



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

State of West Virginia Contract

Order Date: 05-12-2025

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 FAR2500000001 1	Procurement Folder:	1647141
Document Name:	ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND SINGLE AUD	Reason for Modification:	
Document Description:	ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND SINGLE AUD		
Procurement Type:	Central Contract - Fixed Amt		
Buyer Name:	Crystal G Hustead		
Telephone:	(304) 558-2402		
Email:	crystal.g.hustead@wv.gov		
Shipping Method:	Best Way	Effective Start Date:	2025-05-20
Free on Board:	FOB Dest, Freight Prepaid	Effective End Date:	2026-05-19

VENDOR				DEPARTMENT CONTACT	
Vendor Customer Code: 000000184076				Requestor Name: David W Mullins	
CLIFTONLARSONALLEN LLP				Requestor Phone: (304) 558-0076	
4334 Munson Street, NW				Requestor Email: dave.w.mullins@wv.gov	
Canton		OH	44718		
US					
Vendor Contact Phone: 4148813868		Extension:			
Discount Details:					
	Discount Allowed	Discount Percentage		Discount Days	
#1	No	0.0000		0	
#2	Not Entered				
#3	Not Entered				
#4	Not Entered				

2025

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

5/14/25 6C Purchasing Division's File Copy

Total Order Amount: \$1,460,000.00

PURCHASING DIVISION AUTHORIZATION DATE: <i>Tanya 5/14/25</i>	ATTORNEY GENERAL APPROVAL AS TO FORM DATE: <i>5/15/2025</i>	ENCUMBRANCE CERTIFICATION DATE: <i>5/16/25</i>
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ELECTRONIC SIGNATURE ON FILE

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ELECTRONIC SIGNATURE ON FILE

Extended Description:

THE VENDOR, CLIFTONLARSONALLEN LLP, AGREES TO ENTER WITH THE AGENCY, WEST VIRGINIA FINANCE DIVISION, INTO A CONTRACT FOR ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND SINGLE AUDIT FOR THE STATE OF WEST VIRGINIA PER THE TERMS AND CONDITIONS, SPECIFICATIONS, BID REQUIREMENTS, ADDENDUM 1 ISSUED 04/07/2025, ADDENDUM 2 ISSUED 04/14/2025, AND THE VENDOR'S PROPOSAL DATED 04/15/2025, INCORPORATED HEREIN BY REFERENCE, AND MADE A PART OF HEREOF.

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
1	93151607	0.00000		0.000000	\$1,460,000.00
Service From	Service To	Manufacturer		Model No	
2025-05-20	2026-05-19				

Commodity Line Description: ACFR Financial Report (ACFR) and Single Audit

Extended Description:

Annual Comprehensive Financial Report (ACFR) and the Single Audit for the State of West Virginia.

MODIFIED GENERAL TERMS AND CONDITIONS:

1. CONTRACTUAL AGREEMENT: Issuance of an Award Document signed by the Purchasing Division Director, or his designee, and approved as to form by the Attorney General's office constitutes acceptance by the State of this Contract made by and between the State of West Virginia and the Vendor. Vendor's signature on its bid, or on the Contract if the Contract is not the result of a bid solicitation, signifies Vendor's agreement to be bound by and accept the terms and conditions contained in this Contract.

2. DEFINITIONS: As used in this Solicitation/Contract, the following terms shall have the meanings attributed to them below. Additional definitions may be found in the specifications included with this Solicitation/Contract.

2.1. "Agency" or "Agencies" means the agency, board, commission, or other entity of the State of West Virginia that is identified on the first page of the Solicitation or any other public entity seeking to procure goods or services under this Contract.

2.2. "Bid" or "Proposal" means the vendors submitted response to this solicitation.

2.3. "Contract" means the binding agreement that is entered into between the State and the Vendor to provide the goods or services requested in the Solicitation.

2.4. "Director" means the Director of the West Virginia Department of Administration, Purchasing Division.

2.5. "Purchasing Division" means the West Virginia Department of Administration, Purchasing Division.

2.6. "Award Document" means the document signed by the Agency and the Purchasing Division, and approved as to form by the Attorney General, that identifies the Vendor as the contract holder.

2.7. "Solicitation" means the official notice of an opportunity to supply the State with goods or services that is published by the Purchasing Division.

2.8. "State" means the State of West Virginia and/or any of its agencies, commissions, boards, etc. as context requires.

2.9. "Vendor" or "Vendors" means any entity submitting a bid in response to the Solicitation, the entity that has been selected as the lowest responsible bidder, or the entity that has been awarded the Contract as context requires.

3. CONTRACT TERM; RENEWAL; EXTENSION: The term of this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below:

☒ **Term Contract**

Initial Contract Term: The Initial Contract Term will be for a period of one (1) year. The Initial Contract Term becomes effective on the effective start date listed on the first page of this Contract, identified as the State of West Virginia contract cover page containing the signatures of the Purchasing Division, Attorney General, and Encumbrance clerk (or another page identified as _____), and the Initial Contract Term ends on the effective end date also shown on the first page of this Contract.

Renewal Term: This Contract may be renewed upon the mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any request for renewal should be delivered to the Agency and then submitted to the Purchasing Division thirty (30) days prior to the expiration date of the initial contract term or appropriate renewal term. A Contract renewal shall be in accordance with the terms and conditions of the original contract. Unless otherwise specified below, renewal of this Contract is limited to three (3) successive one (1) year periods or multiple

renewal periods of less than one year, provided that the multiple renewal periods do not exceed the total number of months available in all renewal years combined. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

☐ **Alternate Renewal Term** – This contract may be renewed for _____ successive _____ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

Delivery Order Limitations: In the event that this contract permits delivery orders, a delivery order may only be issued during the time this Contract is in effect. Any delivery order issued within one year of the expiration of this Contract shall be effective for one year from the date the delivery order is issued. No delivery order may be extended beyond one year after this Contract has expired.

☐ **Fixed Period Contract:** This Contract becomes effective upon Vendor's receipt of the notice to proceed and must be completed within _____ days.

☐ **Fixed Period Contract with Renewals:** This Contract becomes effective upon Vendor's receipt of the notice to proceed and part of the Contract more fully described in the attached specifications must be completed within _____ days. Upon completion of the work covered by the preceding sentence, the vendor agrees that:

☐ the contract will continue for _____ years;

☐ the contract may be renewed for _____ successive _____ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's Office (Attorney General approval is as to form only).

☐ **One-Time Purchase:** The term of this Contract shall run from the issuance of the Award Document until all of the goods contracted for have been delivered, but in no event will this Contract extend for more than one fiscal year.

☐ **Construction/Project Oversight:** This Contract becomes effective on the effective start date listed on the first page of this Contract, identified as the State of West Virginia contract cover page containing the signatures of the Purchasing Division, Attorney General, and Encumbrance clerk (or another page identified as _____), and continues until the project for which the vendor is providing oversight is complete.

☐ **Other:** Contract Term specified in _____

4. AUTHORITY TO PROCEED: Vendor is authorized to begin performance of this contract on the date of encumbrance listed on the front page of the Award Document unless either the box for "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked in Section 3 above. If either "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked, Vendor must not begin work until it receives a separate notice to proceed from the State. The notice to proceed will then be incorporated into the Contract via change order to memorialize the official date that work commenced.

5. QUANTITIES: The quantities required under this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below.

☒ **Open End Contract:** Quantities listed in this Solicitation/Award Document are approximations only, based on estimates supplied by the Agency. It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract, whether more or less than the quantities shown.

☐ **Service:** The scope of the service to be provided will be more clearly defined in the specifications included herewith.

☐ **Combined Service and Goods:** The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.

☐ **One-Time Purchase:** This Contract is for the purchase of a set of goods identified in the specifications included herewith. Once those items are purchased, no additional goods may be procured under this Contract without an approval of the Vendor, Agency, Purchasing Division, and Attorney General.

☐ **Construction:** This Contract is for construction activity more fully described in the specifications.

6. EMERGENCY PURCHASES: The Purchasing Division Director may authorize the purchase of goods or services in the open market that the Vendor would not purchase under the Contract if those goods or services are for immediate or expedited delivery. Emergencies shall include, but are not limited to, delays in transportation, an increase in the volume of work. An emergency purchase in the open market, authorized by the Purchasing Division Director, shall not constitute a breach of this Contract. The Vendor shall be liable to the State for any form of compensation or damages. This provision shall not release the Vendor from fulfilling its obligations under a One-Time Purchase contract.

7. REQUIRED DOCUMENTS: All of the items checked in this section shall be provided to the Purchasing Division by the Vendor as specified:

☐ **LICENSE(S) / CERTIFICATIONS / PERMITS:** In addition to the requirements of Section 7 of the General Terms and Conditions entitled Licensing, the Vendor shall furnish proof of the following licenses, certifications, and/or permits in a form acceptable to the State. The request may be prior to or after contract award, at the discretion of the State.

☐☐☐☐

The apparent successful Vendor shall also furnish proof of any additional licenses, certifications, and/or permits required by the State in the specifications contained in the specifications regardless of whether or not they are listed above.

☐ **One-Time Purchase:** This Contract is for the purchase of a set quantity of goods that are identified in the specifications included herewith. Once those items have been delivered, no additional goods may be procured under this Contract without an appropriate change order approved by the Vendor, Agency, Purchasing Division, and Attorney General's office.

☐ **Construction:** This Contract is for construction activity more fully defined in the specifications.

6. EMERGENCY PURCHASES: The Purchasing Division Director may authorize the Agency to purchase goods or services in the open market that Vendor would otherwise provide under this Contract if those goods or services are for immediate or expedited delivery in an emergency. Emergencies shall include, but are not limited to, delays in transportation or an unanticipated increase in the volume of work. An emergency purchase in the open market, approved by the Purchasing Division Director, shall not constitute of breach of this Contract and shall not entitle the Vendor to any form of compensation or damages. This provision does not excuse the State from fulfilling its obligations under a One-Time Purchase contract.

7. REQUIRED DOCUMENTS: All of the items checked in this section must be provided to the Purchasing Division by the Vendor as specified:

☐ **LICENSE(S) / CERTIFICATIONS / PERMITS:** In addition to anything required under the Section of the General Terms and Conditions entitled Licensing, the apparent successful Vendor shall furnish proof of the following licenses, certifications, and/or permits upon request and in a form acceptable to the State. The request may be prior to or after contract award at the State's sole discretion.

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The apparent successful Vendor shall also furnish proof of any additional licenses or certifications contained in the specifications regardless of whether or not that requirement is listed above.

☐ **Fixed Period Contract with Renewals:** This Contract becomes effective upon Vendor's receipt of the notice to proceed and part of the Contract more fully described in the attached specifications must be completed within _____ days. Upon completion of the work covered by the preceding sentence, the vendor agrees that:

☐ the contract will continue for _____ years;

☐ the contract may be renewed for _____ successive _____ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's Office (Attorney General approval is as to form only).

☐ **One-Time Purchase:** The term of this Contract shall run from the issuance of the Award Document until all of the goods contracted for have been delivered, but in no event will this Contract extend for more than one fiscal year.

☐ **Construction/Project Oversight:** This Contract becomes effective on the effective start date listed on the first page of this Contract, identified as the State of West Virginia contract cover page containing the signatures of the Purchasing Division, Attorney General, and Encumbrance clerk (or another page identified as _____), and continues until the project for which the vendor is providing oversight is complete.

☐ **Other:** Contract Term specified in _____

4. AUTHORITY TO PROCEED: Vendor is authorized to begin performance of this contract on the date of encumbrance listed on the front page of the Award Document unless either the box for "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked in Section 3 above. If either "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked, Vendor must not begin work until it receives a separate notice to proceed from the State. The notice to proceed will then be incorporated into the Contract via change order to memorialize the official date that work commenced.

5. QUANTITIES: The quantities required under this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below.

☒ **Open End Contract:** Quantities listed in this Solicitation/Award Document are approximations only, based on estimates supplied by the Agency. It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract, whether more or less than the quantities shown.

☐ **Service:** The scope of the service to be provided will be more clearly defined in the specifications included herewith.

☐ **Combined Service and Goods:** The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.

8. INSURANCE: The apparent successful Vendor shall furnish proof of the insurance identified by a checkmark below prior to Contract award. The insurance coverages identified below must be maintained throughout the life of this contract. Thirty (30) days prior to the expiration of the insurance policies, Vendor shall provide the Agency with proof that the insurance mandated herein has been continued. Vendor must also provide Agency with immediate notice of any changes in its insurance policies, including but not limited to, policy cancelation, policy reduction, or change in insurers. The apparent successful Vendor shall also furnish proof of any additional insurance requirements contained in the specifications prior to Contract award regardless of whether that insurance requirement is listed in this section.

