star Service Quality Standards

- ★ Responsiveness
- ★ Product Quality
- ★ Product Delivery
- ★ Ease of Access to Decision Makers
- ★ Professional Attitudes of all Team Members

Government and Municipal Practice Expertise

The location of the office primarily managing the services for the WVOIC is in Charleston, West Virginia. The location of this office provides the WVOIC with experience and control over the engagement; decisions are made locally and promptly.

Our governmental and municipal practice has

9 partners, 5 directors, and over
80 professionals who devote substantial amounts
of time servicing governmental clients.

Our governmental and municipal practice will staff engagements based on the needs of the client, considering such factors as the existence of local pension plans, federal award usage and the need for a single audit, specific accounting or compliance complexities, and other matters where involvement of a specialist is important. While the locations of our offices provide us reasonable access to all areas of the southeastern United States, we will commonly staff engagements with a mix of individuals from the most local office, as well as specialists from other offices, as needed. To provide the best team possible for various technical and logistical needs of the the WVOIC's engagement, we will also use resources and expertise from our firm-wide governmental team.

Government and Municipal Practice Expertise, Continued

Governmental and Municipal Experience

- One of the leading firms in West Virginia serving governmental and municipal entities with approximately **\$6.3 million in gross fees annually** directly related to state and local governments.
- **Spend approximately 50,500 hours annually** providing audit, accounting, and advisory services to our governmental and municipal clients, and other related entities that expend government funding or fall under *Government Auditing Standards*.
- **More than 30 years of experience** with the GFOA Certificate of Excellence in Financial Reporting program, and all of our clients who have chosen to participate receive the certificate. In many cases, we have assisted localities in obtaining their first Certificate of Excellence.

Engagement Staff Consistency and Growth

- We are proud to continually grow within our firm by acquiring new talents. In order to maintain staff consistency, each Brown Edwards partner, director, and senior manager is responsible for significantly fewer staff and engagement hours than partners in other firms. The resulting increased involvement by high level professionals minimizes the effects of inevitable staff attrition on our clients.

Annual State & Local Government Forum

- Each year we conduct a one-day conference specifically geared to governmental entities. In recent years, topics such as GASB updates, utility rate setting, internal controls, budgeting, and capital markets have been presented. *To find out more information about our 2024 State & Local Government Forum being held in Charlottesville, Virginia on February 27, 2024, scan the QR code below:*



Technology

Brown Edwards is committed to providing our professionals access to advanced technology in order to ensure optimum levels of efficiency in our engagements.

Our personnel can work from anywhere and have complete access to the firm's network as well as access to multiple high-quality research sites for research of accounting and auditing issues. Our electronic workpaper software allows efficient integration of client-prepared Word, PDF, and Excel files into our workpaper files. Our remote work solution is an invaluable tool for our continued ability to perform the highest quality audit while ensuring the safety and security of your work place, constituents, and staff. **We also plan to be on-site for elements of our services.**

All data on Brown Edwards computers, including our workpapers in our computerized audit documentation management system, is encrypted using advanced algorithm technology. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Brown Edwards personnel.

TeamMate Analytics

We use TeamMate Analytics for many of our engagements. TeamMate Analytics allow us to extract and analyze very large databases providing for more targeted testing. In many cases, TeamMate Analytics allows us to not only perform tests more efficiently, but also to apply tests that might not be possible through traditional means.

Suralink



An automated document exchange and request list management solution built specifically for auditors. Suralink helps to create, manage, track, and share documents with clients and others in your firm easily and efficiently.

Technology

Security and Compliance Measures

As an extra level of security, Brown Edwards utilizes VPNs, Duo Authenticators, and firewalls to ensure the safety of private information. All employees are also required to participate in multiple KnowBe4 Trainings throughout the year so they are up to date on technology safety.

Brown Edwards is proud to say we have not had a history of data breaches.

We will ensure that staff is knowledgeable of all state code and other applicable laws and regulations impacting the WVOIC, and will test the WVOIC's compliance using analytical and substantive tests as deemed necessary and appropriate.





Continuing Professional Education

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Brown Edwards provides internal and external training on governmental accounting, auditing, reporting, and operations in excess of the GAO requirements. In addition, our membership in the AICPA's Governmental Audit Quality Center requires additional levels of continuing professional education to maintain our membership. We continually monitor the issuance of technical auditing and accounting pronouncements and provide our personnel with specialized training in these areas. Professionals at all levels receive specialized training in seminars and courses presented by nationally recognized experts in governmental and nonprofit accounting, auditing and financial reporting. Brown Edwards' professional staff has met all continuing professional education requirements.

Commitment to Provide Continuity of Staff

Our staffing and scheduling policies have historically been very successful in maximizing audit team continuity from year to year. Effective staff recruiting and retention is a top priority for our firm, because we realize that our most valuable investment is our people. We recruit only those who have achieved a high academic standing and have demonstrated commitment, ambition, and leadership skills, and offer them a proactive approach to staff development that includes a mentoring program, comprehensive training at every level, and performance evaluations after every significant engagement.

We view continuity of engagement teams to be in the best interest of the Firm and our clients. Staff repetition enhances audit effectiveness and efficiency, and is our guiding principle in scheduling. When personnel changes are unavoidable, the depth of our pool of experienced professionals gives us the ability to select a replacement with similar qualifications and levels of experience for your audit team. We understand that the WVOIC reserves the right to request staff changes throughout the term of the contract.

Overall Charleston Office Experience

The Charleston office of Brown Edwards has a long tradition of providing the highest quality professional services to governmental clients. The Brown Edwards' Charleston office includes recent public sector experience with the following entities:

- City of Charleston, West Virginia
- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Kanawha County Commission
- Kanawha County Sheriff's Department
- Kanawha Valley Regional Transportation Authority
- Kanawha County Regional Development Authority
- Region III Planning and Development Council
- Region VII Planning and Development Council
- School Building Authority of West Virginia
- Tobacco Settlement Finance Authority of West Virginia
- West Virginia Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Bar Foundation
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation
 - Division of Motor Vehicles
 - Division of Public Transit
 - Aeronautics Commission
 - Public Port Authority
- West Virginia Division of Highways
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- West Virginia Lottery Commission
- West Virginia Municipal Pensions Oversight Board
- West Virginia Parkways Authority
- West Virginia Prepaid College Tuition and Savings Plan
- West Virginia Public Service Commission
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Bar
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Loan Fund

References

Governments Served

Years of Service

West Virginia Housing Development
Trisha Hess, Accounting Senior Manager
304.391.8609

June 30, 2017 - June 30, 2023
Average Hours: 500 per year

Services Provided: Audit in accordance with US GAAS and *Government Auditing Standards*, Audit in accordance with Uniform Guidance for federal programs (Single Audit), and Annual Comprehensive Financial Report review assistance, **includes audits of investment and lending portfolios and bond issuances.**

West Virginia Water Development Authority
Marie Prezioso, Executive Director
304.414.6500

June 30, 2017 - June 30, 2023
Average Hours: 260 per year

Services Provided: Audit in accordance with US GAAS and *Government Auditing Standards*, Audit in accordance with Uniform Guidance for federal programs (Single Audit), **includes audits of investment and lending portfolios and bond issuances.**

West Virginia Infrastructure and Jobs Development Council
Wayne Morgan, Executive Director
304.414.6500

