



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

State of West Virginia
Contract

Order Date: 01-19-2023

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 FAR2200000002 4	Procurement Folder:	1019628
Document Name:	Comprehensive Annual Financial Report (CAFR)	Reason for Modification:	CO #3 Increase current contract amount
Document Description:	Comprehensive Annual Financial Report and Single Audit		
Procurement Type:	Central Sole Source		
Buyer Name:	Melissa Pettrey		
Telephone:	(304) 558-0094		
Email:	melissa.k.pettrey@wv.gov		
Shipping Method:	Best Way	Effective Start Date:	2022-03-21
Free on Board:	FOB Dest, Freight Prepaid	Effective End Date:	2023-03-20

VENDOR		DEPARTMENT CONTACT	
Vendor Customer Code:	000000177557	Requestor Name:	Sarah H Long
ERNST & YOUNG LLP		Requestor Phone:	(304) 558-4331
500 VIRGINIA ST E		Requestor Email:	sarah.h.long@wv.gov
CHARLESTON	WV 25301-2164	<div style="font-size: 48pt; font-weight: bold;">23</div> <div style="font-weight: bold;">FILE LOCATION _____</div>	
US			
Vendor Contact Phone:	304-343-8971 Extension:		
Discount Details:			

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

Total Order Amount:	\$2,280,872.00
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Purchasing Division's File Copy

ENTERED

2112310023

PURCHASING DIVISION AUTHORIZATION DATE: 01/25/23 ELECTRONIC SIGNATURE ON FILE	ATTORNEY GENERAL APPROVAL AS TO FORM DATE: ELECTRONIC SIGNATURE ON FILE	ENCUMBRANCE CERTIFICATION DATE: 1-30-2023 ELECTRONIC SIGNATURE ON FILE
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1/30/2023

Extended Description:

Change Order No. #03 - 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	\$984,000.00
CO #03 Out of Scope	\$1,296,872.00
New Contract Total	\$2,280,872.00

No other Changes.

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
1	93151607	0.00000		0.000000	\$984,000.00
Service From	Service To	Manufacturer	Model No		
2022-03-21	2023-03-20				

Commodity Line Description: AUDIT OF STATE (CAFR)
Single Audit

Extended Description:

AUDIT OF STATE (CAFR)
Single Audit, Government auditing services
2022 Audit Services \$900,000.00
2022 wvOASIS SSAE 16. \$55,000.00
2022 Audit of WV State Rail Authority \$29,000.00

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
2	93151607	0.00000		0.000000	\$1,296,872.00
Service From	Service To	Manufacturer	Model No		
2022-03-21	2023-03-20				

Commodity Line Description: Out of Scope

Extended Description:

The increase will cover more time than anticipated in the original contract fee estimates due to additional procedures required to be performed as a part of the single Audit Report.



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF THE STATE COMPTROLLER

MARK D. SCOTT
CABINET SECRETARY

DAVID MULLINS
ACTING FINANCE DIRECTOR

January 19, 2023

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

Re: Ernst and Young (EY) Change Order CCT FAR2200000002

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 as part of the Single Audit Report.

EY expects to incur more time to request data, review and test the data noted below:

- Additional procedures and delays related to changes outlined in the 2022 Uniform Guidance Compliance Supplement issued subsequent to EY's engagement letter.
- Additional audit procedures related to the Kronos malware attack in fiscal year 2022.

The vast majority of the overage is directly related to the federal monies under audit. EY accepted the contract with \$6 billion under audit whereas this audit year the total federal expenditure under audit is nearly \$10 billion.

The additional fees and expenses for these out-of-scope services will exceed the original fee estimate by \$1,296,872. In closing, this change order increase represents .03% of the over \$4 billion in additional federal expenditures under the scope of the audit since the EY offered their initial bid.

If you have any questions, I can be reached at 304-558-6181.

Sincerely,

David Mullins, 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

Ms. Sarah Long
Chief Financial Officer, Assistant Secretary
Department of Administration
State of West Virginia
2101 Washington Street East
Charleston, West Virginia 25305-0121

January 12, 2023

Dear Ms. Long:

This letter will amend our engagement letter agreement (referred to as “the Agreement”) dated April 25, 2022, including Change Order No. 1 dated August 30, 2022, 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, 2022.

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 in several areas related to the completion of the financial statement audit and to the completion of our audit procedures performed 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), as outlined below:

Additional procedures and delays related to changes outlined in the 2022 Uniform Guidance Compliance Supplement that was issued subsequent to our engagement letter.

Additional procedures related to the following nine 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):

- 10.542 Pandemic EBT
- 10.553/10.555/10.556/10.559 Child Nutrition Cluster
- 12.401 AGO O&M (National Guard)
- 14.228 Community Development Block Grants/State's Program and non-entitlement grants in Hawaii
- 21.027 Coronavirus State & Local Fiscal Recovery Funds
- 84.126 Vocational Rehabilitation Grants to States
- 84.425 Education Stabilization Fund



- 84.425E HEERF Student Aid Portion
- 84.425F HEERF Institutional Portion
- 84.425J HEERF Historically Black Colleges and Universities (HBCU)
- 84.425M HEERF Strengthening Institutions Program (SIP)
- 84.425-ESF Section 2 – Higher Education (Higher Education Emergency Relief Fund (HEERF))
- 84.425C Governor’s Emergency Education Relief Fund
- 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases
- 93.788 Opioid STR

Additional procedures related to the Kronos malware attack that occurred during fiscal year 2022.

We estimate our fees based on hours and rank related to the procedures outlined above to be \$1,296,872.

Because of the delays in receiving information to complete our testing, our report may be issued after the original deadline of January 31, 2023. By signing this letter, you are acknowledging the change in the delivery date.

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

Rank	Rate
Assurance Partner	\$ 525
Assurance Executive Director	493
Assurance Senior Manager	429
Assurance Manager	372
Assurance Senior	264
Assurance Supervisory Staff	208
Assurance Staff	161
Actuary	488
FAIT Executive Director	504
FAIT Senior Manager	488
FAIT Manager	420
FAIT Senior	264
FAIT Supervisory Staff	208
FAIT Staff	180



Building a better
working world

The following is a summary of our estimated hours and fee. The actual time incurred might be different from our estimates.

	Estimated Hours	Rate	Estimated Total
Partner	270	\$ 525	\$141,750
Managing director	46	493	22,678
Senior Manager	602	429	258,258
Manager	357	372	132,804
Senior	1,397	264	368,808
Staff II	480	208	99,840
Staff	1,694	161	272,734
			<u>\$1,296,872</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