Vendor must maintain:

☒ **Commercial General Liability Insurance** in at least an amount of: \$1,000,000 per occurrence.

☐ **Automobile Liability Insurance** in at least an amount of: _____ per occurrence.

☐ **Professional/Malpractice/Errors and Omission Insurance** in at least an amount of: _____ per occurrence. Notwithstanding the forgoing, Vendor's are not required to list the State as an additional insured for this type of policy.

☐ **Commercial Crime and Third Party Fidelity Insurance** in an amount of: _____ per occurrence.

☐ **Cyber Liability Insurance** in an amount of: _____ per occurrence.

☐ **Builders Risk Insurance** in an amount equal to 100% of the amount of the Contract.

☐ **Pollution Insurance** in an amount of: _____ per occurrence.

☐ **Aircraft Liability** in an amount of: _____ per occurrence.

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9. WORKERS' COMPENSATION INSURANCE: Vendor shall comply with laws relating to workers compensation, shall maintain workers' compensation insurance when required, and shall furnish proof of workers' compensation insurance upon request.

10. VENUE: All legal actions for damages brought by Vendor against the State shall be brought in the West Virginia Claims Commission. Other causes of action must be brought in the West Virginia court authorized by statute to exercise jurisdiction over it.

11. LIQUIDATED DAMAGES: This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other available remedy. Vendor shall pay liquidated damages in the amount specified below or as described in the specifications:

☐ _____ for _____.

☐ Liquidated Damages Contained in the Specifications.

☒ Liquidated Damages Are Not Included in this Contract.

12. ACCEPTANCE: Vendor's signature on its bid, or on the certification and signature page, constitutes an offer to the State that cannot be unilaterally withdrawn, signifies that the product or service proposed by vendor meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise indicated, and signifies acceptance of the terms and conditions contained in the Solicitation unless otherwise indicated.

13. PRICING: The pricing set forth herein is firm for the life of the Contract, unless specified elsewhere within this Solicitation/Contract by the State. A Vendor's inclusion of price adjustment provisions in its bid, without an express authorization from the State in the Solicitation to do so, may result in bid disqualification. Notwithstanding the foregoing, Vendor must extend any publicly advertised sale price to the State and invoice at the lower of the contract price or the publicly advertised sale price.

14. PAYMENT IN ARREARS: Payments for goods/services will be made in arrears only upon receipt of a proper invoice, detailing the goods/services provided or receipt of the goods/services, whichever is later. Notwithstanding the foregoing, payments for software maintenance, licenses, or subscriptions may be paid annually in advance.

15. PAYMENT METHODS: Vendor must accept payment by electronic funds transfer and P-Card. (The State of West Virginia's Purchasing Card program, administered under contract by a banking institution, processes payment for goods and services through state designated credit cards.)

16. TAXES: The Vendor shall pay any applicable sales, use, personal property or any other taxes arising out of this Contract and the transactions contemplated thereby. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.

17. ADDITIONAL FEES: Vendor is not permitted to charge additional fees or assess additional charges that were not either expressly provided for in the solicitation published by the State of West Virginia, included in the Contract, or included in the unit price or lump sum bid amount that Vendor is required by the solicitation to provide. Including such fees or charges as notes to the solicitation may result in rejection of vendor's bid. Requesting such fees or charges be paid after the contract has been awarded may result in cancellation of the contract.

18. FUNDING: This Contract shall continue for the term stated herein, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise made available, this Contract becomes void and of no effect beginning on July 1 of the fiscal year for which funding has not been appropriated or otherwise made available. If that occurs, the State may notify the Vendor that an alternative source of funding has been obtained and thereby avoid the automatic termination. Non-appropriation or non-funding shall not be considered an event of default.

19. CANCELLATION: The Purchasing Division Director reserves the right to cancel this Contract immediately upon written notice to the vendor if the materials or workmanship supplied do not conform to the specifications contained in the Contract. The Purchasing Division Director may also cancel any purchase or Contract upon 30 days written notice to the Vendor in accordance with West Virginia Code of State Rules § 148-1-5.2.b.

20. TIME: Time is of the essence regarding all matters of time and performance in this Contract.

21. APPLICABLE LAW: This Contract is governed by and interpreted under West Virginia law without giving effect to its choice of law principles. Any information provided in specification manuals, or any other source, verbal or written, which contradicts or violates the West Virginia Constitution, West Virginia Code, or West Virginia Code of State Rules is void and of no effect.

22. COMPLIANCE WITH LAWS: Vendor shall comply with all applicable federal, state, and local laws, regulations and ordinances. By submitting a bid, Vendor acknowledges that it has reviewed, understands, and will comply with all applicable laws, regulations, and ordinances.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to comply with all applicable laws, regulations, and ordinances. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

23. ARBITRATION: Any references made to arbitration contained in this Contract, Vendor's bid, or in any American Institute of Architects documents pertaining to this Contract are hereby deleted, void, and of no effect.

- 24. MODIFICATIONS:** This writing is the parties' final expression of intent. Notwithstanding anything contained in this Contract to the contrary no modification of this Contract shall be binding without mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any change to existing contracts that adds work or changes contract cost, and were not included in the original contract, must be approved by the Purchasing Division and the Attorney General's Office (as to form) prior to the implementation of the change or commencement of work affected by the change.
- 25. WAIVER:** The failure of either party to insist upon a strict performance of any of the terms or provision of this Contract, or to exercise any option, right, or remedy herein contained, shall not be construed as a waiver or a relinquishment for the future of such term, provision, option, right, or remedy, but the same shall continue in full force and effect. Any waiver must be expressly stated in writing and signed by the waiving party.
- 26. SUBSEQUENT FORMS:** The terms and conditions contained in this Contract shall supersede any and all subsequent terms and conditions which may appear on any form documents submitted by Vendor to the Agency or Purchasing Division such as price lists, order forms, invoices, sales agreements, or maintenance agreements, and includes internet websites or other electronic documents. Acceptance or use of Vendor's forms does not constitute acceptance of the terms and conditions contained thereon.
- 27. ASSIGNMENT:** Neither this Contract nor any monies due, or to become due hereunder, may be assigned by the Vendor without the express written consent of the Agency, the Purchasing Division, the Attorney General's office (as to form only), and any other government agency or office that may be required to approve such assignments.
- 28. WARRANTY:** The Vendor expressly warrants that the goods and/or services covered by this Contract will: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; (b) be merchantable and fit for the purpose intended; and (c) be free from defect in material and workmanship.
- 29. STATE EMPLOYEES:** State employees are not permitted to utilize this Contract for personal use and the Vendor is prohibited from permitting or facilitating the same.
- 30. PRIVACY, SECURITY, AND CONFIDENTIALITY:** The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in www.state.wv.us/admin/purchase/privacy.

31. YOUR SUBMISSION IS A PUBLIC DOCUMENT: Vendor's entire response to the Solicitation and the resulting Contract are public documents. As public documents, they will be disclosed to the public following the bid/proposal opening or award of the contract, as required by the competitive bidding laws of West Virginia Code §§ 5A-3-1 et seq., 5-22-1 et seq., and 5G-1-1 et seq. and the Freedom of Information Act West Virginia Code §§ 29B-1-1 et seq.

DO NOT SUBMIT MATERIAL YOU CONSIDER TO BE CONFIDENTIAL, A TRADE SECRET, OR OTHERWISE NOT SUBJECT TO PUBLIC DISCLOSURE.

Submission of any bid, proposal, or other document to the Purchasing Division constitutes your explicit consent to the subsequent public disclosure of the bid, proposal, or document. The Purchasing Division will disclose any document labeled "confidential," "proprietary," "trade secret," "private," or labeled with any other claim against public disclosure of the documents, to include any "trade secrets" as defined by West Virginia Code § 47-22-1 et seq. All submissions are subject to public disclosure without notice.

32. LICENSING: In accordance with West Virginia Code of State Rules § 148-1-6.1.e, Vendor must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agency or political subdivision. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Upon request, the Vendor must provide all necessary releases to obtain information to enable the Purchasing Division Director or the Agency to verify that the Vendor is licensed and in good standing with the above entities.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to be licensed, in good standing, and up-to-date on all state and local obligations as described in this section. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

33. ANTITRUST: In submitting a bid to, signing a contract with, or accepting a Award Document from any agency of the State of West Virginia, the Vendor agrees to convey, sell, assign, or transfer to the State of West Virginia all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to Vendor.

34. VENDOR NON-CONFLICT: Neither Vendor nor its representatives are permitted to have any interest, nor shall they acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency.

35. VENDOR RELATIONSHIP: The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this Contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents. Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this Solicitation and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever. Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, etc. and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

36. INDEMNIFICATION: The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the Contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner not authorized by the Contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage and hour laws. Vendor's indemnification obligations hereunder shall not extend to claims arising from sole negligence or willful misconduct of the State, Agency, their officers and employees

37. NO DEBT CERTIFICATION: In accordance with West Virginia Code §§ 5A-3-10a and 5-22-1(i), the State is prohibited from awarding a contract to any bidder that owes a debt to the State or a political subdivision of the State. By submitting a bid, or entering into a contract with the State, Vendor is affirming that (1) for construction contracts, the Vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, neither the Vendor nor any related party owe a debt as defined above, and neither the Vendor nor any related party are in employer default as defined in the statute cited above unless the debt or employer default is permitted under the statute.

38. CONFLICT OF INTEREST: Vendor, its officers or members or employees, shall not presently have or acquire an interest, direct or indirect, which would conflict with or compromise the performance of its obligations hereunder. Vendor shall periodically inquire of its officers, members and employees to ensure that a conflict of interest does not arise. Any conflict of interest discovered shall be promptly presented in detail to the Agency.

39. REPORTS: Vendor shall provide the Agency and/or the Purchasing Division with the following reports identified by a checked box below:

☒ Such reports as the Agency and/or the Purchasing Division may request. Requested reports may include, but are not limited to, quantities purchased, agencies utilizing the contract, total contract expenditures by agency, etc.

☐ Quarterly reports detailing the total quantity of purchases in units and dollars, along with a listing of purchases by agency. Quarterly reports should be delivered to the Purchasing Division via email at purchasing.division@wv.gov.

40. BACKGROUND CHECK: In accordance with W. Va. Code § 15-2D-3, the State reserves the right to prohibit a service provider's employees from accessing sensitive or critical information or to be present at the Capitol complex based upon results addressed from a criminal background check. Service providers should contact the West Virginia Division of Protective Services by phone at (304) 558-9911 for more information.

41. PREFERENCE FOR USE OF DOMESTIC STEEL PRODUCTS: ~~Except when authorized by the Director of the Purchasing Division pursuant to W. Va. Code § 5A-3-56, no contractor may use or supply steel products for a State Contract Project other than those steel products made in the United States. A contractor who uses steel products in violation of this section may be subject to civil penalties pursuant to W. Va. Code § 5A-3-56. As used in this section:~~

- ~~a. "State Contract Project" means any erection or construction of, or any addition to, alteration of or other improvement to any building or structure, including, but not limited to, roads or highways, or the installation of any heating or cooling or ventilating plants or other equipment, or the supply of and materials for such projects, pursuant to a contract with the State of West Virginia for which bids were solicited on or after June 6, 2001.~~
- ~~b. "Steel Products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed, or processed by a combination of two or more or such operations, from steel made by the open hearth, basic oxygen, electric furnace, Bessemer or other steel making process.~~
- ~~c. The Purchasing Division Director may, in writing, authorize the use of foreign steel products if:~~
 - ~~1. The cost for each contract item used does not exceed one tenth of one percent (.1%) of the total contract cost or two thousand five hundred dollars (\$2,500.00), whichever is greater. For the purposes of this section, the cost is the value of the steel product as delivered to the project; or~~
 - ~~2. The Director of the Purchasing Division determines that specified steel materials are not produced in the United States in sufficient quantity or otherwise are not reasonably available to meet contract requirements.~~

42. PREFERENCE FOR USE OF DOMESTIC ALUMINUM, GLASS, AND STEEL: In Accordance with W. Va. Code § 5-19-1 et seq., and W. Va. CSR § 148-10-1 et seq., for every contract or subcontract, subject to the limitations contained herein, for the construction, reconstruction, alteration, repair, improvement or maintenance of public works or for the purchase of any item of machinery or equipment to be used at sites of public works, only domestic aluminum, glass or steel products shall be supplied unless the spending officer determines, in writing, after the receipt of offers or bids, (1) that the cost of domestic aluminum, glass or steel products is unreasonable or inconsistent with the public interest of the State of West Virginia, (2) that domestic aluminum, glass or steel products are not produced in sufficient quantities to meet the contract requirements, or (3) the available domestic aluminum, glass, or steel do not meet the contract specifications. This provision only applies to public works contracts awarded in an amount more than fifty thousand dollars (\$50,000) or public works contracts that require more than ten thousand pounds of steel products.

The cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than twenty percent (20%) of the bid or offered price for foreign made aluminum, glass, or steel products. If the domestic aluminum, glass or steel products to be supplied or produced in a "substantial labor surplus area", as defined by the United States Department of Labor, the cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than thirty percent (30%) of the bid or offered price for foreign made aluminum, glass, or steel products. This preference shall be applied to an item of machinery or equipment, as indicated above, when the item is a single unit of equipment or machinery manufactured primarily of aluminum, glass or steel, is part of a public works contract and has the sole purpose or of being a permanent part of a single public works project. This provision does not apply to equipment or machinery purchased by a spending unit for use by that spending unit and not as part of a single public works project.

All bids and offers including domestic aluminum, glass or steel products that exceed bid or offer prices including foreign aluminum, glass or steel products after application of the preferences provided in this provision may be reduced to a price equal to or lower than the lowest bid or offer price for foreign aluminum, glass or steel products plus the applicable preference. If the reduced bid or offer prices are made in writing and supersede the prior bid or offer prices, all bids or offers, including the reduced bid or offer prices, will be reevaluated in accordance with this rule.

43. INTERESTED PARTY SUPPLEMENTAL DISCLOSURE: W. Va. Code § 6D-1-2 requires that for contracts with an actual or estimated value of at least \$1 million, the Vendor must submit to the Agency a disclosure of interested parties prior to beginning work under this Contract. Additionally, the Vendor must submit a supplemental disclosure of interested parties reflecting any new or differing interested parties to the contract, which were not included in the original pre-work interested party disclosure, within 30 days following the completion or termination of the contract. A copy of that form is included with this solicitation or can be obtained from the WV Ethics Commission. This requirement does not apply to publicly traded companies listed on a national or international stock exchange. A more detailed definition of interested parties can be obtained from the form referenced above.

44. PROHIBITION AGAINST USED OR REFURBISHED: Unless expressly permitted in the solicitation published by the State, Vendor must provide new, unused commodities, and is prohibited from supplying used or refurbished commodities, in fulfilling its responsibilities under this Contract.

45. VOID CONTRACT CLAUSES: This Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law.

46. ISRAEL BOYCOTT: Bidder understands and agrees that, pursuant to W. Va. Code § 5A-3-63, it is prohibited from engaging in a boycott of Israel during the term of this contract.

47. CONTRACTOR will not disclose any of STATE'S confidential, proprietary, or privileged information to any person or party, unless STATE authorizes CONTRACTOR to do so, it is published or released by STATE, it becomes publicly known or available other than through disclosure by CONTRACTOR, or disclosure is required by law, regulation or professional standard. This confidentiality provision does not prohibit CONTRACTOR from disclosing STATE's information to one or more of CONTRACTOR's affiliated companies in order to provide services that STATE has requested from CONTRACTOR or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of STATE's information as apply to CONTRACTOR. STATE also consents to CONTRACTOR'S disclosure of information regarding the nature of services CONTRACTOR provide to STATE to another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.

48. The workpapers and files supporting the services CONTRACTOR performs are the sole and exclusive property of CONTRACTOR and constitute confidential and proprietary information. CONTRACTOR does not provide access to its workpapers and files to STATE or anyone else in the normal course of CONTRACTOR. Unless required by law or regulation to the contrary, CONTRACTOR retain its workpapers and files in accordance with its record retention policy that typically provides for a retention period of seven years. After this period expires, CONTRACTOR's workpapers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time CONTRACTOR's records are available. The workpapers and files of CONTRACTOR are not a substitute for STATE's records.

49. Pursuant to authority given by law, regulation or professional standards CONTRACTOR may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. CONTRACTOR will notify STATE of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of CONTRACTOR personnel and at a location designated by CONTRACTOR. Furthermore, upon request, CONTRACTOR may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide to distribute the copies or information contained therein to others, including other governmental agencies.

50. CONTRACTOR may, at times, utilize external web applications to receive and process information from its clients; however, any sensitive data, including protected health information and personally identifiable information, must be redacted by STATE to the maximum extent possible prior to uploading the document or file. In the event that STATE is unable to remove or obscure all sensitive data, please contact CONTRACTOR to discuss other potential options for transmitting the document or file.

51. CONTRACTOR and certain owners of CONTRACTOR are licensed by the California Board of Accountancy. However, CONTRACTOR has owners not licensed by the California Board of Accountancy who may provide services under this Agreement. If STATE has any questions regarding licensure of the personnel performing services under this Agreement, please do not hesitate to contact CONTRACTOR.

52. CONTRACTOR regularly aggregates anonymized client data and perform a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, CONTRACTOR is always careful to preserve the confidentiality of the separate information that CONTRACTOR obtains from each client, as required by the AICPA Code of Professional Conduct and various laws. STATE's acceptance of this Agreement will serve as STATE's consent to CONTRACTOR's use of anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analyses.

53. CONTRACTOR may, at times, use third-party software applications to perform services under this Agreement. STATE acknowledges the software vendor may have access to its data.

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) Sean Walker, CPA, CFE, CGFM, CGMS, Principal

(Address) 4334 Munson Street NW, Suite 200, Canton, OH 44718-3674

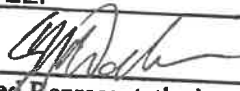
(Phone Number) / (Fax Number) 414-881-3868 / fax 330-497-2244

(email address) sean.walker@CLAconnect.com

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, 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.

CliftonLarsonAllen LLP
(Company)


(Signature of Authorized Representative)

Sean Walker, CPA, CFE, CGFM, CGMS, Principal, 5/7/25
(Printed Name and Title of Authorized Representative) (Date)

414-881-3868 / fax 330-497-2244
(Phone Number) (Fax Number)

sean.walker@CLAconnect.com
(Email Address)

Attachment A: Vendor Response Sheet

REQUEST FOR PROPOSAL (West Virginia Finance Division CRFP FAR2500000001)

Attachment A: Vendor Response Sheet

Provide a response regarding the following: firm and staff qualifications and experience in completing similar projects including any prior experience in completing similar projects for West Virginia state government; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.

List project goals and objectives contained in Section 4, Subsection 4:

**Section 4,
Subsection 4.2.1.1:**

List audits that have been completed that demonstrate the ability to manage an audit engagement of this magnitude.

Vendor Response:

Due to limited space, we have provided our response on the following pages.

**Section 4,
Subsection 4.2.1.2:**

List proposed audit staff with degrees, qualifications, and experience also describe aspects of the engagement which may require the services of specialists or involve consultation outside the engagement

Vendor Response:

Due to limited space, we have provided our response on the following pages.

**Section 4,
Subsection 4.2.1.3:**

List prior government experience (description of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met) including any prior experience in completing similar projects for West Virginia state government.

Vendor Response:

Due to limited space, we have provided our response on the following pages.

**Section 4,
Subsection 4.2.1.4:**

Describe specific audit work plan including; subcontractors; the firm's responsibilities under the applicable auditing standards and federal regulations; and how the firm's approach to this engagement will demonstrate that all requirements are met. Also describe specific audit work plan for any potential problems in performing all services described in this RFP including; the effects of GASB standards; the firm's approach to resolving these

Revised 07/01/2021



REQUEST FOR PROPOSAL
(West Virginia Finance Division CRFP FAR2500000001)

problems; and any special assistance that will be requested of the Agency or the State agencies. Also, give a detailed explanation of the extent that technology will be used in the auditing process and how it will affect sample size, automation of the engagement and overall flow of the audit.

Vendor Response:

Due to limited space, we have provided our response on the following pages.

Revised 07/01/2021

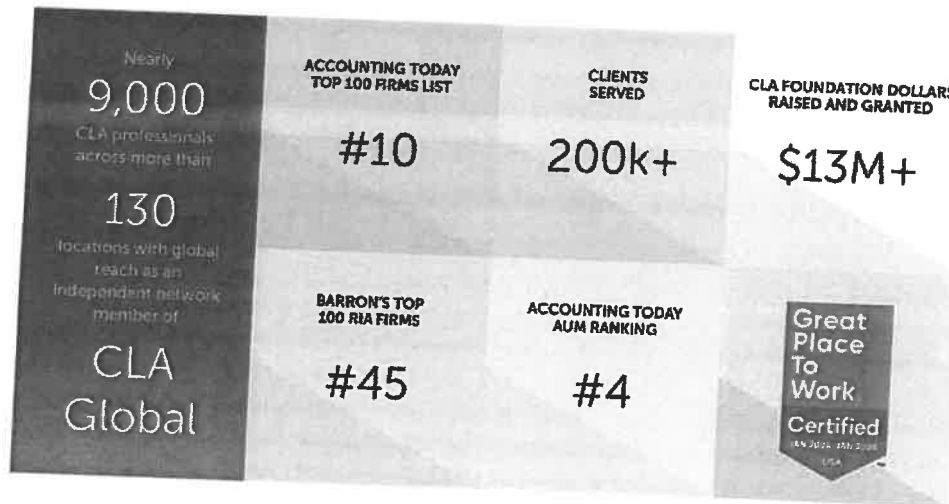


4.2.1.1: Demonstrate availability to manage an audit

(RFP Section 4, Subsection 4.2.1.1)

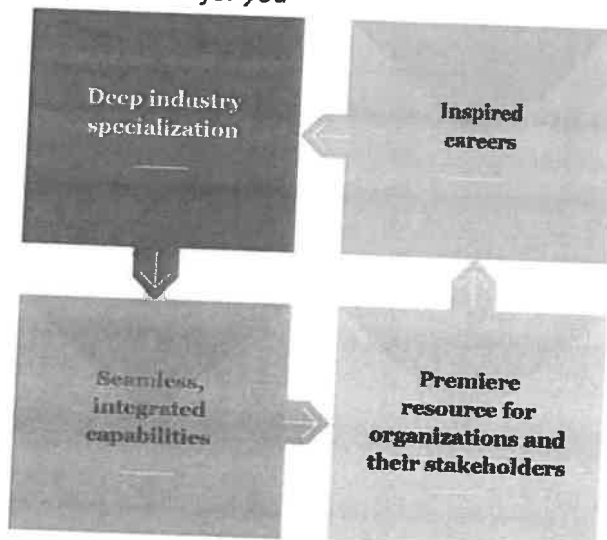
Firm overview

It takes balance.™ With CLA by your side, you will find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.



As a professional services firm, we exist to create opportunities ... for you, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. We do this when we live the CLA Promise — a promise to know you and help you.

Opportunities for you



You'll find resources you would expect in the largest firms, with the personal touch of people who live and work in your community.

You'll access leaders and professionals in communities across the country, rather than from one central headquarters. We work together to look at your organization holistically, and then help you address challenges by offering support where you need it, from traditional audit and tax to outsourcing and wealth advisory.

As you navigate opportunities and challenges in a competitive and constantly changing environment, we'll embrace change, learn from it, and design processes to make interactions easier, more transparent, and seamless.



Opportunities for our people

At CLA, people find meaningful work in a fun, compelling, and energizing culture. Our people design their own customized careers through our inspired careers strategic advantage. In 2024 our total headcount was relatively the same as in 2023, and we continue to witness a remarkable retention rate of 89%. Inspired by their careers, our family members develop client relationships that bring deeper knowledge and help you shine. We're one family, working together to create opportunities.

What's more, CLA is building a culture of connection and belonging that welcomes different beliefs and perspectives. We want to represent the communities we serve and foster an environment of inclusion and belonging, resulting in enhanced value for our clients, our communities, and each other.

Inclusive: We embrace all voices and create opportunities by removing barriers and helping our people build inspired careers.

Opportunities for our community

CLA's community impact team unifies the work of connection, belonging and the CLA Foundation with a laser focus on advancing education, employment, and entrepreneurship within CLA and throughout our society.

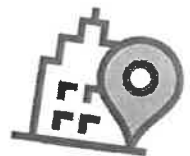
Since 2015, our CLA Foundation has granted more than \$13 million from nominations made by and funds raised from CLA family members. Each grant recipient's work aligns with the foundation's mission to create career opportunities through education, employment, and entrepreneurship by connecting networks inclusive of all genders and races, veterans, and the disability community.

Read more in CLA's annual Promise Report.

Office location assigned to manage the engagement

Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide the State higher-quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff.

The State will be served by our firm-wide state and local government industry-specialized engagement team located in our Arlington, Virginia, Baltimore, Maryland offices with support from our local office, Canton, Ohio office.