June 30, 2017 - June 30, 2023
Average Hours: 260 per year

Services Provided: Audit in accordance with US GAAS and *Government Auditing Standards*, **includes audits of investment and lending portfolios and bond issuances.**

West Virginia Board of Treasury Investments
Kara Hughes, Executive Director
304.340.1564

June 30, 2017 - June 30, 2021
Average Hours: 210 per year

Services Provided since inception: Audit in accordance with US GAAS and *Government Auditing Standards*, Annual Comprehensive Financial Report preparation assistance, and Agreed upon procedure engagements performed under AICPA Standards, **includes audits of investment portfolios**

West Virginia College and Jumpstart Savings Programs
Amy Willard, Deputy Director
304.340.5043

June 30, 2017 - June 30, 2023
Average Hours: 140 per year

Services Provided: Audit in accordance with US GAAS and *Government Auditing Standards* and Annual Comprehensive Financial Report preparation assistance, **includes audits of investment portfolios.**

West Virginia Lottery Commission
Michelle Painter, Deputy Director of Finance & Administration
304.558.0500

June 30, 2017 - June 30, 2023
Average Hours: 250 per year

Services Provided: Audit in accordance with US GAAS and *Government Auditing Standards* and Annual Comprehensive Financial Report preparation assistance

West Virginia Alcohol Beverage Control Administration
Julia Jones, Chief Financial Officer
304.356.5500

June 30, 2017 - June 30, 2023
Average Hours: 145 per year

Services Provided: Audit in accordance with US GAAS and *Government Auditing Standards*

West Virginia Jobs Investment Trust
Andrew Zulauf, Executive Director
304.345.6200

June 30, 2017 - June 30, 2022
Average Hours: 145 per year

Services Provided: Audit in accordance with US GAAS and *Government Auditing Standards*, **includes audits of investment and lending portfolios**

Expertise of Consulting Actuarial Staff

Actuarial Risk Management



Actuarial Risk Management

Global Actuarial Consultancy

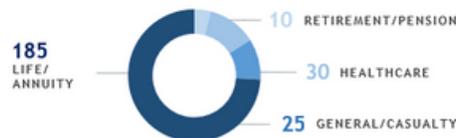
ARM is an Austin, Texas-based independent, full-service actuarial and risk management consultancy with a global resource pool that grows year over year.

Without constraints preventing quick action, ARM routinely staffs projects with professionals that exceed the average tenors of large competitors and rivaling thought-leaders. We offer everything from the typical commodity-centric model builds and valuations to our advisory services that serves to set us apart from other consultants.

Engaging ARM has you working with senior actuaries, rather than paying for senior actuaries while receiving attention from junior staff. Our "simple is more" approach continues to win over clients while also attracting strategic partnerships with professional firms where we serve as their actuarial team.

About Us

Actuaries



Locations



2006

Formation Year

250

Actuarial
Consultants

28

Average Years
of Experience

BDO, GT,
FORVIS

Strategic
Alliances

26

Countries
Served

750+

of Engagements
since Inception

Disciplines

Life, Annuity

Product Design/Pricing, Financial Reporting (Statutory, LDTI, IFRS17), Capital Management (RBC, Solvency II, BSCR), Inforce Maintenance, Reinsurance, M&A, Asset/Liability Management/Optimization, ERM

General, Casualty

Product Design/Ratemaking, Loss Reserving (IBNR), Rate Maintenance, M&A, Captive Inscor. Support, ERM

Retirement, Pension

Defined Benefit Plan Valuation, Funding Analysis, Benefit Design, Asset Optimization, Longevity Analysis and Protection Design

Healthcare, Wellness

Benefits Design, Initial/Renewal Ratemaking, Reporting (IBNR/IBNP), Captivation Analysis, Morbidity Predictive Analysis

Software

Life/Annuity

- AXIS
- ALFA
- Prophet
- MoSES
- TAS
- PolySystems
- AFM/R3S

Data Analysis

- SQL
- SAS
- Python
- Excel VBA
- R

Pension

ProVal

General/Casualty

@Risk

Product Types

Life/Annuity

Annuities

Immediate, Deferred, Fixed/Indexed/Variable | "GLB"

Life

UL, ULSG, WL, Term, Variable, Indexed, Unit-Linked

Health

LTC, Med. Supplement, Disability Income, Accident, Specific Disease (Cancer, etc.), Critical Illness, AD&D

Other Products

Preneed, Industrial, Credit, Stable Value, Pension Risk Transfer, Structured Settlements, Life Settlements

General/Casualty

- Auto (Commercial, Personal)
- Homeowners
- Fire & Allied Lines
- Engineering & Construction
- Worker's Compensation
- General Liability
- Inland Marine
- Surety and Fidelity
- Environmental (Asbestos)
- Medical Malpractice
- Product Liability, Warranties

Healthcare

Benefit Plans

Employee plans, association group plans, union plans, welfare trusts, provider-sponsored plans, ACOs, MEWAs and PEOs

Commercial

Small/large group and individual health

US Gov't

Medicare Advantage, and self-insured retiree plans

Medicaid products

Managed care plans, carve-outs

Other Coverages

Rx drugs, stop loss, dental, and vision

ARM Services - Actuarial Valuation Services

The centerpiece of traditional actuarial consulting services is the annual actuarial valuation of the risk program, like workers compensation. For these types of valuation, **ARM** gathers information about the programs then analyzes the experience to develop a set of reasonable and appropriate balance sheet program liabilities. These results are summarized in a formal report to a client after which **ARM** provides any necessary clarifications or insight into the methods, assumptions and results under review by an auditor or regulator.

ARM Services - Actuarial Audits and Review

ARM provides a range of actuarial audit and review services. **ARM** has supported the audits of private and public sector organizations of all sizes and jurisdictions, both local and nationally/internationally. **ARM** brings an audit support team steeped in auditor experience developed from “Big-4” positions.

ARM Services - Actuarial Experience Studies

The key to producing accurate valuations is to ensure assumptions underpinning the valuation are sound and historically relevant to the entity with the program. In the case of WVOIC, the assumptions under review will be assessed to determine if creditable experience studies for the basis of assumption development where possible. Such studies are vital for exploring past effects of death, disability, and other impairments with the population exposed to the risk program.

ARM Consulting Actuaries

The consulting actuaries that would comprise the review team for WVOIC are as follows:

James G. Evans, Engagement Leader & P&C Lead, FCAS, CFA
Over 33 years of industry experience

Kofi Boaitey, Senior Consulting Actuary, ACAS, ASA, MAAA, FCA
Over 20 years of industry experience

BDO Resources



BDO provides national resources to serve the insurance industry through the substantial insurance experience of partners and senior managers across the nation, including several workers' compensation carriers. BDO is a significant auditor of insurance companies based on net written premiums.

Additional Staff

Additional staff will be assigned as necessary. Brown Edwards consistently invests in our recruiting program to ensure that we hire the best available employees to serve our clients. All non CPAs will be supervised by CPAs.

Occasionally, there will be a need to change professional staff assigned to the engagement. We believe our depth and internal quality control policies will ensure the quality of any staff changes to the engagement. If any directors, supervisory staff, audit seniors, or consultants need to be changed, we will provide the WVOIC with notification and any necessary background information on the team members. We understand that the WVOIC has the right to approve or reject replacements based upon their qualifications, experience or performance.



