



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia
Contract

Order Date: 12-03-2021

CORRECT ORDER NUMBER MUST APPEAR ON ALL PACKAGES, INVOICES, AND SHIPPING PAPERS. QUESTIONS CONCERNING THIS ORDER SHOULD BE DIRECTED TO THE DEPARTMENT CONTACT.

Order Number:	CCT 0209 4307 FAR1800000002 21	Procurement Folder:	431307
Document Name:	Comprehensive Annual Financial Report (CAFR)	Reason for Modification:	Change Order No.13 issued to increase original contract (master agreement)
Document Description:	Comprehensive Annual Financial Report (CAFR)		
Procurement Type:	Central Contract - Fixed Amt		
Buyer Name:	Melissa Pettrey		
Telephone:	(304) 558-0094		
Email:	melissa.k.pettrey@wv.gov		
Shipping Method:	Best Way	Effective Start Date:	2018-07-01
Free on Board:	FOB Dest, Freight Prepaid	Effective End Date:	2022-06-30

VENDOR		DEPARTMENT CONTACT	
Vendor Customer Code:	000000177557	Requestor Name:	David W Mullins
ERNST & YOUNG LLP 500 VIRGINIA ST E		Requestor Phone:	(304) 558-0076
CHARLESTON WV 25301-2164 US		Requestor Email:	dave.w.mullins@wv.gov
Vendor Contact Phone:	304-343-8971	Extension:	
Discount Details:			
	Discount Allowed	Discount Percentage	Discount Days
#1	No	0.0000	0
#2	Not Entered		
#3	Not Entered		
#4	Not Entered		

22
 FILE LOCATION _____

INVOICE TO	SHIP TO
ACCOUNTING SECTION DEPARTMENT OF ADMINISTRATION 2019 WASHINGTON ST E PO BOX 50121 CHARLESTON WV 25305-0121 US	FINANCIAL ACCOUNTING AND REPORTING SECTION DEPARTMENT OF ADMINISTRATION BLDG 17 2101 WASHINGTON ST E CHARLESTON WV 25305-1510 US

12-8-21 Bar

Total Order Amount: \$5,794,610.00

Purchasing Division's File Copy

ENTERED

MKP 12/03/2021

PURCHASING DIVISION AUTHORIZATION <i>[Signature]</i> DATE: 12/08/21 ELECTRONIC SIGNATURE ON FILE	ATTORNEY GENERAL APPROVAL AS TO FORM <i>[Signature]</i> DATE: ELECTRONIC SIGNATURE ON FILE	ENCUMBRANCE CERTIFICATION <i>[Signature]</i> 12/14/2021 DATE: ELECTRONIC SIGNATURE ON FILE
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12/13/2021

Extended Description:

Change Order No. #13 - issued to increase the original contract (master agreement) amount per the attached documentation and according to all terms, conditions, pricing and specifications contained in the Original Contract (master agreement) including all authorized change orders.

Original Contract Amount:	\$ 1,009,500.00
CO# 2 Increase:	\$ 211,442.00
CO# 3 Increase:	\$ 72,979.00
CO# 4 Increase:	\$ 181,974.00
CO #6 Renewal:	\$ 991,800.00
CO #8 Increase:	\$ 489,931.00
CO #9 Increase:	\$ 38,314.00
CO#10 Renewal:	\$ 993,200.00
CO#11 Increase:	\$ 802,971.00
CO#12 Renewal	\$ 984,000.00
CO#13 Increase:	\$ 18,499.00

New Contract Total: \$5,794,610.00

No other changes.

All provisions of the original contract and subsequent change order not modified herein shall remain in full force and effect.

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
1	93151607	0.00000		0.000000	\$400,500.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2019-06-30				

Commodity Line Description: Implementation of any new GASB's including GASB75, 85, and 8

Extended Description:

CAFR cost necessary to audit the implementation of any new GASB's including but not limited to GASB 75, 85, and 86

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
2	93151607	0.00000		0.000000	\$1,575,000.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2022-06-30				

Commodity Line Description: Single Audit cost for 40 audit finding

Extended Description:

Single Audit cost for 40 audit finding
2018 \$525,000.00
2019 \$525,000.00 Funds Added for
2020 \$525,000.00 Funds Added for this Change Order

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
3	93151607	0.00000		0.000000	\$220,000.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2022-06-30				

Commodity Line Description: wvOASIS SSAE 16 SOC 1
Type 2 Report

Extended Description:

E&Y SOW Dated: July 1,2018
wvOASIS SSAE 16 Service Organization Control 1 Report
FY2018 - \$55,000.00
FY2019 - \$55,000.00 Funds added FY2020 - \$55,000.00 Funds added for this Change Order

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
4	93151607	0.00000		0.000000	\$116,000.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2022-06-30				

Commodity Line Description: State Rail (separately published audit)

Extended Description:

State Rail (separately published audit)
2018 \$29,000.00
2019 \$29,000.00 Funds added
2020 \$29,000.00 Funds added for this Change Order

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
5	93151607	0.00000		0.000000	\$211,442.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2019-06-30				

Commodity Line Description: Single Audit - Out of Scope request more time

Extended Description:

Single Audit more time to request data, review and test the data, specifically for the agencies:
-Department of Highways
-Department of Education
-National Guard
-Department of Health and Human Services

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
6	93151607	0.00000		0.000000	\$72,979.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2019-06-30				

Commodity Line Description: Single Audit - Out of Scope request more time

Extended Description:

EE& Y expects to incur more time to request data, review and test the data as noted below:
- Additional procedures and rework related to multiple financial statement drafts and related schedules offered to EY
- Additional procedures related to the State not obtaining a separately audited report related to GASB 75, Other Postemployment Benefits

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
7	93151607	0.00000		0.000000	\$181,974.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2022-06-30				

Commodity Line Description: Single Audit - Out of Scope request more time

Extended Description:

E& Y expects to incur more time to as noted below:
- Additional procedures related to three additional Type B - high risk programs being audited as part of the audit related to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- Additional procedures related to delays in receiving information as outlined in our client assistance packages for the audit of various programs, not previously included.

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
8	93151607	0.00000		0.000000	\$382,800.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2020-06-30				

Commodity Line Description: Implementation of any new GASB's including GASB 83 and 84

Extended Description:

Fiscal Year 2019 - CAFR cost should reflect any work necessary to audit the implementation of any new GASB's including but not limited to GASB 83 and 84
\$382,800.00 Funds added for this Change Order

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
9	93151607	0.00000		0.000000	\$489,931.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2020-06-30				

Commodity Line Description: Single Audit - Out of Scope request more time

Extended Description:

E& Y expects to incur more time in completion of our procedures relating to specific federal programs as noted below:
 - Additional procedures related to six known additional Type A programs being audited as part of the audit related to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
 - Additional procedures related to the significant changes in the June 30, 2019 compliance supplement related to the Uniform Guidance audit.

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
10	93151607	0.00000		0.000000	\$38,314.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2022-06-30				

Commodity Line Description: Single Audit - Core Audit out of scope fees and expenses

Extended Description:

E& Y expects to incur more time in completion of our procedures relating to several areas as outline below:

Additional procedures related to the Medicaid and CHIP (Children's Health Insurance Program) federal programs. In December 2019, the AICPA released new guidance to supplement the 2019 Uniform Guidance compliance supplement resulting in the auditors being required to perform additional procedures related to Medicaid and CHIP eligibility.

Additional procedures related to the Data Collection Form. Beginning with the State's reporting for the year ended June 30, 2019, the information required to be included in the Data Collection Form has substantially changed. The Data Collection Form now requires the details of all findings and corrective action plan. This will result in additional time preparing and reviewing the form.

Additional procedures related to the findings identified. The RFP requested that the audit fee be based on the auditor identifying 40 findings. In the current year, approximately 46 findings have been identified thus far. Additional procedures will be performed related to these findings including increased sample sizes and reporting procedures.

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
11	93151607	0.00000		0.000000	\$384,200.00
Service From	Service To	Manufacturer		Model No	
2018-07-01	2022-06-30				

Commodity Line Description: Implementation of any new GASB's including GASB 87

Extended Description:

Fiscal Year 2020 - CAFR cost should reflect any work necessary to audit the implementation of any new GASB's including but not limited to GASB 87

\$384,200.00 Funds added for this Change Order

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
12	93151607	0.00000		0.000000	\$802,971.00
Service From	Service To	Manufacturer	Model No		
2018-07-01	2022-06-30				

Commodity Line Description: Single Audit - Out of Scope request more time

Extended Description:

Increase will cover more time than anticipated in the original contract fee estimates due to additional procedures required to be performed as part of the Single Audit Report and to a much lesser degree the Comprehensive Annual Financial Report.

. The vast majority of the costs for this requested change order are related to additional procedures to be completed for Single Audit programs. Additional procedures related to four known additional Type A programs being audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

. Nearly 25% of this request is related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 which provided additional funding to various major programs.