CLA Arlington
950 N Glebe Road
Suite 1200
Arlington, VA 22203

CLA Baltimore (Timonium)
1966 Greenspring Drive
Suite 300
Timonium, MD 21093

CLA Canton
4334 Munson Street NW
Suite 200
Canton, OH 44718



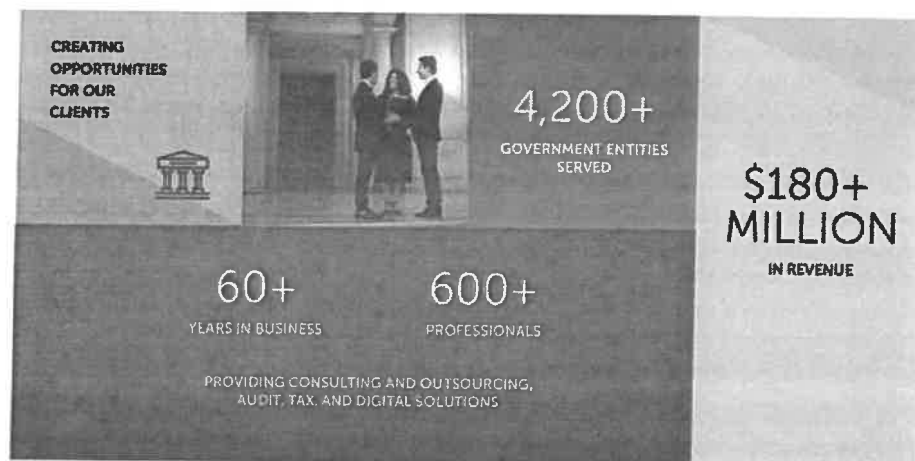
Ability to manage an audit engagement of this magnitude

State and local government experience

You can benefit from a close personal connection with a team of professionals devoted to governments. Our goal is to become familiar with all aspects of your operations — not just the information needed for the year-end audit so that we can offer proactive approaches in the areas that matter most to you:

- Finding new ways to operate more effectively and efficiently
- Responding to regulatory pressures and complexities
- Maintaining quality services in the face of changing budgetary priorities
- Providing transparent, accurate, and meaningful financial information to stakeholders, decision-makers, and your constituents

We understand the legislative changes, funding challenges, compliance responsibilities, and risk management duties that impact you. Our experienced government services team can help you navigate the challenges of today, all while seamlessly strategizing for the future.



Support at every turn

With dedicated services specific to state and local governments, you have access to guidance on all aspects of your operations.

- Audit, review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- Cybersecurity
- Enterprise risk management
- Forensic accounting, auditing, and fraud investigation
- Fraud risk management
- Grant compliance
- Implementation assistance for complex Governmental Accounting Standards Board (GASB) statements
- Internal audit
- Outsourced business operations
- Performance auditing
- Purchase card (p-card) monitoring and analytics



- Risk assessments
- Strategic, financial, and operational consulting
- Telecom management services
- Business opportunity assessments
- System optimization and selection

State and state agency experience

Serve your citizens with flexible efficiency and sound finances.

Your constituents need effective governmental services, and we can help you analyze and address financial, operational, and regulatory issues so you can focus on serving them.

We're committed to addressing what matters most to you:

- Providing accurate and meaningful financial information to stakeholders, decision-makers, and your constituents
- Maintaining quality and quantity of services in an ever-changing society
- Responding to regulatory pressures and complexities
- Identifying ways to operate more efficiently
- Planning and restructuring to accommodate changing citizen needs

CLA has been working with government agencies for more than 60 years and is a leader in the state and local government industry. Our team of 600 professionals brings specialized skills and direct experience with providing assurance and consulting services to states and state agencies. We understand that all aspects of your operations are important — not just the information needed for your year-end compilation.

In addition to providing financial and compliance audit/compilation services, we guide state governments and agencies through legislative changes, funding challenges, compliance responsibilities, and risk management duties, while developing a personal connection with our clients and their needs. You're more than just a number to us. Our CPAs and consultants are devoted to the industry and stay in touch with you throughout the year so we can meet challenges as they arise.

Sampling of state and state agency clients

The tables on the following pages provide a sample of related and relevant projects CLA has successfully completed for various states and state agencies. A full list of additional state agencies or reference information is available upon request.



Sampling of Similar Clients Served by CLA

State-Wide Audits

- Commonwealth of Pennsylvania
- Commonwealth of Massachusetts
- State of Alaska (single audit only)
- State of California (single audit only)
- State of Delaware
- State of Kansas
- State of Maryland
- State of New Jersey (single audit only)
- State of New Mexico
- State of South Carolina
- State of Texas (single audit only)
- State of Vermont

State Agency Clients

- Arizona Commerce Authority
- Arizona Department of Corrections
- Arizona Department of Transportation
- Arizona Power Authority
- Arizona, Supreme Court, Clerk of the Courts
- California Department of Water Resources
- California State Teachers' Retirement System
- Champaign-Urbana Mass Transit District
- Chesapeake Regional Information
- College Assist
- Colorado Department of Human Services
- Colorado Department of Local Affairs
- Colorado Department of Public Health and Environment
- Colorado Division of Lottery
- Colorado Water Conservation Board
- Connecticut Green Bank
- Connecticut Lottery Corporation
- Coos Area Transportation District
- Danville Mass Transit
- Decatur Mass Transit
- Maryland Health Care Commission
- Maryland Health Insurance Plan
- Maryland Transportation Authority
- Maryland Workers' Compensation
- Massachusetts Bay Transportation Authority
- Massachusetts Convention Center Authority
- Massachusetts Department of Revenue
- Massachusetts Department of Transportation
- Massachusetts Housing Finance Agency
- Massachusetts Water Resources Authority
- Minnesota Housing Finance Agency
- Minnesota State Board of Investment
- Minnesota State Retirement System
- Mississippi Department of Education
- Mississippi Department of Human Services
- Mississippi Development Authority
- Mississippi Marine Resources
- Mississippi Public Safety
- New Mexico Spaceport Authority
- New Mexico State Treasurer's Office
- New Mexico Taxation and Revenue Department
- New York State Education Department
- North Dakota Department of Human Services
- Office of Attorney General, Commonwealth of Pennsylvania
- Office of Hawaiian Affairs
- Ohio Fire Protection District
- Oklahoma Health Care Authority
- Pennsylvania Department of Corrections – SCI
- Pennsylvania Department of Human Services
- Pennsylvania Department of Transportation
- Pinellas Suncoast Transit Authority
- Rhode Island Convention Center Authority
- Rhode Island Convention Center Authority
- Rhode Island Housing Mortgage and Finance Corporation
- Rhode Island Infrastructure Bank
- Rhode Island Lottery



Sampling of Similar Clients Served by CLA

- Department of Housing and Community Development
- Department of Natural Resources
- Dept. of Health & Mental Hygiene/Administration
- Division of Gaming
- Economic Development Partnership of North Carolina
- Employees Retirement System of Texas (ERS)
- Florida Department of Financial Services
- Georgia Lottery Commission
- Grant Transit Authority
- Idaho Department of Finance
- Idaho Soil Conservation Commission
- Illinois Department of Agriculture
- Illinois Department of Labor
- Illinois Department of Revenue
- Illinois Department of Transportation
- Illinois Municipal League Risk Management Association
- Illinois Office of the Comptroller
- Illinois Public Risk Fund
- Illinois State Board of Education
- Illinois State Toll Highway Authority
- Illinois Transportation Authority
- Indiana Legislative Services Agency
- Indiana State Board of Education
- Iowa Finance Authority
- Missouri Veterans Commission
- New Jersey Department of Transportation
- New Jersey Department of Treasury
- New Jersey Division of Pensions & Benefits
- New Jersey Higher Education Student Assistance Authority
- New Jersey Transit Authority
- New Jersey Water Supply Authority
- New Mexico Children, Youth and Families Department
- New Mexico Department of Game and Fish
- New Mexico Department of Health
- New Mexico Department of Homeland Security and Emergency
- New Mexico Department of Information Technology
- New Mexico Department of Tourism
- New Mexico Department of Workforce Solutions
- New Mexico Environment Department
- New Mexico Finance Authority
- New Mexico Gaming Control Board
- New Mexico Human Services Department
- New Mexico Lottery Authority
- New Mexico Office of Superintendent of Insurance
- New Mexico Office of the Attorney General
- School Employees Retirement System of Ohio
- State of Connecticut Special Transportation Fund
- State of Missouri Lottery
- State of New Jersey Department of Transportation
- State of New Mexico – Department of Finance and Admin.
- State of New Mexico General Fund
- State of Washington Department of Labor & Industries
- State of Wisconsin Investment Board (SWIB)
- State Teachers Retirement System of Ohio
- Texas Commission on Environmental Quality
- Texas Department of Transportation
- Texas Higher Education Coordinating Board
- Texas Workforce Commission
- The Arizona School Alliance
- The State Bar of California
- The State Lottery Commission of Indiana
- Virginia Department of Health, OEMS
- Virginia Department of Transportation
- Virginia Department of Transportation
- Virginia Port Authority
- Washington Metropolitan Area Transit Authority
- Washington State Department of Transportation



Sampling of Similar Clients Served by CLA

- Kansas Public Employees Retirement System
- Maryland Department of Transportation
- Maryland Dept. of Housing & Community Development
- New Mexico Public Education Department
- New Mexico Regulation and Licensing Department
- Wisconsin Housing and Economic Development Authority


Higher education experience

Your motivation to educate is a more powerful force than rising costs or shrinking enrollment. We help improve processes so you can build a long legacy of excellence in education in the midst of daily challenges such as:

- Meeting increasing costs, including health care, aging buildings, and technology upgrades
- Adapting to declining enrollment
- Protecting against threats to data, privacy, and system security
- Complying with financial reporting and regulatory requirements
- Maintaining exempt status for federal, state, and local tax purposes
- Monitoring and mitigating risks
- Preparing for succession of key personnel
- Successfully competing for revenue

You need trusted advisors, and you don't have time to teach them about the complexities of your situation. With years of experience serving higher education, our team can help you navigate the challenges of today, all while seamlessly strategizing for the future.

**SUPPORTED BY
NATIONAL TECHNICAL
ASSURANCE TEAM:
FASB, GASB, UNIFORM
GRANT GUIDANCE**




**BEYOND AUDIT.
DATA ANALYSTS,
STUDENT FINANCIAL
AID DIRECTORS,
HUMAN RESOURCE
CONSULTANTS**

**50+
YEARS OF SERVING
HIGHER EDUCATION
INSTITUTIONS**

**500+
INSTITUTIONS SERVED**

**OFFERING WEALTH
ADVISORY, DIGITAL,
AUDIT, TAX, CONSULTING
AND OUTSOURCING**

**PUBLIC SECTOR CLIENTS MAKE UP APPROXIMATELY 25% OF ALL
FIRM-WIDE REVENUE, AND EACH OF THE TEAM MEMBERS ARE
WELL VERSED IN THE ISSUES CRITICAL TO COMPLEX HIGHER
EDUCATION INSTITUTIONS**





Student financial aid experience

Student Financial Aid (SFA) is the State's largest federal cluster of grants and is also the most complicated to audit with the most compliance requirements of any grant you receive. It is important to maintain compliance, or the State could suffer severe financial repercussions. Every member of your single audit engagement team has extensive experience auditing Student Financial Aid, as well as many other major federal programs.



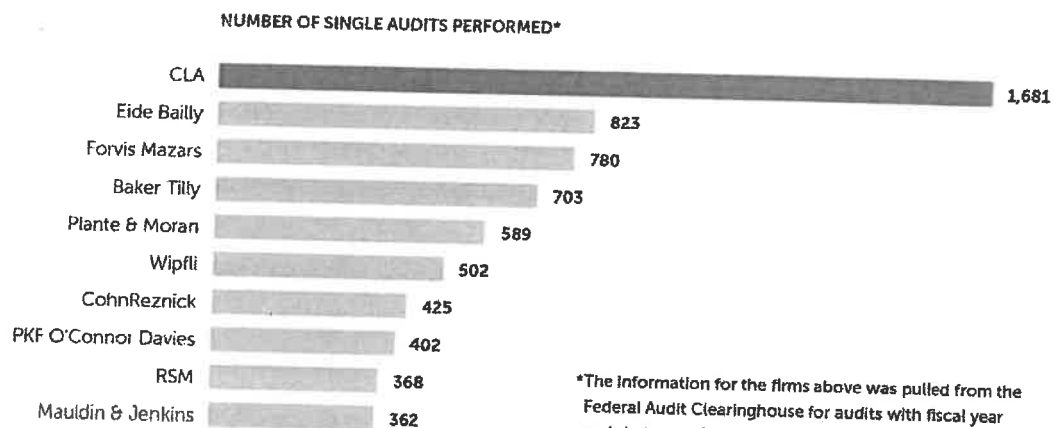
SFA audits start with having the right people in the field working with our clients. Our approach to staffing SFA audits is extremely uncommon. We have compiled a group of trained professionals who specialize in performing these audits. Each of our dedicated higher education team members has completed our internal SFA boot camp, in which we put them through a true training platform with "live files" from our clients. We provide this training to engage, enrich, and arm our staff with the necessary knowledge and experience to work with our clients. Rarely do we hear the comment that our clients had to train our staff; it is more common to have a situation where our clients feel as though they have a true collaborator to discuss SFA issues with.