Service Philosophy

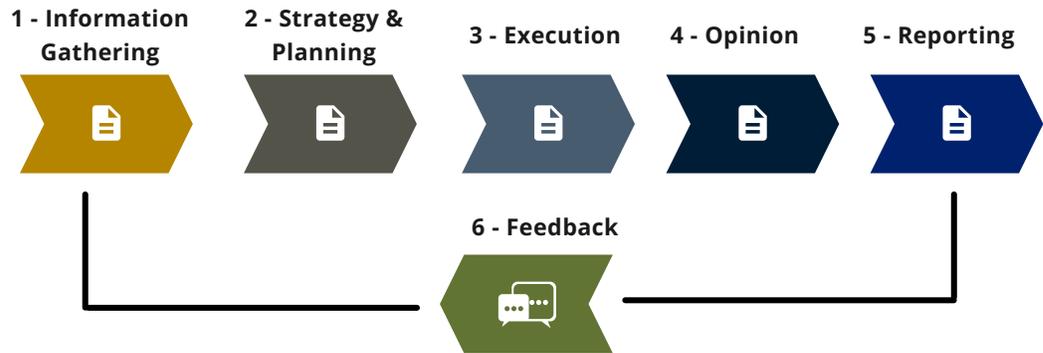
We reject the notion that an audit is a commodity. First and foremost, we are in business to serve our clients, to help them solve their problems, achieve their objectives, and to make a solid contribution to their success. Our people work to identify and respond to our clients' needs. We believe that in the course of conducting an audit, your firm should generate information and develop insights that-in the hands of professionals who combine competence with judgment, maturity, and creativity-will result in improved controls, greater efficiencies, and clear, concise, and understandable financial reporting. It is this "value-added" philosophy to client service that has molded our approach to engagement management and distinguishes us from other firms.

Clear Communication

We value the candid exchange of ideas and opinions with our clients, and we maintain an open and robust dialogue with management and those charged with governance. We believe that communication is the most important tool for maximizing audit efficiency and effectiveness. There is no value to be derived from audit information unless it is communicated to the client in an effective and timely manner. Our approach emphasizes the importance of communication during all phases of the audit process. Good communication is the key to **no surprises!**

- **Prior to the audit, we will meet with management and the Audit Committee** to assist us in planning the audit. Taking the time to listen to you during the planning process is crucial to ensuring that we understand your organization and its risks.
- Our key team members **will also meet with management frequently** during the engagement to keep you apprised of our progress, to discuss any issues that may arise, and to solicit feedback regarding our performance.
- At the conclusion of our audit, **we will communicate in writing** regarding the results of the audit and any internal control matters that are required by professional standards to be communicated and we will meet with management to discuss these matters.
- **We also encourage contact throughout the year**, and your client service team will be ready to consult with you any time you have a question. To demonstrate this commitment to meaningful dialogue, we do not bill for brief phone calls throughout the year. Of course, if a question requires extensive research, we will let you know and arrive at a fee estimate in advance for such additional services.

Our Methodology



- We will gather sufficient information on the key foundation/audit risks to enable us to design appropriate audit procedures and conduct the audit in the most efficient manner.
- Information gathering will also include a "prepared by client" list with agreed timetable for provision of information and pre year-end planning meetings.
- We will calculate an appropriate materiality level which reflects the perceived audit risk and is based on our in-depth understanding of your organization.
- We will use suitably qualified staff to ensure an efficient audit, while maximizing the opportunity for value added service from their experience.
- We will ensure clear and timely communication of issues to avoid any surprises and to enable smooth reporting.

Audit Approach Overview

We recognize that every organization we serve is unique. Effective and thorough planning is the key to ensuring that our approach is tailored to meet your specific needs and is the cornerstone of successful engagement management. Our audit approach is designed to assess risk in relation to specified audit objectives to ensure an effective and timely audit. We evaluate the internal controls that you have established to safeguard assets and to provide for the preparation of accurate financial information. After documenting our understanding of the controls in the accounting system, we perform walkthroughs and design tests of internal controls over financial reporting, as necessary. We then design substantive testing procedures and plan our response to other favorable and unfavorable factors we identify during our risk assessment.

Audit Approach Overview, Continued

The risk and control assessments and substantive procedures provide evidence to support our audit opinion and provide us with a basis for making internal control and operational recommendations. Materiality is evaluated based on factors deemed important to the users of the WVOIC's financial statements, including assessments of selected qualitative measures. Our goal here is to get beyond the numbers, to develop a clear understanding of your organization, your goals and objectives, and the environment in which you operate.

Our approach emphasizes up-front planning. During the planning phase, we will gain an understanding of the WVOIC and its internal controls, to the extent necessary to plan our audit. This will involve one-on-one interviews with various personnel. We then perform "walkthroughs" of key internal controls and conduct interviews with personnel to corroborate our understanding. Our approach places significant emphasis on identifying and determining that key controls of each entity have been implemented. This allows us to appropriately design our substantive audit procedures in well-controlled environments.

In addition, we will seek to identify areas that might be of higher risk. We perform analytical procedures of trends and relationships reported in the balances of financial statements at the account and grouping levels. During this time, we will also inquire of WVOIC's personnel as to whether there are changes to their operations requiring us to address compliance with new laws and regulations as we plan our audit. We also review internal documents, such as by-laws, minutes, written policies and procedures, contracts, and agreements.

Utilizing this information, we assess the risks associated with your audit, including fraud, and adapt our audit strategy accordingly. A thoughtful, rigorous risk assessment process forces us to focus our efforts and to be as efficient and effective as possible. We also perform an engagement team "brainstorming" session to identify ways in which the financial statements could be misstated, especially as related to misappropriation or intentional misstatement. Our partners and directors are highly involved in this exercise.

Once we have made these critical decisions, we tailor our specific audit procedures and approach accordingly. We also factor the potential impact of newly issued technical pronouncements into the overall plan. To assist with controlling audit costs, we work with our clients to fully utilize their internal resources by developing comprehensive client assistance packages.

Internal Control

Obtaining an understanding of internal controls is an important part of the risk assessment process. We will obtain an understanding of the five interrelated components of internal control:

1. **Control environment**
2. **Risk assessment**
3. **Information and communication**
4. **Monitoring**
5. **Control activities**

Our understanding of internal control will be sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

Our understanding incorporates two primary elements:

1. the evaluation of the design of the control
2. a determination of whether it has been implemented

We will identify key controls and perform walkthroughs, observations, and inquiries to determine that they have been implemented.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed.

At the conclusion of our audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Consideration of Laws, Regulations, Contracts, and Grants

Identifying and ensuring that the WVOIC complies with laws and regulations is the responsibility of management. We will include appropriate inquiries of management and staff of the WVOIC to identify laws and regulations with which noncompliance could have a direct and material effect on the financial statements. We will also review relevant portions of the West Virginia Code, code of State Rules, and relevant regulations. We will test the provisions of those laws, regulations, grants and contracts for noncompliance which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions is not an objective of our audit, and accordingly, we will not express such an opinion. We will report on the results of our tests if we discover any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Audit Plan and Execution

The risk assessment, planning, and information gathering result in the development of the audit plan which is a detailed audit approach that is supplemented by written, detailed audit programs. The plan will be scrutinized by the engagement partner to determine that the specific procedures developed are appropriate, efficient and reasonable in the circumstances.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected sources, creditors, and for financial institutions. We may also request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Plan and Execution, Continued

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. The objective also includes reporting on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.