. Additional procedures related to changes outlined in the Uniform Guidance Compliance Supplement dated August 2020 and the addendum dated December 2020.

. Additionally, procedures outside the initial planned scope and related to assistance with the audit of the beginning balances of the West Virginia Educational Broadcasting Authority financial statements for the year ended June 30, 2020 were completed.

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
13	93151607	0.00000		0.000000	\$900,000.00
Service From	Service To	Manufacturer	Model No		
2018-07-01	2022-06-30				

Commodity Line Description: Implementation of any new GASB's including GASB 87

Extended Description:

Fiscal Year 2021 - CAFR cost should reflect any work necessary to audit the implementation of any new GASB's including but not limited to GASB 87

\$900,000.00 Funds added for this Change Order

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
14	93151607	0.00000		0.000000	\$18,499.00
Service From	Service To	Manufacturer	Model No		
2018-07-01	2022-06-30				

Commodity Line Description: Single Audit - Out of Scope request more time

Extended Description:

Increase will incur additional time related to the SOC 1 Type 1 Service.



Approved
T. Mullins
12/3/21

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
FINANCE DIVISION

MARK D. SCOTT
CABINET SECRETARY

DAVID MULLINS
ACTING FINANCE DIRECTOR

December 3, 2021

Ms. Melissa Pettrey, Senior Buyer
WV Purchasing Division
2019 Washington Street, East
Charleston, WV 25305

Re: Ernst and Young (EY) Change Order

Dear Ms. Pettrey:

Please allow this writing to serve as an increase only to the original contract according to all terms, conditions, prices, and specifications contained in the original contract with EY including all authorized change orders, effective immediately. The increase will cover more time than anticipated in the original contract fee estimates due to additional procedures required to be performed for the Comprehensive Annual Financial Report. EY expects to incur more time to complete the SOC 1 Type 1 service auditor's examination. The additional fees and expenses for these out-of-scope services will exceed the original fee estimate by \$18,499.

If you have any questions or concerns, please contact me at (304) 558-6181.

Sincerely,

David Mullins, Acting Finance Director



Ernst & Young LLP
900 United Center
500 Virginia Street East
Charleston, WV 25301

Tel: +1 304 343 8971
Fax: +1 304 357 5994
ey.com

Mr. David Mullins
Acting Finance Director
Department of Administration
State of West Virginia
2101 Washington Street East
Charleston, WV 25305-0121

November 29, 2021

Dear Mr. Mullins:

This letter will amend our engagement letter agreement (referred to as “the Agreement”) to audit and report on the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information, which collectively comprise the basic financial statements of the State of West Virginia (the State) for the year ending June 30, 2021.

As outlined in our engagement letter, we are to provide you a description of services and related fees for services provided outside of our initial planned scope. Based on our discussions with you, we are anticipating that we will incur additional time related to the SOC 1 Type 1 service auditor’s examination performed in accordance with American Institute of Certified Public Accountants’ *Statement on Standards for Attestation Engagements* No. 18 (AT C-320), Reporting on Controls at a Service Organization for the data center services, for the West Virginia Office of Technology (WVOT). The examination period for the service organization will cover controls placed in operation and tested for design effectiveness as of October 31, 2020.

We estimate our fees based on hours and rank related to the out of scope services outlined above to be \$18,499.

Our fees will be billed on an hourly basis as incurred and the specified rates by level are outlined below:

Rank	Rate
FAIT Executive Director	504
FAIT Senior Manager	488
FAIT Manager	420
FAIT Senior	264
FAIT Supervisory Staff	208
FAIT Staff	180



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The following is a summary of our estimated hours and fee below per rank for the out of scope services outlined above. Our total estimated fees based on hours and rank for out of scope is \$18,499. The actual time incurred might be different from our estimates.

	<u>Estimated Hours</u>	<u>Rate</u>	<u>Estimated Total</u>
FAIT Executive Director	3	\$ 504	\$ 1,512
FAIT Manager	18.75	320	6,000
FAIT Senior	24.75	264	6,534
FAIT Staff	24.74	180	4,453
			<u>\$ 18,499</u>

Please acknowledge your agreement with the above by signing one copy of this letter and returning it to Susan P. Wheeler at 900 United Center, 500 Virginia Street East, Charleston, West Virginia 25301. We appreciate the opportunity to continue providing services to the State of West Virginia.

Yours very truly,

Susan P. Wheeler
Partner

We agree that there have been delays in providing client assistance and that the delays will adjust the audit timeline.

Agreed and accepted by:

State of West Virginia

By: 
David Mullins, Acting Finance Director