Our team is also familiar with the common issues related to forms, reports, and procedures related to single audits of SFA and other federal programs. Our familiarity with these programs, reports, and procedures will help make your audit more efficient and effective!

Single audit experience

CLA performs the largest number of single audits in the United States

We audited nearly \$229 billion dollars in federal funds expended in 2023. The chart below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving the government and nonprofit industry.



*The information for the firms above was pulled from the Federal Audit Clearinghouse for audits with fiscal year ends between January 1, 2023 – December 31, 2023.

It is more important than ever to find qualified auditors who have significant experience with federal grants specific to the State and can enhance the quality of the State's single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's *Uniform Guidance* and who can offer both knowledge and quality for the State. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.



Single Audit Resource Center (SARC) award

CLA received the Single Audit Resource Center (SARC) Award for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC's award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey.

The survey queried more than 10,920 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2023 fiscal year-end audit. The SARC award demonstrates CLA's dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.

You'll need an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved and will benefit from CLA's experience in this area.

As previously stated, CLA performs the State-wide single audits for over half of the states that use outside auditors. We have included the listing of states where we currently perform the single audit work as either the primary or secondary auditor for the below states.

State/Commonwealth	SEFA Expenditures (in billions)	Number of Major Programs
State of California ²	\$181.35	TBD
State of Texas	\$91.70	24
Commonwealth of Pennsylvania ¹	\$52.90	36
State of New Jersey	\$31.40	22
Commonwealth of Massachusetts	\$29.80	29
State of Maryland	\$23.10	16
State of Indiana ¹	\$22.80	23
State of Minnesota ¹	\$21.30	26
State of Mississippi ⁴	\$10.40	22
State of Kansas	\$8.60	17
State of Rhode Island ¹	\$7.00	21
State of Alaska ¹	\$5.70	41
State of Delaware	\$4.40	18
State of Vermont	\$3.40	24
New Mexico state agencies ³	Various	Various

¹CLA IS THE SECONDARY AUDITOR ON THIS SINGLE AUDIT

²NEW CLIENT. CLA RECENTLY AWARDED.

³NEW MEXICO DOES NOT COMPLETE A STATE-WIDE SINGLE AUDIT. CLA PERFORMS SINGLE AUDITS FOR MANY LARGER STATE AGENCIES REQUIRING A SINGLE AUDIT



⁴CLA ASSISTS THE STATE OF MISSISSIPPI WITH AUDITS OF SPECIFIC PROGRAMS AND IT TESTING AS PART OF THE STATE-WIDE SINGLE AUDIT. CLA IS NOT THE PRIMARY OR SECONDARY AUDITOR

The below table lists major programs CLA has audited for states for the past three years and denotes which other states we have tested this program as part of a state-wide single audit.

Program Name	States and State Agencies							
	DE	KS	MD	NM	NJ	PA	TX	VT
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)		X	X	X		X	X	X
Child & Adult Care Food Program	X	X	X		X	X	X	X
Community Development Block Grant (CDBG)		X			X			X
Crime Victim Assistance						X	X	X
Unemployment Insurance	X	X	X	X		X	X	X
Highway Planning & Construction	X	X	X			X	X	X
Formula Grants for Rural Areas	X					X	X	X
Coronavirus Relief Fund	X	X	X	X	X	X		X
Emergency Rental Assistance Program		X	X	X		X	X	X
Homeowner Assistance Fund		X	X	X	X	X		X
Coronavirus State and Local Fiscal Recovery Fund	X	X	X		X	X	X	X
Adult Education - Basic Grants to States								X
Title I Grants to Local Education Agencies	X	X	X		X	X	X	X
Vocational Education - Basic Grants to States						X		X
Rehabilitation Services - Vocational Rehabilitation Grants to States			X	X	X	X	X	X
Twenty-First Century Community Learning Centers								X
English Language Acquisition State Grants								X
Supporting Effective Instruction State Grant					X	X	X	



Program Name	States and State Agencies							
	DE	KS	MD	NM	NJ	PA	TX	VT
Student Support and Academic Enrichment Program								X
Education Stabilization Fund	X	X	X		X	X	X	X
Immunization Cooperative Agreements	X	X	X	X		X	X	X
Epidemiology and Lab Capacity for Infectious Diseases	X	X	X	X	X	X	X	X
Public Health Emergency Response: Public Health Crisis Response								X
Temporary Assistance for Needy Families	X	X	X		X	X	X	X
Child Support Enforcement	X		X			X	X	X
LIHEAP (Low-Income Home Energy Assistance Program)	X	X	X		X	X	X	X
Foster Care - Title IV-E		X	X		X	X	X	X
Adoption Assistance - Title IV-E		X				X	X	X
Social Services Block Grant			X			X	X	X
Children's Health Insurance Program	X	X	X			X	X	X
HIV Care Formula Grants			X					X
Block Grants for Community Mental Health Services								X
Block Grants for Prevention and Treatment of Substance Abuse	X		X			X		X
Disaster Grants - Public Assistance	X	X	X	X	X	X	X	X
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	X	X	X			X	X	X
Homeland Security Program					X	X		X
SNAP Cluster	X	X	X			X	X	X
Food Distribution Cluster						X	X	X
Child Nutrition Cluster	X	X	X		X	X	X	X
Clean Water State Revolving Fund Cluster					X	X		X



Program Name	States and State Agencies							
	DE	KS	MD	NM	NJ	PA	TX	VT
Drinking Water State Revolving Fund Cluster	X				X			X
WIOA Cluster				X		X	X	X
Special Education (IDEA) Cluster	X	X	X		X	X	X	X
Aging Cluster						X	X	X
CCDF (Child Care and Development Fund) Cluster	X	X	X		X	X	X	X
Medicaid Cluster	X	X	X	X	X	X	X	X

Certificate of achievement assistance

The Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce an annual comprehensive financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the ACFR program.



CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Report. All of the procedures noted in our audit approach and our technical review of the ACFR are done to help the State prepare and publish the top product possible. Our managers and principals who review the ACFR have a strong understanding of the GFOA requirement for the certificate. We understand that this is a prestigious award for the State and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each ACFR and provide the State advice regarding the response to the GFOA reviewer's comments. Our procedures with respect to the ACFR will be the review of the comments from GFOA on the prior year submission to determine they were adequately addressed, completion of the ACFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist the State with the preparation of the ACFR and improvement of the State's financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the State.



Information technology general controls and operation experience

We have extensive experience and a distinct ability to understand how automated systems can be utilized to improve the cost-effectiveness, efficiency, and internal control environment for organizations like the State.

With the help of the State's resources, we will gather data from its various IT operations, IT infrastructure, application owners, and stakeholders. Part of our methodology will be to specifically identify and assess key controls in IT infrastructure, operations, and processes. Through these activities, we will not just look to conduct interviews, but to also validate and verify that information and feedback communicated to us are in alignment with documented standards, policies, protocols, system documentation, etc.

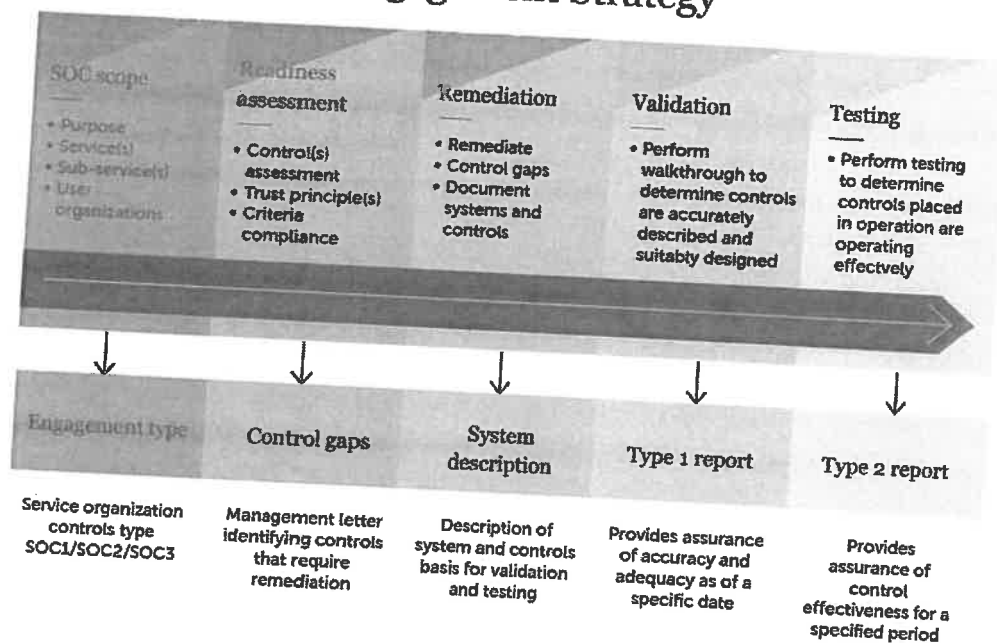
Our focus will also be to evaluate and assess the IT operations in the context of the overall objectives, mission, and strategies. We start by developing an understanding of the systems and the types of electronic and hardcopy information that is available. This includes the process and procedures for IT governance, user administration, change management, and computer operations. We then work with stakeholders to document and perform walk-throughs and interviews to identify the IT organizational structure and roles/responsibilities, internal controls, and business processes. Understanding and documenting these internal controls will identify areas of potential weakness or ambiguity of process/monitoring and aid in directing where to focus further analysis and assessment. At the conclusion of our procedures, we will present reports and related information in a format that best meets the needs of the State, considering use, audience, and purpose.

A detailed description of the specific IT related control activities that we assess are listed in the section titled **4.2.1.4 Audit work plan**.

System and Organization Controls (SOC) 1 experience

The following illustration provides an overview of the proposed strategy for SOC1 engagements:

System and Organization Controls (SOC) Engagement Strategy



Reports on controls at a service organization relevant to user entities' internal control over financial reporting

SOC 1 engagements are examination engagements undertaken by a service auditor to report on controls at an organization that provides services to user entities when those controls are likely to be relevant to user entities' internal control over financial reporting.

SOC1 specifically reports on controls implemented by management to achieve the defined control objectives. Control objectives are segmented into one of four control categories including:

- Organization management controls
- Business process controls
- General computer controls
- Physical environment controls

Reporting type and period

For SOC1 engagements, either a Type 1 or Type 2 report can be selected.

- **Type 1** – A report on management's description of the service organization's system and the suitability of the design of the controls to achieve the related Control Objectives or satisfy the Trust Service Criteria included in the description as of a specified date. CLA's proposed fees consider a SOC1 Type 1 report.
- **Type 2** – A report on management's description of the service organization's system and the suitability of the design and operating effectiveness of the controls to achieve the related Control Objectives or satisfy the Trust Service Criteria included in the description throughout a specified period.

The reporting date or period will be determined by management with assistance from CLA. Reports are typically available for distribution approximately 45 days after the end of the reporting date or period. Dates may be adjusted based on the outcome of the Engagement Scope and Engagement Type discussions that will establish the Control Objectives or Trust Service Criteria to be included in the reporting process.

A detailed description of our SOC approach is available in the proposal section titled **4.2.1.4. Audit work plan**.



4.2.1.2. Proposed audit staff

(RFP Section 4, Subsection 4.2.1.2)

Qualification of proposed audit staff

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them.

Meet your service team below.