Upon completion of fieldwork, the reporting phase will be completed in draft form and reviewed by the engagement in-charge, director, and partner, prior to submission to the WVOIC's management for their review. After any questions or concerns have been answered, the final reports will be issued.

We will inform the WVOIC of each of the following:

- The auditor's responsibility under generally accepted auditing standards and *Government Auditing Standards*
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments, if any
- Other information in documents containing audited financial statements
- Disagreements with management, if any
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Significant abuse, if detected

In addition, if we discover matters that are considered control deficiencies or other opportunities to strengthen existing controls or provide operational efficiency we will provide those in written form to management in a communication separate from the deliverables described above, commonly referred to as a management letter.



Scope of Work

Brown Edwards will perform all mandatory requirements specified in Section 4.1 and 3.10 of the CRFQ, including the following:

Brown Edwards will express an opinion on the fair presentation of financial statements in conformity with generally accepted accounting principles.

Brown Edwards will prepare all supporting schedules required by the Department of Administration for the preparation of the State's Annual Comprehensive Financial Report (ACFR).

Brown Edwards shall also be responsible for assisting in the implementation of supplementary information required by the Governmental Accounting Standards Board (GASB) as mandated by generally accepted accounting principles. This includes any professional services rendered in reviewing contracts and providing calculations utilizing GASB software programs for GASB 87 (Leases), GASB 96 (Subscription-Based Information Technology Arrangements-SBITA) and any future GASB's implemented by the WVOIC.

The audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and *Government Auditing Standards* as prescribed by the Comptroller General of the United States.

Brown Edwards shall provide the deliverables as shown in the Audit Timeline on the next page.

All necessitated meeting and/or conference calls will be conducted in the Eastern Standard Time zone, during the hours of 8:00am to 5:00pm, Monday thru Friday.

Prior to beginning field work, Brown Edwards will provide a detailed work plan that will identify the major tasks to be accomplished and be used as a scheduling and managing tool, as well as the basis for invoicing. The work plan will be submitted in accordance with the timeline provided below. The work plan will conform to the tasks and the timeline included herein below. Specifically, the audit work plan will describe, in detail, the audit approach for the actuarially determined workers' compensation related liabilities for the various WVOIC funds.

Brown Edwards understands that compliance with experience requirements will be determined prior to contract awarded by the State through references provided by us with our bid or upon request, through knowledge or documentation of Brown Edwards past projects, or some other method that the State determines to be acceptable. Brown Edwards will provide a current resume which includes information regarding the number of years of qualification, experience

Scope of Work, Continued

and training, and relevant professional education for each individual that will be assigned to this project. Brown Edwards will provide any documentation requested by the State to assist in confirmation of compliance with this provision. References, documentation, or other information to confirm compliance with this experience requirement are preferred with the bid submission but may be requested after bid opening and prior to contract award.

Payment

Brown Edwards understands that the Agency will pay a flat fee as shown on the Pricing Pages, for all Contract Services performed and accepted under this Contract. We will accept payment in accordance with the payment procedures of the State of West Virginia. Brown Edwards will submit invoices, in arrears, to the Agency at the address on the face of the purchase order labeled "Invoice To." We understand, and if successful, will submit invoices that are progress payments on the basis of the percentage of work completed as defined in the final contract.

Audit Timeline

Required Submission on Event	Required Completion/ Submission Date
Entrance Conference	<i>Prior to June 30, 2024</i>
Any interim work must be completed	<i>July 1, 2024</i>
Detailed audit plan	<i>July 22, 2024</i>
Field work to begin	<i>On or after August 31, 2024</i>
Unsigned final draft with all modifications to the OIC management for final review	<i>October 4, 2024</i>
Final signed report submitted to the OIC and to FARS (PDF format)	<i>October 9, 2024</i>
25 copies of final bound audit report submitted to the OIC	<i>October 25, 2024</i>



Confidentiality

Brown Edwards shall have access to private and confidential data maintained by the WVOIC to the extent required for Brown Edwards to carry out the duties and responsibilities defined in this contract. Brown Edwards agrees to maintain confidentiality and security of the data made available.

Workpaper Retention and Access to Workpapers

All workpapers will be provided, upon request, as they pertain to any questioned costs determined in the audit. The workpapers will be concise and provide the basis for the questioned costs as well as any analysis of the problem. The workpapers will be available for examination by authorized representatives of any cognizant federal or state audit agency, the Government Accountability Office, or the WVOIC. The workpapers and reports will be retained, at our expense, for a minimum of five years, unless we are notified in writing by the WVOIC of the need to extend the retention period. In addition, we will respond to the reasonable inquiries of any successor auditor and allow the successor auditor to review workpapers relating to matters of continuing accounting significance.

Affirmative Statements

Brown Edwards affirms to be independent of WVOIC and licensed to practice in West Virginia.

All Brown Edwards partners and directors on the engagement are licensed CPA's with at least 5 years of audit experience with governmental entities. All manager level employees on this engagement are CPA's with 3 years of experience on governmental engagements. We understand that the state agency retains the right to approve or reject replacements based upon their qualifications, experience or performance.

All subordinates or support staff will be supervised by a licensed CPA.

Brown Edwards will make no change in personnel assigned to the project without the written approval of the Insurance Commissioner or his/her designee.

Brown Edwards has experience auditing/consulting with at least 3 different state government entities (agencies) over the past 5 years. A list of qualifying engagements is provided on [page 9](#). This experience includes *Governmental Accounting Standards* issued by the GASB.

Affirmative Statements

Brown Edwards has passed and NOT FAILED our 2 most recent AICPA Peer Reviews. See **Appendix B** for our most recent Peer Review report.

Brown Edwards has at least 7 CPAs on staff within the firm that are strictly audit and not tax professionals. We affirm that at least 5 of these audit professionals are in the same location (Charleston office).

Brown Edwards has not had a final audit issued that had to be reissued due to material errors or omissions discovered by West Virginia Financial Accounting and Reporting Section or other West Virginia state agency two times or more. This has never happened to Brown Edwards.

Brown Edwards is a member in good standing of the AICPA's Governmental Audit Quality Center.

Brown Edwards has identified all subcontractors who will be used during the engagement and disclosed the qualifications of each individual. Any changes to subcontractors or subcontractor personnel will be submitted to the WVOIC for written approval of the Insurance Commissioner or his/her designee. Our subcontractor is Actuarial Risk Management.

Brown Edwards affirms to have the necessary competency and experience, either independently or through the use of subcontractors, to opine on the liability calculations derived by an independent consulting actuarial firm for the WVOIC's various workers' compensation funds.

Brown Edwards affirms the competence and experience for the actuarial component of the work is specifically related to workers' compensation liabilities by the following:

- A minimum of one employee, member or associate of Brown Edwards or subcontracting firm assigned to this engagement is a Fellow or Associate of the Society of Actuaries (FSA) and/or a member of the American Academy of Actuaries (MAAA).
- Brown Edwards and/or subcontracting firm will assign at least one employee, member or associate to the project that has 3 or more years of actuarial experience with workers' compensation claim loss reserve estimation and at least one employee with 2 or more years of experience in federal black lung claim loss estimation.
- Brown Edwards has disclosed the names and experience of the individuals that will perform the actuarial component of the audit in this proposal and will obtain approval from WVOIC for the individuals named in response to this subsection prior to making any substitutions for the persons identified.