Engagement Team Member	Role	Years' Experience
Sean Walker, CPA, CFE, CGFM, CGMS	Engagement principal – Sean will serve as the State's relationship principal and a member of the ACFR team. He will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Sean is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.	25+
Cheri Amoss, CPA	Single audit principal – Cheri will serve as the engagement principal for the single audit portion of the engagement. She will have overall engagement responsibility including planning the engagement, developing the single audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year.	20+
Michael (Mike) Johns, CPA	Student Financial Aid principal – Mike will serve as the engagement principal for the student financial aid portion of the engagement. He will have overall engagement responsibility including planning the engagement, developing the student financial aid audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year.	25+
William (Bill) A. Early, Jr., CPA	Quality assurance principal – Bill will complete the quality review of all work performed and of all audit reports prior to issuance. The focus of this review is to confirm adherence to industry and firm quality control guidelines and to make sure the work performed supports the audit opinions issued.	27+
James (Jim) Kreiser, CISA, CRMA, CFSA	Information technology principal – Jim will assist the audit team in documenting and evaluating general computer controls and IT application controls.	26+



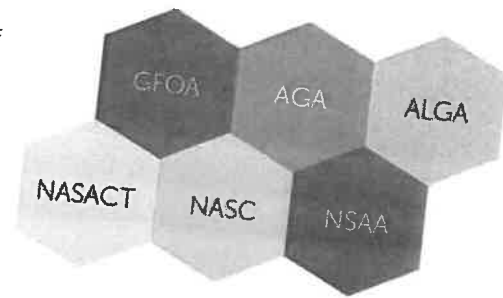
Engagement Team Member	Role	Years' Experience
Joel Eshleman, CPA, CISA, CIA	Information technology principal –Joel will assist the audit team in documenting and evaluating general computer controls and IT application controls.	12+
Lauren Bradford, CPA	Engagement director, ACFR – Lauren will act as the lead director on the ACFR portion of the engagement. In this role, Lauren will assist Sean Walker with planning the engagement and performing complex audit areas. She will perform a technical review of all work performed and is responsible for the review of the annual comprehensive financial report and all related reports.	9+
Shannon Weiss, CPA	Engagement director, single audit – Shannon will act as the lead director on the single audit portion engagement. In this role, Shannon will assist Cheri Amoss with planning the engagement and performing complex audit areas. She will perform a technical review of all work performed and is responsible for the review of the annual comprehensive financial report and all related reports.	15+
Joshua (Josh) McClain	Senior – Josh will be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	5+
Jonathan Ocampo	Senior – Jonathan will be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	4+
Erin P. Davis	Senior – Erin will be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	4+
Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.		
Detailed biographies including degrees, qualifications, and experience can be found in Appendix A .		

Collaborative: Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.



Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations, including those shown here.



We are also actively involved in and/or are members of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- AICPA's State and Local Government Expert Panel
- AICPA's Government Audit Quality Center (GAQC)
- Government Finance Officers Association (GFOA)
- Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Association of Government Accountants

Our involvement in these professional organizations, combined with various technical services we subscribe to, allows us to be at the forefront of change in the constantly changing government environment. We take our responsibility for staying current with new accounting pronouncements, auditing standards, other professional standards and laws and regulations seriously.

Insight to strengthen your organization

When you're ready to go beyond the numbers to find value-added strategies, we offer resources to help you respond to challenges and opportunities including:

- National webinars — Access complimentary professional development opportunities for your team.
- Articles and white papers — Stay current on industry information as issues arise.

Curious: We care, we listen, we get to know you.

Continuity of service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. We are also flexible in exploring alternative strategies to non-mandatory rotation policies.

In any business, however, turnover is inevitable. If and when it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have a number of qualified staff members to provide the State with quality service over the term of the engagement.





CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.



Continuing education program

To maintain and expand our assurance knowledge, we consistently provide continuing education for our professionals. Each member of our professional team, including principals, attends accredited continuing professional education (CPE) annually. Individuals are required to familiarize themselves with all current changes in standards and procedures. Updated information on recent changes in technical standards and regulations, as well as the firm's professional policies and procedures, is distributed to our team members on a regular basis.

CLA professionals are specifically trained on topics specific to the client industry they work in.

 On-the-job training Our professionals focus on serving a specific industry. So, the team chosen to serve you is continuously exposed to and trained on issues impacting entities like yours while performing their day-to-day work.	 Tailored training When providing instruction in our basic CPA, consulting, and advisory classes, we tailor the entire discussion, examples, and exercises to apply to clients in their specific industry focus.	 Specialized recruiting Our on-campus recruiting aggressively seeks individuals with industry focused degrees and/or backgrounds. We focus on identifying top candidates for our clients.	 Effective continuing professional education Our greatest strength is the talent of our staff. Our professionals provide more efficient and effective services due to the new ideas they implement from our in-depth training and continuing professional education.
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CLA's firm-wide training programs include:

- **Learn** — Designed for new CLA associates, this learning is typically attended in the first year of employment. This internally developed and presented training focuses on preparing new hires and interns to understand and perform their role in the audit process. Providing a combination of an introduction to CLA strategy, business risk and independence with audit theory using hands-on exercises and simulations to introduce our audit methodology, tools, and software. Specific audit areas covered include audit planning, cash, fixed assets, accounts payable, prepaids, documentation, and materiality.
- **Experience** — Designed for the CLA associate with about one year of experience, this learning is typically attended in the second year of employment. This training focuses on topics including analytics, sampling, internal controls, walkthroughs, analytical tools, and professional skepticism.
- **Achieve** — Designed for the CLA associate with about two years of experience, this learning is typically attended in the third year of employment. This internally developed and presented training focuses on leadership and performance management of audit engagements utilizing CLA audit methodology from the perspective of the experienced in-charge. Topics covered include detailed review, risk assessment, analytical tools, and professional skepticism.
- **Propel** — Designed for the CLA associate with about three years of experience, this learning is typically attended in the fourth year of employment. This training focuses on risk assessment, effective use of tools and programs, auditing complex areas, and professional skepticism.



Use of subcontractor

While we are not a small or minority-owned business, we are committed to utilizing the services of such firms whenever possible. This includes using small and/or minority-owned businesses as subcontractors, as well as vendors. For this engagement, however, we do not foresee using any subcontractors.

CLA strives to fill its professional positions with skilled and experienced accountants regardless of race or gender.

4.2.1.3. Prior government experience (RFP Section 4, Subsection 4.2.1.3)

As previously mentioned, CLA currently serves more than 4,200 governmental entities nationwide. Due to the volume of clients served by CLA, we have provided a sampling of clients with the information being requested in the State's RFP section titled 4.2.1.3. Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you'll have when working with us. We encourage you to connect with our clients to hear it firsthand. Additional clients are available upon request.

West Virginia Higher Education Policy Commission

Location of Project	1018 Kanawha Blvd. East, Suite 700, Charleston, WV 25301
Project Manager Name	Michael Johns
Contact Information	Alice Harris, Vice President of Finance and Administration 304-424-8224 alice.harris@wvup.edu
Type of Project	Audit services
Project Goals and Objectives	Audit of the University systems financial statements
Scope of Work	System-wide financial statement audit, single audit in accordance with OMB <i>Uniform Guidance</i> (limited entities) including the research and development cluster, NCAA Agreed-upon procedures for one campus



State of Delaware

Location of Project	Townsend Building, Suite 1, 401 Federal Street, Dover, DE 19901
Project Manager Name	William (Bill) A. Early, Jr., Sean Walker
Contact Information	Lydia E. York, State Auditor 302-739-5055 lydia.e.york@delaware.gov
Type of Project	Audit services
Project Goals and Objectives	The State of Delaware has a highly decentralized processes for grants management and accounting. Additionally, there are significant group audit issues since several components that are audited by other auditors and not under the control of the Secretary of Finance or Division of Accounting. As part of the group audit reliance is placed on a separate SOC Report, Type II that is performed and issued by CLA's IT Specialist. Additionally, we have been working with the State to strengthen their general controls over information technology to increase our reliance on information technology workflow controls.
Scope of Work	Statewide ACFR audit in accordance with <i>Government Auditing Standards</i> , Statewide Single Audit in accordance with <i>OMB Uniform Guidance</i> , DelDOT audit (separately issued financial statement), Delaware State Lottery ACFR (separately issued financial statement), Data integrity assessment over financial reporting and SSAE-16 SOC 1-Type II Report over First State Financials (FSF) and Payroll Human Resources Statewide Technology (PHRST) systems at the State

Commonwealth of Pennsylvania

Location of Project	555 Walnut Street, Harrisburg, PA 17101
Project Manager Name	Remi Omisore, Cheri Amoss, Sean Walker
Contact Information	John Kaschak, CPA, CGMA, CISA, Deputy Secretary for Comptroller Operations 717-433-4765 jkaschak@pa.gov
Type of Project	Audit services
Project Goals and Objectives	The Commonwealth of Pennsylvania is a joint audit with the elected Auditor General. Additionally, we have been working with the Commonwealth to strengthen their general controls over information technology to increase our reliance on information technology workflow controls.
Scope of Work	Joint audit of the Statewide ACFR audit in accordance with <i>Government Auditing Standards</i> , Joint audit of the Statewide single audit in accordance with <i>OMB Uniform Guidance</i> , 529 Guaranteed Savings Plan (separately audited financial statement), Examination of the census data for the State Employees' Retirement System



State of New Jersey

Location of Project	20 West State Street, 12th Floor, Trenton, NJ 08625
Project Manager Name	Sean Walker
Contact Information	Lyudmila (Mila) McGann, Auditor 609-292-0051 lyudmila.mcgann@treas.nj.gov
Type of Project	Single audit
Project Goals and Objectives	The ACFR is audited by the State Auditor. CLA audits the Schedule of Expenditures of Federal Awards (SEFA) and all major programs.
Scope of Work	Statewide single audit in accordance with OMB <i>Uniform Guidance</i>

State of Vermont

Location of Project	132 State Street, Montpelier, VT 05633
Project Manager Name	William (Bill) A. Early, Jr., Sean Walker
Contact Information	Tim Ashe, Deputy State Auditor 802-318-0903 tim.ashe@vermont.gov
Type of Project	Audit services
Project Goals and Objectives	The State of Vermont has a highly decentralized processes for grants management and accounting. After 30+ years working with KPMG, we were able to provide an alternative to the State to meet their objective of having a “fresh set of eyes.” The State wanted a relationship where we could build jobs in Vermont. We currently employ five people remotely in State of Vermont. It has been an incredible success for both CLA and Vermont.
Scope of Work	Statewide ACFR audit in accordance with <i>Government Auditing Standards</i> and statewide single audit in accordance with OMB <i>Uniform Guidance</i>



Commonwealth of Massachusetts

Location of Project	101 Arch Street, 8th Floor, #8285, Boston, MA 02110
Project Manager Name	Christian (Chris) Rogers, William (Bill) A. Early, Jr.
Contact Information	William McNamara, Comptroller 617-973-2515 william.mcnamara@mass.gov
Type of Project	Audit services
Project Goals and Objectives	The Commonwealth of Massachusetts after many years working with KPMG wanted to consider other firms. CLA was the firm they felt comfortable working with given your experience in state governments. The Big 4 were more interested in working with the various department on consulting projects.
Scope of Work	Review of Statutory Basis Financial Report, Statewide ACFR audit in accordance with <i>Government Auditing Standards</i> , Statewide single audit in accordance with OMB <i>Uniform</i> Guidance and Schedules of allocations and collective amounts for two pension plans and one OPEB plan

Transparent: We place honesty and integrity at the center of all communication. We welcome you to start an open and candid conversation with those who know us best.

Below we have provided a comprehensive listing of contracts of similar size and scope that we have successfully completed and currently serve, as evidence of CLA's ability to successfully complete services like those required in this Bid Solicitation.

Clients of Similar Size and Scope

Name of Client	Description of Service	Years of Engagement	Client Contact
State of Mississippi	<ul style="list-style-type: none"> Various statewide agencies and single audit programs 	2018 - present	Lisa Meade, CPA, Manager 601-576-2800
State of Kansas	<ul style="list-style-type: none"> Financial statement audit ACFR Statewide single audit Retirement system audit 	2013 - present	Nancy Ruoff Director, Office of Accounts and Reports 785-296-5817
State of New Mexico	<ul style="list-style-type: none"> Statewide ACFR Single audit of various state agencies 	2014 - present	Jo Ann Chavez Chief Financial Officer 505-476-8536
State of Texas	<ul style="list-style-type: none"> Statewide single audit 	2019 - present	James Timberlake, Assistant State Auditor 512-936-9672



4.2.1.4. Audit work plan



(RFP Section 4, Subsection 4.2.1.4)

Easing the transition

We recognize that a move to a new firm presents an opportunity as well as a challenge. Over our 60-year history, we have transitioned many clients and have a collegial and professional relationship with many firms.


The CLA Seamless Assurance Advantage (SAA)

The CLA Seamless Assurance Advantage (SAA) is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.





A different approach

SAA is unlike any conventional audit process. SAA does not depend on physical location. It reduces the time our professionals spend on site, creates fewer disruptions, enables more efficient use of resources (yours and ours), and allows for more impactful interactions with your people.




Insights through analytics

CLA uses strategic data analysis to evaluate whole data sets to gain a deeper understanding of your organization. Insights that were once impossible can now come into focus to help you measure performance, enhance strategic decision making, and understand your competitive opportunities.

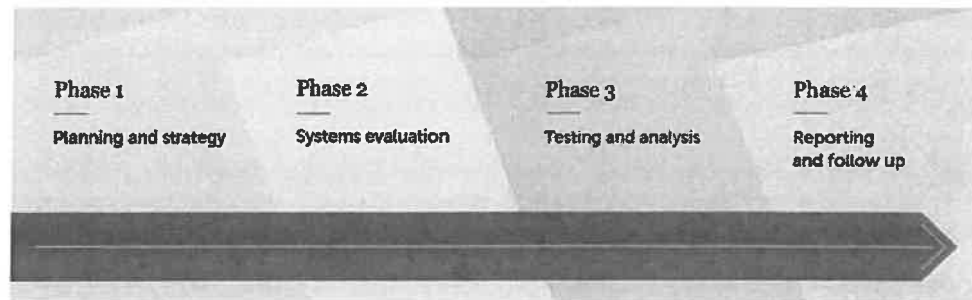


Effective technology

CLA embraces technologies that help solve client problems and create a seamless experience. Assurance Information Exchange (AIE) is a web-based application developed by CLA to digitally request and obtain audit documents through a secure and efficient online portal.



Financial statement audit approach



Phase 1: Planning and strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting. Sean Walker and staff will meet with the State personnel to agree on an outline of responsibilities and time frames
 - Establish audit approach and timing schedule
 - Determine assistance to be provided by the State personnel
 - Discuss application of generally accepted accounting principles
 - Address initial audit concerns
 - Establish report parameters and timetables
 - Progress reporting process
 - Establish principal contacts
- Gain an understanding of your operations, including any changes in organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the State, and establish deadlines

We will document our planning through:

- **Entity profile** — This profile will help us understand the State's activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.
- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.



- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by the State personnel with due dates for each item.
- **Assurance Information Exchange (AIE)** — CLA uses a secure web-based application to request and obtain documents. This application allows clients to view detailed information, including due dates for all items CLA is requesting. Clients can attach electronic files and add commentary directly on the application.

The audit engagement will be planned under the direction of the engagement leader and in-charge. We will clearly communicate any issues in a timely manner and will be in constant contact as to what we are finding and where we expect it will lead.

Using the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the State that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

Phase 2: Systems evaluation

We will gain an understanding of the internal control structure of the State for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:



- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the State has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated prepared by client listing based on our test results and anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application information services/information technology (IS/IT) controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.



Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.

For IS/IT-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support findings and will provide recommendations for improvement. For IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

Phase 3: Testing and analysis

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.



After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will provide the State with status reports and be in constant communication with the State to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the State to summarize the results of our fieldwork and review significant findings.

Phase 4: Reporting and follow up

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*
- Management Letter
- Written Communication to Those Charged with Governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Disagreements with the State
 - The State's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit
 - Fraud or illegal acts



Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter will be issued.

The State will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter. Our management letter will include items noted during our analysis of your operations.

We will make a formal presentation of the audit results to those charged with governance, if requested.

Financial statement audit work plan

We are committed to completing the engagement within the specified time frames. The following is our proposed schedule for the engagement.

Phase and Tasks to be Performed	Time Frame	Key Supervisory Personnel Assigned
Pre-engagement planning upon award <ul style="list-style-type: none"> Schedule entrance conference with the State Identify applicable state and federal regulations Organize and initiate audit staff and services Review prior auditor workpapers Review the State's interim financials Prepare list of documents, schedules, etc. for the State to provide 	Upon Award	<ul style="list-style-type: none"> Sean Walker, Principal Jim Kreiser, IT principal Joel Eshleman, IT principal Lauren Bradford, Director Senior and associates as necessary
1 and 2 - Interim and preliminary fieldwork, including systems evaluation <ul style="list-style-type: none"> Conduct entrance conferences with member institutions Perform IT system reviews and testing Conduct interviews with key personnel throughout the State and member institutions Request confirmations Determine the areas required to be tested on-site, including test of controls and compliance testing and begin test work at the Agencies and Departments Preliminary analytical reviews, utilizing the State's approved budget and other external data Assess existing practices, procedures, and systems Verify compliance with state and federal regulations Review results of preliminary work and modify audit programs as needed 	April through June	<ul style="list-style-type: none"> Sean Walker, Principal Jim Kreiser, IT principal Joel Eshleman, IT principal Lauren Bradford, Director Senior and associates will be involved to perform test work



Phase and Tasks to be Performed	Time Frame	Key Supervisory Personnel Assigned
<ul style="list-style-type: none"> Perform group audit procedures Review actuarial reports on employer valuation for issuance of GASB 68 and GASB 75 reports 		
3 - Year-end substantive fieldwork <ul style="list-style-type: none"> Perform substantive testing over departmental activity Perform substantive testing over the GAAP conversion schedules and adjustments Complete remaining IT fieldwork at the agencies and departments Review component unit audits Schedule and hold exit conferences with the State and departments Perform final analytical reviews Review workpapers, including concurring principal review 	August through Mid-November	<ul style="list-style-type: none"> Sean Walker, Principal Jim Kreiser, IT principal Joel Eshleman, IT principal Lauren Bradford, Director Senior and associates will be involved to perform test work
4 - Reporting - Financial statements <ul style="list-style-type: none"> Review the draft of the State's financial statements Prepare draft auditors' reports on financial statements and internal control and submit the State management for review Prepare draft of management letter Meet with the State management to review and discuss drafts Finalize and issue management letter and required communications to those charged with governance 	Mid-November through December (with ACFR issuance by 12/12)	<ul style="list-style-type: none"> Sean Walker, Principal Bill Early, Principal Jim Kreiser, IT principal Joel Eshleman, IT principal Lauren Bradford, Director

Elevating with artificial intelligence (AI)

CLA is committed to harnessing cutting-edge technology to enhance client service. We may use AI to enhance your audit engagements. This can include:

- **Research and document drafting:** CLA professionals may use Microsoft Copilot to ask questions and make requests of generative AI with secure access to CLA-specific resources.
- **Document summarization:** We may use CLA Family Assistant to help extract and summarize information relevant to our audits, including minutes review, leases, debt agreements, and other document types.
- **Invoice extraction:** CLA may use AI tools to extract relevant fields from invoices and other documents.

When AI is used, the work is supervised by CLA professionals who verify results before making final decisions. Client information remains confidential when working with these tools.

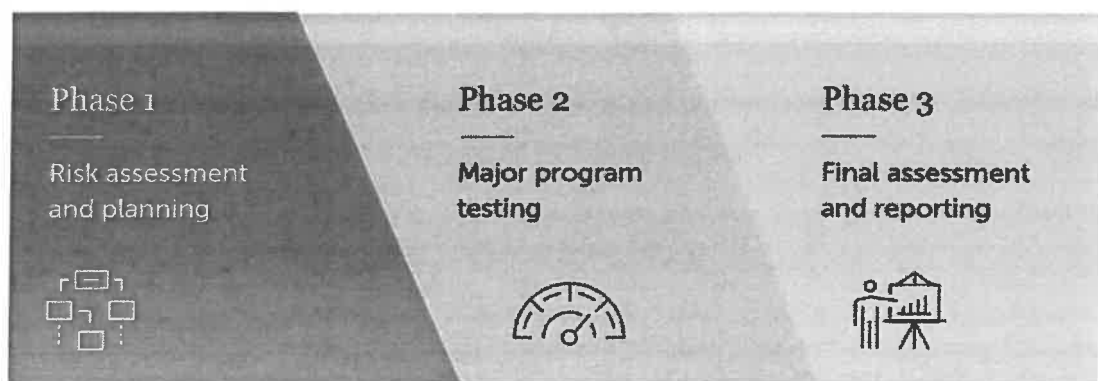


Single audit approach

OMB's *Uniform Guidance* (2 CFR Part 200) affects how federal grants are managed and audited and impacts every organization that receives federal assistance. Grant compliance can be a confusing topic and many of our clients rely on their federal funding as a major revenue source, so it is important that they understand what these changes mean to their organization. As a leader in the industry, CLA professionals are available to provide guidance and tools tailored to the State's needs, and to assist in compliance with these rules.

The AICPA clarified auditing standard, AU-C 935 "Compliance Audits," requires risk-based concepts to be used in all compliance audits including those performed in accordance with 2 CFR Part 200. Our risk-based approach incorporates this guidance.

We will conduct our single audit in three primary phases, as shown, below:



Phase 1: Risk assessment and planning

The risk assessment and planning phase will encompass the overall planning stage of the single audit engagement. During this phase, we will work closely with the State's management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we will identify the Type A and significant Type B programs (25% of Type A threshold) in accordance with the *Uniform Guidance*
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we will obtain the current year compliance supplement to aid in the determination of direct and material compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit



Phase 2: Major program testing

We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with *UG*.

To accomplish this, we will perform the following:

- Schedule an introductory meeting and notify the State's management of the major programs for the current fiscal year
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards
- Perform tests of compliance and internal controls over compliance for each major program identified
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise
- Conduct entrance and exit conference meetings with each grant manager

Phase 3: Final assessment and reporting

We will re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.



Based on the final determination of the programs we will perform the following:

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Perform compliance testing at the entity wide level related to procurement and cash management requirements
- Perform testing to validate the status of prior year findings for those programs not selected for audit
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the State's management to review drafts of required reports:
 - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in accordance with *Government Auditing Standards*
 - Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

Throughout the single audit, we will maintain communication through periodic progress meetings with those designated by the State. These meetings will be on a set schedule, but as frequently as the State determines. During these meetings, we will discuss progress impediments and findings as they arise.



Single audit work plan

We are committed to completing the engagement within the specified time frames. The following is our proposed schedule for the engagement.

Phase and Tasks to be Performed	Time Frame	Key Supervisory Personnel Assigned
Pre-engagement planning upon award <ul style="list-style-type: none">• Schedule entrance conference with the State• Identify applicable state and federal regulations• Organize and initiate audit staff and services• Review prior auditor workpapers• Review the State's interim financials• Prepare list of documents, schedules, etc. for the State to provide	Upon Award	<ul style="list-style-type: none">• Cheri Amoss, Principal• Jim Kreiser, IT principal• Joel Eshleman, IT principal• Shannon Weiss, Manager• Senior and associates as necessary
1 and 2 - Interim and preliminary fieldwork <ul style="list-style-type: none">• Perform IT system reviews and testing of program specific applications• Review applicable audit reports and correspondences from oversight agencies that may impact the single audit• Identify applicable local, state, and federal regulations including compliance Circulars and <i>UG Guidance</i>• Schedule and hold an entrance conference with the program coordinators and applicable agency management for those programs selected for audit• Obtain preliminary SEFA to perform risk assessment and determine additional major programs required to be tested• Prepare list of documents, schedules, etc. for the State agencies and departments to provide	June through July	<ul style="list-style-type: none">• Cheri Amoss, Principal• Jim Kreiser, IT principal• Joel Eshleman, IT principal• Shannon Weiss, Director• Senior and associates as necessary
3 – Major Program Testing <ul style="list-style-type: none">• Obtain grant agreements and contracts to determine applicable grant requirements and identify any special regulations required to be tested• Conduct program staff interviews to gain an understanding of processes and identify key internal controls over compliance• Assess existing practices, procedures, and systems• Obtain applicable compliance supplement for each major program being tested	August through October	<ul style="list-style-type: none">• Cheri Amoss, Principal• Michael Johns, Principal• Jim Kreiser, IT principal• Joel Eshleman, IT principal• Shannon Weiss, Director• Senior and associates as necessary



Phase and Tasks to be Performed	Time Frame	Key Supervisory Personnel Assigned
<ul style="list-style-type: none"> • Tailor audit program for each major program selected • Determine populations and applicable sample sizes • Perform test of controls and compliance testing in accordance with applicable Circular or <i>Uniform Guidance</i> • Perform testing of the completeness of the SEFA • Perform follow-up testing of prior year findings • Review workpapers, including concurring principal review • Identify and communicate findings as part of weekly status meetings • Hold exit conferences with program coordinators and applicable agency management for those programs selected for audit 		
4 - Reporting <ul style="list-style-type: none"> • Prepare draft Independent Auditor's Report on the Schedule of expenditures of Federal Awards • Prepare draft of Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the <i>Uniform Guidance</i> • Prepare draft of the Schedule of Findings and Questioned Costs • Obtain corrective action plans for findings • Hold final exit meeting with SAO and F&M • Finalize and issue all reports • Certification of the Data Collection Form 	Mid December through January	<ul style="list-style-type: none"> • Cheri Amoss, Principal • Bill Early, Principal • Jim Kreiser, IT principal • Joel Eshleman, IT principal • Shannon Weiss, Director

Information technology general controls and operations approach

A detailed description of the specific IT related control activities that we assess are listed below.