Appendix A - Resumes



Robert "Rob" E. Adams, CPA, CGMA | Engagement Partner
readams@becpas.com | 304.343.4188

Rob is a partner with Brown Edwards who has more than 28 years of experience in serving governmental clients and will serve as the lead partner on your engagement. He has substantial experience with the GFOA's Certificate of Achievement for Excellence in Financial Reporting program having assisted numerous entities with multiple successful submissions for the certificate. His extensive experience with State of West Virginia entities will be of substantial benefit to this engagement.

Rob graduated Magna Cum Laude from West Virginia Wesleyan College with a Bachelor of Science degree in business administration with a concentration in accounting and a minor in economics. He is a member of the American Institute of CPAs, the West Virginia Society of CPAs, the Charleston Chapter of the West Virginia Society of CPAs, the Governmental Finance Officers Association, and is a Chartered Global Management Accountant. Rob is also treasurer of WV Kids Count and Every Child West Virginia.

Rob is in compliance with all applicable CPE requirements.

Relevant Experience

Central West Virginia Regional Airport Authority	West Virginia Department of Transportation
Charleston Area Alliance	West Virginia Water Pollution Control Revolving Fund
Charleston Urban Renewal Authority	West Virginia Division of Highways
City of Charleston, West Virginia	West Virginia Drinking Water Treatment Revolving Fund
Kanawha County, West Virginia	West Virginia Economic Development Authority
Kanawha County Parks and Recreation Commission	West Virginia Educational Broadcasting Authority
Kanawha Valley Regional Transportation Authority	West Virginia Housing Development Fund
Metro Emergency Operations Center of Kanawha County	West Virginia Independent Colleges and Universities
School Building Authority of West Virginia	West Virginia Infrastructure and Jobs Development Council
South Carolina Tuition Prepayment Plan	West Virginia Jobs Investment Trust
Tobacco Settlement Finance Authority of West Virginia	West Virginia Lottery Commission
West Virginia Affordable Housing Trust Fund	West Virginia Municipal Pensions Oversight Board
West Virginia Alcohol Beverage Control Administration	West Virginia Regional Jail and Correctional Facility Authority
West Virginia Affordable Housing Trust Fund Administration	West Virginia Solid Waste Management Fund
West Virginia Board of Treasury Investments	West Virginia State Bar
West Virginia College Prepaid Tuition and Savings Plan	West Virginia Water Development Authority
West Virginia Consolidated Public Retirement Board	West Virginia Water Pollution Control Revolving Fund

Appendix A - Resumes, Continued



**Chris Banta, CPA, CFE | Concurring Partner and
Government Service Practice Leader**
cbanta@becpas.com | 804.282.6000

Chris serves as the leader of Brown Edwards' State and Local Government Practice group and as a key Not-for-Profit audit partner serving clients in Virginia, West Virginia, and Tennessee. Chris has been with the firm for over 23 years and is also a certified fraud examiner, providing litigation support, as well as fraud investigations and internal control evaluations. Chris also serves various other industries including beverage and other distributors, national fraternities, electric cooperatives, healthcare facilities, HUD properties, and other not-for-profits. In addition, Chris serves as one of four Team Captains in the firm's peer review practice.

Chris holds a Bachelor of Business Accounting from Virginia Tech. He is a member of the Virginia Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and the Institute of Management Accountants. In addition, he has been recognized as a "Super CPA" in the nonprofit practice by Virginia Business magazine.

Chris is in compliance with all recent continuing professional education requirements required by the Government Auditing Standards, issued by the Comptroller General of the United States.

Chris is in compliance of all applicable CPE requirements.

Relevant Experience

VT/Montgomery Airport Authority	Town of Vinton, Virginia
Bedford Regional Water Authority	Virginia Resources Authority
Bloomington Utility District	Virginia Tobacco Settlement Corp.
Blountville Utility District	Town of Leesburg, Virginia
Central West Virginia Regional Airport Authority	Town of Farmville, Virginia
City of Charlottesville, Virginia	Roanoke-Blacksburg Regional Airport
City of Colonial Heights, Virginia	West Virginia Board of Treasury Investments
City of Falls Church, Virginia	
City of Harrisonburg, Virginia	
City of Lynchburg, Virginia	
City of Roanoke Public Schools	
City of Roanoke, Virginia	
City of Staunton, Virginia	
City of Danville, Virginia	
City of Morristown, Tennessee	
County of Amherst, Virginia	
County of Bedford, Virginia	
County of Frederick, Virginia	
County of Montgomery, Virginia	
County of New Kent, Virginia	
County of Powhatan, Virginia	
County of Roanoke, Virginia	
Frederick County, Virginia	
Hampton Roads Transit	
Town of Bedford, Virginia	
Town of Culpepper, Virginia	
Town of Tazewell, Virginia	

Appendix A - Resumes, Continued



Anthony Carpenter, CPA | Director
acarpenter@becpas.com | 304.343.4188

Anthony is a Director in the Charleston office with over 16 years of professional experience providing audit, review, compilation, internal control, consulting, and agreed-upon procedures services to state and local governments, nonprofit organizations, employee benefit plans, and closely-held businesses. His industry experience includes multi-state retailers, professional service firms, hospitality, mineral extraction, religious organizations, and dealerships with a significant concentration in nonprofit and state and local governments.

Anthony graduated with a Bachelor of Business Administration with a concentration in accounting from West Virginia State University.

Anthony is a member of the American Institute of CPAs, the West Virginia Society of CPAs, and the Charleston Chapter of the West Virginia Society of CPAs, Leadership Kanawha Valley Class of 2016, and Emerging Leaders Academy Class of 2019.

Anthony is in compliance with all applicable CPE requirements.

Relevant Experience

West Virginia Lottery Commission
 Central West Virginia Regional Airport Authority
 Charleston Area Alliance
 City of Charleston, West Virginia
 EastRidge Health Systems
 Hatfield-McCoy Regional Recreational Authority
 Kanawha County, West Virginia
 Kanawha County Parks and Recreation Commission
 Kanawha Valley Regional Transportation Authority
 Metro Emergency Operations Center of Kanawha County
 Public Service Commission of West Virginia
 School Building Authority of West Virginia
 Seneca Health Services
 Tobacco Settlement Finance Authority
 United Methodist Foundation of West Virginia, Inc.
 Valley Healthcare System
 West Virginia Affordable Housing Trust Fund
 West Virginia Board of Treasury Investments
 West Virginia Consolidated Public Retirement Board
 West Virginia Drinking Water Treatment Revolving Fund
 West Virginia Housing Development Fund
 West Virginia Independent Colleges and Universities
 West Virginia Infrastructure and Jobs Development Council
 West Virginia Division of Highways
 West Virginia Municipal Pensions Oversight Board
 West Virginia Parkways Authority
 West Virginia Regional Jail and Correctional Facility Authority
 West Virginia Solid Waste Management Board
 West Virginia Water Development Authority
 West Virginia Water Pollution Control Revolving Fund
 Young Men's Christian Association of Kanawha Valley, Inc.

Appendix A - Resumes, Continued



Staunton Gorrell, CPA | Senior Manager
sgorrell@becpas.com | 304.343.4188

Staunton is a senior manager in the Charleston office with over 10 years of public accounting experience, specializing in accounting and assurance services. His clients include foundations, nonprofit organizations, local and state governmental agencies, and closely-held businesses.

Staunton holds a Bachelor of Business Administration in Finance from James Madison University. He is a member of the American Institute of CPAs and the West Virginia Society of CPAs.

Staunton serves as a board member for FestivALL Charleston and is a member of Edgewood Country Club.

Staunton is in compliance with all applicable CPE requirements.

Relevant Experience

Central West Virginia Regional Airport Authority
West Virginia Alcohol Beverage Control Administration
West Virginia Water Pollution Control Revolving Fund
West Virginia Municipal Pensions Oversight Board
Region III Planning and Development Council
West Virginia Housing Development Fund
West Virginia Independent Colleges and Universities
West Virginia Lottery Commission
West Virginia Solid Waste Management Board
City of Charleston, West Virginia
Kanawha County, West Virginia
School Building Authority of West Virginia
United Methodist Foundation of West Virginia, Inc.
West Virginia Consolidated Public Retirement Board
YMCA of Charleston, WV, Inc.
Heart and Hand
Center for Neighborhood Enterprise
Jackson County Development Center
University of Charleston

Appendix A - Resumes, Continued



Clarence Rhudy, CPA, CISA, CITP | Information Technology Director
crhudy@becpas.com | 540.345.0936

Clarence is an Assurance Services Director in our Roanoke, Virginia office with over 22 years of experience. The majority of his time is spent within the areas of Employee Benefit Plans, Financial Institutions, and IT assurance and consulting. He is a member of our peer review services team, providing reviews to accounting firms around the country. Clarence brings a unique perspective through knowledge of both regulatory issues and information systems in addition to his knowledge of Employee Benefit Plans.

Clarence earned his Bachelor of Science degree from Concord University and holds a Master's Degree in Accountancy from Lynchburg College. He has previously taught courses at local colleges in accounting and information technology. Clarence is a member of the American Institute of Certified Public Accountants and the Virginia Society of Certified Public Accountants.

In addition to experience in many types of employee benefits plans, Clarence has also performed work for public companies, including Sarbanes-Oxley (SOX) compliance and audit. He also holds the CISA certification in addition to being a CPA, holds other certifications such as A+ and Network + from Comptia, in addition to being a Certified Information Technology Professional (CITP).

Expertise and Experience

- Audit of defined contribution, defined benefit, employee stock ownership, and welfare benefit plans
- Accounting and auditing technical research
- Public company including Sarbanes-Oxley experience
- Financial institution experience
- Consulting, internal, and external auditing

Appendix B - Peer Review Report



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
225-922-4600 Phone – 225-922-4611 Fax – pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of Brown, Edwards & Company, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown, Edwards & Company, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2021. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/brsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown, Edwards & Company, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2021, 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(ies)* or *fail*. Brown, Edwards & Company, L.L.P. has received a peer review rating of *pass*.

Postlethwaite ; Netterville

Baton Rouge, Louisiana
September 17, 2021

Brown Edwards affirms that our Peer Review Report included local government engagements.

We have also not had any federal or state desk reviews in the last three (3) years and we have not had any disciplinary action taken or pending in the last three (3) years.

Appendix C - Consulting Actuaries

James G. Evans, Engagement Leader & P&C Lead, FCAS, CFA
[*jevans@actrisk.com*](mailto:jevans@actrisk.com)

33-year veteran FCAS, with a CFA designation & background extensively focused on audit support of all insurance product types. Serve as the Head of the Property and Casualty division at ARM, boasting over three decades of experience within the realms of insurance, portfolio management, and international reinsurance. Over the course of my career, I have forged collaborations with senior management and board members in the Property & Casualty insurance sector, positioning me as a trusted advisor and strategist. Career includes Tillinghast (WTW), KPMG, and BDO

Kofi Boaitey, Senior Consulting Actuary, ACAS, ASA, MAAA, FCA
[*kboaitey@actrisk.com*](mailto:kboaitey@actrisk.com)

28 years of practical experience with respect to casualty risks in the areas of rate development, reserving, capital modeling, regulatory compliance requirements, and predictive modeling including substantial expertise with captives

Appendix D - Firm License & CPA Licenses

Rob Adams License

CPA License Information

Name	ROBERT E ADAMS
Company Name	BROWN EDWARDS & CO LLP
Address	707 VIRGINIA ST E STE 300
City	CHARLESTON
State	WV
Zip	25301-2710
County	KANAWHA
License Number	WV004405
License Type	CPA
Status	Active
Effective Date	07/01/2023
Expiration Date	6/30/2024
Discipline	
Public Discipline Documents	

Chris Banta License

CPA Details

Name

Name: Christopher Alan Banta

Address Information

City, State, ZIP code: MIDLOTHIAN VA 23112-5527
County: Chesterfield
Country: United States

License Information

License #: 33328 **Profession:** Accountancy **Type:** Certified Public Accountant
Status: Active **Issued:** 5/18/2007 **Expiration:** 6/30/2024

Appendix D - Firm License & CPA Licenses, Continued

Anthony Carpenter License

CPA License Information	
Name	ANTHONY LEE CARPENTER
Company Name	BROWN EDWARDS & CO LLP
Address	707 VIRGINIA ST E STE 300
City	CHARLESTON
State	WV
Zip	25301-2710
County	KANAWHA
License Number	WV005033
License Type	CPA
Status	Active
Effective Date	07/01/2023
Expiration Date	6/30/2024
Discipline	
Public Discipline Documents	

Staunton Gorrell License

CPA License Information	
Name	STAUNTON THOMAS GORRELL
Company Name	BROWN EDWARDS & CO LLP
Address	707 VIRGINIA ST E STE 300
City	CHARLESTON
State	WV
Zip	25301-2710
County	KANAWHA
License Number	WV005196
License Type	CPA
Status	Active
Effective Date	07/01/2023
Expiration Date	6/30/2024
Discipline	
Public Discipline Documents	

Appendix D - Firm License & CPA Licenses, Continued

Clarence Rhudy License

CPA Details

Name

Name: Clarence Alexander Rhudy Jr

Address Information

City, State, ZIP code: SALEM VA 24153-6449
Country: United States

License Information

License #: 25307 **Profession:** Accountancy **Type:** Certified Public Accountant
Status: Active **Issued:** 2/9/2001 **Expiration:** 6/30/2024

Firm License

Firm License Information

Firm Name	BROWN EDWARDS & CO LLP
Address	707 Virginia Street, East
City	charleston
State	WV
Zip	25304
County	KANAWHA
Permit Number	F0157
Effective Date	07/01/2023
Current Status	Active
Expiration Date	06/30/2024

Authorization to Perform Attest/Compilation Services

Active	06/30/2024
---------------	------------

Appendix E - Actuarial Risk Management Practice

Examples of similar projects completed by the Engagement Team's senior actuaries as well as other relevant resources that ARM brings to the assignment.

ARM Response: The Engagement Team includes the following two qualified and credentialed senior casualty actuaries: James Evans and Kofi Boaitey, who's experience can be seen in **Appendix C**.

The list below is a subset of a large and available list of clients with a workers compensation program.

Kentucky Workers' Compensation Funding Commission (KWFCF)

2001, 2003, 2009, 2011, 2013, 2015, 2017 and 2019 Bi-Annual Reviews; 2012, 2014, 2016 and 2018 Interim Analyses Liability Analyses for Three Funds; Determination of Assessments

Actuarial Solutions has been engaged by the KWFCF to perform eight biennial evaluations of the workers compensation liabilities of the Special Fund, the Uninsured Employers' Fund (UEF) and the Coal Workers' Pneumoconiosis Fund (CWPF), as well as to provide biennial interim updates from 2012 to 2018. This project also involves the determination of: 1) the appropriate assessment rate on all workers compensation premium for the Special Fund (including the UEF); and 2) the assessment rates on coal workers compensation premium and on severed coal tonnage for the CWPF. The results are provided in a report to the KWFCF for use in its mandated report to the General Assembly and in a presentation to the KWFCF's Board of Directors. In order to determine an assessment rate, the loss liability must first be estimated; the liabilities for these funds have exceeded \$2 billion. This engagement requires an in-depth understanding of Kentucky statutory workers compensation benefit provisions for traumatic injuries as well as occupational disease (black lung). In addition, benefit changes, court findings and legislative updates have been reviewed for their potential impact on the CWPF's liabilities.

Appendix E - Actuarial Risk Management Practice

Missouri Department of Commerce and Insurance

2013 – Present: Rate Filing Reviews; Financial Examinations

Actuarial Solutions entered into a contract with the Department in early 2013 to provide actuarial services related to the review of insurance company product filings and other related matters. In the fall of 2013, we reviewed the proposed 1/1/14 Workers Compensation Residual Market filing on behalf of the Office of the Commissioner of Insurance (OCI). We subsequently reviewed the 7/1/14 and 7/1/15 Workers Compensation Residual Market filing on behalf of the OCI and assisted the OCI in-house actuary with the review of the 7/1/16 Workers Compensation Residual Market filing; we testified at the 2014 rate hearing upon conclusion of our review and preparation of our findings. We have also provided the OCI with in-depth reviews of the NCCI's proposed voluntary market advisory loss cost filings effective 1/1/16, 1/1/17 and 1/1/20. These reviews included analysis of all significant items reflected in the filing, interrogatories for the NCCI, a recommended loss cost change and a full report documenting our review and findings.

Additionally, we entered into a contract with the Department in early 2016 to provide financial examination services for property/casualty insurance companies. We have since been engaged to provide the actuarial review component of the financial examinations for sixteen insurance companies (including one RRG and several multi-company insurance groups). We were also retained to provide actuarial support concerning a proposed insurance company merger; Kristine Fitzgerald provided testimony at the associated regulatory hearing.

H&R Block

1994 – Present: Reserve Analysis; Statement of Actuarial Opinion; Loss Forecasts

H&R Block operates a captive insurance company, which was initially domiciled in Bermuda and redomesticated to Missouri in 2014. The captive provides workers compensation, general liability, auto liability, property, errors and omissions and tax liability guarantee coverages to both H&R Block's corporate operations and its franchises. Annually, since 1994, Actuarial Solutions analyzes the loss reserves for this captive and issues a formal Statement of Actuarial Opinion to its regulators regarding the adequacy of carried reserves. Actuarial Solutions also provides interim reviews of H&R Block's liabilities, both those insured through its captive and those which are self-insured. Loss forecasts for the prospective fiscal period are annually projected for each program, and additional services are provided on an as-needed basis.

Appendix E - Actuarial Risk Management Practice

State Insurance Fund Corporation of the Commonwealth of Puerto Rico (SIFC)

2016 – Present: Reserve Analysis; Loss Forecasts

Actuarial Solutions has been retained to determine the SIFC's workers compensation liability as of June 30 of 2016, 2017 and 2018 for workers compensation benefits on both an undiscounted and a discounted basis. We also provide loss funding forecasts, observed trends in the SIFC's historical experience, an estimate of return premium liability, the average duration of the remaining liabilities by benefit type and an assessment of premium adequacy.

National Council on Compensation Insurance (NCCI)

1990 – 2018: Rate Filings

The NCCI has retained Actuarial Solutions numerous times to assist with the analysis of workers compensation loss cost and/or rate filings and attend rate hearings. From 1990 to 1995 (when the Kentucky assigned risk pool was legislated out of business by the introduction of a State Fund) Actuarial Solutions analyzed the Kentucky workers compensation residual market data, prepared workers compensation residual market rate filings (for both traumatic as well as coal occupational disease) and attended rate hearings to defend and explain the rate filings. Over an approximate three-year period, Actuarial Solutions prepared the coal traumatic and occupational disease portion of the NCCI's Virginia loss cost filings and testified at the hearings regarding this analysis. In 2008 and 2012, the NCCI retained Actuarial Solutions to perform an independent analysis of its South Carolina loss cost filing and to attend the associated hearing. For ten (10) years, the NCCI retained Actuarial Solutions to independently analyze its Florida rate filing and to attend and testify at rate hearings before the Commissioner. In 2016, Actuarial Solutions reviewed the Castellano and Westphal decisions of the Florida Supreme Court and provided testimony regarding the rate filing made by the NCCI in Florida to reflect the impact of these decisions.

Appendix E - Actuarial Risk Management Practice

Suffolk County, New York

2004 – Present: Reserve Analysis; Budget Projections

Actuarial Solutions annually derives the liabilities associated with Suffolk County's self-insurance program. This program includes the following coverages: workers compensation; general liability; commercial auto liability and physical damage; personal injury; medical malpractice; bus liability and property. We also project Suffolk County's annual budget for each of the next five prospective calendar years; this includes loss, allocated loss adjustment expense (ALAE) and other program operating expenses. Additionally, we allocate the budget to departments within Suffolk County.

General Electric (Electric Insurance Company)

1983 – 2005: Preparation of Rate Filings; Individual Risk Rating Plans; Statistical Reporting; Reserve Analysis

Beginning in 1983, principals of Actuarial Solutions prepared workers compensation and general liability rate filings for both the Electric Mutual Liability Insurance Company and the Electric Insurance Company, which provide insurance to General Electric, their sole commercial insured. Actuarial Solutions has also developed countrywide retrospective rating plans for General Electric's workers compensation, general liability and auto liability exposure, set up a large deductible program for use in conjunction with its workers compensation insurance in several states, and computed factors to adjust workers compensation premium from company to designated statistical reporting levels. Beginning in 2003, Actuarial Solutions was retained to project loss and expense reserves for management's use in establishing IBNR reserve levels; this analysis includes projections for workers compensation, general liability, commercial auto liability, auto physical damage, excess general liability, and several personal lines. In late 2005, GE retained in-house actuaries to take responsibility for these tasks; Actuarial Solutions has provided consulting services on an as-needed basis since that time.

Appendix E - Actuarial Risk Management Practice

Diocese of Rockville Centre

2003 – Present: Reserve Analysis

Actuarial Solutions has provided the Diocese with annual projections of ultimate loss in total and separately for numerous business centers (including five hospitals, two nursing homes, all Long Island Roman Catholic churches and charities) since 2003. These projections lead to the estimation of needed loss and ALAE reserves. This information allows the Diocese to allocate its overall costs among individual entities. The following coverages are analyzed: workers compensation, general liability, auto liability, auto physical damage and property damage. Actuarial Solutions also provides the Diocese with a projection of needed loss reserves, as well as a formal Statement of Actuarial Opinion for the portion of its liabilities insured through its captive.

Monro Muffler Brake, Inc.

2009 – Present: Reserve Analysis; Loss Forecast

Actuarial Solutions has provided a variety of actuarial consulting services to Monro. An annual actuarial review of Monro's liabilities in connection with its self-insured workers compensation coverage coinciding with its fiscal year-end is performed. Additionally, we perform interim calculations to provide Monro with an update to the prior year-end analysis. We also provide Monro with information to assist with the determination of a funding level for its upcoming fiscal year. This includes an estimate of loss and ALAE on an expected basis as well as results at higher confidence levels.

Kentucky Coal Producers Self-Insurance Fund

1995 – 2000: Reserve Analysis (Traumatic and Occupational Disease)

The Kentucky Coal Producers Self-Insurance Fund (KCP) was a self-insurance group which disbanded in 1991 and which later was declared bankrupt. In 1995, Actuarial Solutions was engaged to review the reserve levels and underlying methodology recommended by the KCP's consulting actuary. Following the initial engagement, Actuarial Solutions was retained to conduct an independent evaluation. The determination of the KCP's liabilities was highly technical, due to the presence of various specific excess and aggregate reinsurance contracts and to the complexity of state and federal black lung occupational disease benefits.

Appendix E - Actuarial Risk Management Practice

Virginia Voluntary Loss Costs and Assigned Risk Rates for Coal Mine Classifications

1995 – 1999: Workers Compensation Ratemaking (Traumatic and Occupational Disease); Experience Rating

Actuarial Solutions was engaged to revise residual market workers compensation rates and voluntary loss costs and rating values for the coal mine classifications in Virginia for rate filings effective in 1996, 1997 and 1998. This work involved the collection and editing of financial experience in order to develop the indicated rate level need. Actuarial Solutions was also engaged to evaluate the impact on coal employers of adopting the revised experience rating plan; this impact had not previously been measured in an NCCI state. The evaluation involved a complicated and extensive review of individual employer experience rating modification factors. Actuarial Solutions also acted in an advisory capacity with regard to both the voluntary and residual market industrial classifications for several years.

Captives

In addition to reviewing captive and RRG applications, actuarial reports and statements of opinion for regulators, our Engagement Team has collectively been responsible for preparing actuarial feasibility studies for a number of captives domiciled in various jurisdictions. These studies consider the proposed capital and surplus requirements, required premium, pro-forma financial statements, various reinsurance retention levels and federal income tax ramifications. This includes work for established captives/RRGs that covers, but is not limited to, projections of ultimate loss and associated reserve levels, Statements of Actuarial Opinion, prospective funding levels, dividend analyses, reinsurance studies, commutation (or loss portfolio transfer) studies, and FASB 113 risk transfer analyses. Our consultants have prepared feasibility studies and/or reserve opinions for numerous captive entities located in various domestic and off-shore domiciles.

Vermont Department of Financial Regulation

2001 – Present: Assistance with Financial Examinations and Captive Application Reviews

District of Columbia Department of Insurance, Securities and Banking (DISB)

2005 – Present: Assistance with Financial Examinations, Feasibility Study Review

Michigan Department of Insurance and Financial Services (DIFS)

2014 – Present: Assistance with Financial Examinations for property/casualty insurance companies, pools and captives

Connecticut Insurance Department

2013 – Present: Assistance with Financial Examinations

Appendix F - Required Forms, Continued

ADDITIONAL INFORMATION

The West Virginia Purchasing Division is soliciting bids on behalf of the agency the West Virginia Offices of the Insurance Commissioner (WVOIC), an agency of the West Virginia Department of Tax and Revenue, to establish a Contract with a certified public accounting firm for audit services per the attached specifications and terms and conditions.

INVOICE TO				SHIP TO			
OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540				OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE			
CHARLESTON		WV		CHARLESTON		WV	
US				US			

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Audit Services 2024				

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2024

INVOICE TO				SHIP TO			
OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540				OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE			
CHARLESTON		WV		CHARLESTON		WV	
US				US			

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
2	Audit Services 2025				

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description:

To audit the financial records and statements of the agency.
For fiscal year 2025

Appendix F - Required Forms, Continued

INVOICE TO				SHIP TO			
OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540				OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE			
CHARLESTON		WV		CHARLESTON		WV	
US				US			

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
3	Audit Services 2026				

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description:
To audit the financial records and statements of the agency.
For fiscal year 2026

INVOICE TO				SHIP TO			
OFFICES OF THE INSURANCE COMMISSIONER PO BOX 50540				OFFICES OF THE INSURANCE COMMISSIONER 900 PENNSYLVANIA AVE			
CHARLESTON		WV		CHARLESTON		WV	
US				US			

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
4	Audit Services 2027				

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description:
To audit the financial records and statements of the agency.
For fiscal year 2027

SCHEDULE OF EVENTS

Line	Event	Event Date
------	-------	------------

Appendix F - Required Forms, Continued

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

(Printed Name and Title) Rob Adams, CPA

(Address) 300 Chase Tower, 707 Virginia Street, East, Charleston, WV 25301

(Phone Number) / (Fax Number) 304-343-4188 / 304-344-5035

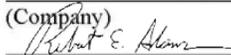
(email address) readams@becpas.com

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through WYOASIS, I certify that: I have reviewed this Solicitation/Contract in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation/Contract for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that this bid or offer was made without prior understanding, agreement, or connection with any entity submitting a bid or offer for the same material, supplies, equipment or services; that this bid or offer is in all respects fair and without collusion or fraud; that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; that I am authorized by the Vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on Vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

By signing below, I further certify that I understand this Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law; and that pursuant to W. Va. Code 5A-3-63, the entity entering into this contract is prohibited from engaging in a boycott against Israel.

Brown Edwards and Company, LLP

(Company)



(Signature of Authorized Representative)

Rob Adams, CPA, Partner

(Printed Name and Title of Authorized Representative) (Date)

304-343-4188 / 304-344-5035

(Phone Number) (Fax Number)

readams@becpas.com

(Email Address)

Appendix F - Required Forms, Continued

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: CRFQ 0704 INS240000003

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

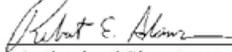
Addendum Numbers Received:
(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Brown Edwards and Company

Company



Authorized Signature

2/7/2024

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.

Appendix F - Required Forms, Continued

REQUEST FOR QUOTATION
Audit Services

Exhibit A: Schedule for Mandatory Contract Services and Deliverables

Required Submission or Event	Required Completion/ Submission Date
Entrance conference	Prior to June 30, 2024
Any interim work must be completed	July 1, 2024
Detailed audit plan	July 22, 2024
Field work to begin	On or after August 31, 2024
Unsigned final draft with all modifications to the OIC management for final review	October 4, 2024
Final signed report submitted to the OIC and to FARS (PDF Format)	October 9, 2024
25 copies of final bound audit report submitted to the OIC	October 25, 2024

**With contract renewal, an updated Schedule of Mandatory Contract Services and Deliverables will be provided.*

Appendix F - Required Forms, Continued

10. MISCELLANEOUS:

10.1. Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: Rob Adams, CPA

Telephone Number: (304) 343-4188

Fax Number: (304) 344-5035

Email Address: readams@becpas.com

Appendix G - Pricing Page

**Audit Services
Flat Fee Pricing**

Description	Year	Extended Cost
Total all-inclusive maximum price for audit services as described in this solicitation	2024	\$74,000
Total all-inclusive maximum price for audit services as described in this solicitation	2025	\$74,000
Total all-inclusive maximum price for audit services as described in this solicitation	2026	\$74,000
Total all-inclusive maximum price for audit services as described in this solicitation	2027	\$74,000
	Total Bid Amount	\$296,000