Network administration and access controls

Objective: To determine if ongoing administration of network infrastructure is monitored by management and adequately segregated from IS personnel with other pervasive duties. Network infrastructure includes routers, switches, firewalls, intrusion detection/prevention systems.



Approach: CLA will review network administration and access controls, to assess the following:

- Network architecture
- Firewall(s)
- Intrusion detection/prevention systems
- Anti-Virus
- Remote Access
- Logging/Monitoring

In addition, we will evaluate the overall security configuration management, including software patch management.

Server administration and access controls

Objective: Determine if access to servers within the organization is selectively restricted to protect from unauthorized use, damage, loss, or modification and to determine server operating systems and patches are installed in a timely manner.

Approach: CLA will review server administration including access controls, to assess the following:

- Logical access is limited to those individuals that have a business need to access the server(s).
- Server activity is appropriately logged and monitored on a periodic basis.

Workstation administration and access controls

Objective: Determine if access to workstations (desktops/laptops) within the organization is selectively restricted to protect from unauthorized use, damage, loss, or modification and to determine employees understand their responsibilities related to acceptable usage.

Approach: CLA will review workstation administration including access controls, to assess the following:

- Logical/physical access is limited to those individuals that have a business need to utilize workstations.
- Employees are restricted from installing/downloading unauthorized software and files.
- Workstations are patched in a timely manner and anti-virus software is operating as intended to protect the workstation.

Software administration and development controls

Objective: To determine if policies and procedures relative to systems and program administration and development provide reasonable assurance that management objectives are met and that programs are adequately tested prior to implementation.

Approach: CLA will review the following related to application software administration and development controls:

- Change Management Process
- Software Installations
- Software Upgrades
- Release Management

Data/Database security administration and access controls

Objective: Determine if access to data files and independent databases is selectively restricted to protect from unauthorized use, damage, loss, or modification and to determine adequate segregation of duties over the various groups of authorized users.



Approach: CLA will review data file and database administration including access controls, to assess the following:

- Logical access is limited to those individuals that have a business need to access data files.
- Data file and database activity is appropriately logged and monitored on a periodic basis.
- Data transfers, both internal between application systems and external between the company and external vendors to determine if data is exchanged via secure connections and appropriate reconciliations occur to validate completeness.

Application security administration and access controls

Objective: Determine if access to application software systems is selectively restricted to protect from unauthorized use, damage, loss, or modification and to determine adequate segregation of duties over the various groups of authorized users.

User rights should be established with the principle of least privilege. Personnel should be assigned system rights consistent with their assigned position responsibilities.

Approach: CLA will review the system security administration and access controls, to assess the following:

- Logical access controls support the systems of manual internal control. Our analysis will focus on the primary data processing system.
- Review user profiles including authority and permissions for the primary data processing system.
- User rights should be established with the principle of least privilege. Personnel should be assigned system rights consistent with their assigned responsibilities.

IT systems operational controls

Objective: To determine if existing controls provide reasonable assurance that computer operations are conducted according to management's authorizations from an input, processing and output perspective.

Approach: CLA will focus on the operational control aspects related to the core data processing system, including start up, close, and daily logging, specifically:

- All authorized data – and only authorized data – is received and processed.
- All data processing is conducted completely and accurately.
- Only authorized personnel produce, control, and distribute output.
- Daily and other periodic reconciliations are prepared on a timely basis by personnel outside the operations function.
- Proper separation of duties.
- All hardware and software problems are recorded, reported to applicable management, and resolved with management's specific authorization.

Physical environment controls

Objective: To determine if controls exist that provide reasonable assurance that physical access to computer facilities is restricted to authorized personnel and that computer resources are protected from environmental hazards.



Approach: CLA will focus on the following related to physical security and environmental controls:

- Access to facility/building that maintains information technology equipment or sensitive data.
- Access to areas within a facility/building that maintain information technology equipment or sensitive data.
- Environmental controls within areas that maintain information technology equipment including heat, humidity, water, electricity.

Our review will focus on preventative and detective controls that are in place as well as the on-going administration of granting, changing, and termination of physical security privileges.

Disaster recovery/Contingency planning

Objective: To determine if back-up and recovery plans exist that provide reasonable assurance of timely resumption of computer processing following a short- or long-term interruption of service.

Approach: CLA will review the following related to disaster recovery/contingency planning:

- Daily back-up of critical systems is completed on a timely and complete basis.
- Backup media is rotated on an acceptable frequency
- Proper back up media is available in the event of a disruption or disaster event.
- Written Disaster Recovery Plan & tested periodically
- Current IT and business operations within the company to determine if the infrastructure is properly supported by the disaster recovery plan.

SOC 1 engagement approach

The approach to SOC engagements adopted by CLA segments activities into one of two phases including **Readiness Assessment** and **Attestation**. This approach is designed to comply with standards defined by the AICPA and achieve engagement objectives in an efficient manner with minimal client impact while retaining thoroughness and quality. Our approach to managing the SOC 1 engagement is as follows:

Readiness assessment

The Readiness Assessment phase provides the State with the opportunity to prepare for the attestation phase by documenting the current processes and internal controls. More specifically, the current design of administrative, technical, and physical controls will be analyzed by CLA to determine if they satisfy the Control Objectives defined by management. Any gaps identified by CLA will be presented to management with recommendations for remediation. This approach provides the State with the opportunity to remediate control gaps prior to the commencement of the attestation reporting date or period. Specific steps associated with Readiness include the following:

Organization profile

The State will be requested to confirm the following information to CLA:

- Organization Governance / Structure / Regulatory Requirements
- Clients / Industries Served / Services Offered / Types of Data
- Personnel Resources
- Application Systems / Technical Infrastructure
- Physical Environment



Subservice organization dependency

The State management will be requested to identify vendor (subservice organizations) relationships that are critical to the delivery of the organization's product offering(s). During this discussion it will be determined if the processes and controls performed by the subservice organization will be included or excluded from the scope of the engagement.

Process flowchart(s)

CLA will meet with the designated Project Manager or Project Team within the State to obtain an understanding of the system used to support the delivery of services. Specifically, the results of this segment will be a flowchart(s) that illustrates the flow of data from an input, processing and output perspective throughout the key business processes including definition of responsibility and system dependencies.

SOC1 control objective(s)

Based on risks associated with the process flow to support service(s) delivery, Control Objectives will be defined by the State with assistance from CLA.

Control(s) design assessment

The State will document specific controls that have been placed in operation to achieve the defined Control Objectives. CLA will assess the design of those administrative, technical, and physical controls via a combination of on-site and remote activities to determine if gaps exist.

Control(s) gaps

The results of the Control Design Assessment will identify control(s) gaps that must be remediated prior to proceeding with the attestation engagement. When appropriate, CLA will discuss these gaps with organization management prior to finalizing the recommendation.

Recommended remediation

CLA will provide recommendation(s) to remediate controls that are determined to be absent or lack adequacy in mitigating risks. These recommendations are made prior to finalizing the System Description and performing subsequent testing to confirm control design and/or compliance with design to determine effectiveness.

SOC1 system description

Based on the results of the Process Flowcharts task and definition of control objectives, CLA will provide the State with a template that will be used to document the current system description including:

- Organization Background
- Organization Management Controls (including Vendor Risk Assessment)
- Business Process Controls
- General Computer Controls
- Physical Environment Controls
- Subservice Organizations
- Complementary User-Entity Controls
- Complementary Subservice Organization Controls



Conclusion and responsibility

The conclusion of the Readiness Assessment is a description of processes and controls that both organization management and CLA accept as an accurate depiction of the State's operational environment.

This description then becomes the basis for management's assertion and activities associated with the attestation engagement that will commence upon determination of the reporting date (Type 1) or period (Type 2).

CLA is responsible for providing an auditors' opinion on the suitability of design for the reporting period. Therefore, it is essential that the entire Readiness Assessment phase of the project be completed prior to the beginning of the desired reporting date or period.

It is important to note that the development of the system description can be approached either by CLA preparing the document and the State reviewing, or the State preparing based on template provided by CLA and CLA reviewing, depending on the level of effort the State would like CLA to be involved.

Attestation

The attestation phase of the engagement requires CLA to perform "tests of controls" to obtain evidence that the controls described have been implemented as of the start of the period and were complying with control design to determine operating effectiveness as of a specific date or for the period (Type 2). Tests of controls may include inquiry, observation, inspection and/or reperformance. CLA will document the results of testing and identify any exceptions. If exceptions are identified, organization management will be given the opportunity to respond to the exception.

Upon completion of the testing process CLA will evaluate the results and determine if exceptions will require the issuance of a Qualified Auditors' Opinion. The objective of an assurance engagement is to obtain an Unqualified Auditors Opinion which does not contain qualifying statements. Specific steps associated with Attestation include but are not limited to the following:

Management assertion

Prior to the beginning of the attestation engagement, management asserts that, during the period covered by the report, it maintained effective controls over the system under examination to satisfy the control objectives defined by management.

Engagement planning

Controls testing work program

CLA will develop work programs to test the implementation of all key controls described by the organization in support of the defined control objectives.

Engagement schedule

CLA and the State will jointly establish a schedule for testing including definition of on-site and remote testing activities to assist with staff scheduling. The testing schedule is intended to cause minimal disruption to business operations and avoid peak volume periods.

Advanced preparation

Prior to actual testing, CLA will identify supporting documentation that can be prepared in advance of testing to minimize the disruption of staff during the business day and make the testing process more efficient for both CLA and the State.



Control(s) testing

Type of tests used during the testing process include inquiry, observation, inspection, and reperformance of transactions.

Our tests of operating effectiveness of controls will include such tests we consider necessary, based on the circumstances, to evaluate whether those controls, and the extent of compliance, are sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the reporting period. As previously stated, testing will focus on controls implemented that support the control objectives defined by management.

Testing results

CLA will document the results of testing and identify any exceptions. If exceptions are identified, the State management has the opportunity to respond to the exception.

Type 1 or Type 2 report

Upon completion of the controls testing, we will issue our independent service auditors' report that provides reasonable assurance that the controls described are suitably designed as of the date defined by management (Type 1) and operating effectively throughout the period (Type 2).

Refer to "Engagement Deliverables" below describing our anticipated protocol for issuance of the service auditor's report.

Engagement deliverable(s)

Final report

Prior to formal release of the Independent Service Auditors' Report, various reviews are performed to confirm that applicable testing was performed, engagement documentation complies with AICPA standards and the Opinion of CLA is adequately supported.

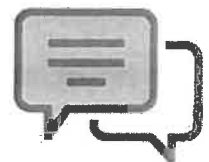
Upon successful review and resolution of issues identified during the review process, a formal release signature will be obtained from the National Assurance team indicating the report is ready to be issued in Final form and will be available for client distribution.

Management letter

Any non-material exceptions that are identified during the controls validation or testing processes will be communicated to the State in a Management Letter. The Management Letter is intended to identify controls that could be implemented or strengthened to improve the control environment within the organization.

Communication process

Effective communication is critical to a successful engagement. This includes weekly status meetings where observations, potential exceptions, and leading practices are discussed. To avoid surprises at the end of the engagement, we discuss and document our observations, clarify fact patterns, and confirm management's understanding and agreement with our findings.



CLA adheres to all auditing standards related to reporting observations, recommendations, and findings. All significant deficiencies and material weaknesses will be reported to the audit committee/governance in writing. Best practices, observations, and other matters will be reported to management in a management letter that can be used as a tool to track the implementation of our recommendations.



Report to those charged with governance — In addition to observations and recommendations, we will inform the audit committee of:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants, if any
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

We are sensitive and understanding of the fact that we report to those charged with governance, and our audit professionals maintain objectivity and independence in issuing audit opinions. If we identify significant fraud, illegal acts, or significant delays during the audit process, we will alert the audit committee timely.

Information related to overall fiscal health or other concerns of your organization observed during audit testing will be presented in the exit presentation and as part of the management letter. We will also help you create opportunities for improvement through recommendations and suggestions for strengthening your policies, accounting procedures, and processes.

Identification of anticipated potential audit problems

In situations where authoritative guidance on a particular transaction or accounting issue is unclear or subject to interpretation, our approach is to proactively meet with management to discuss the issue and reach a conclusion that is hopefully agreed upon by both parties. We do not have specific firm policies that dictate our conclusions to be reached on all complex accounting issues. Rather, each issue must be evaluated independently by our engagement team. As discussed above, we will not only meet internally, but also facilitate discussion with the State's management team in order to obtain a mutual understanding of the particular accounting issue, determine the applicable authoritative guidance that most closely relates to the issue, and strive to reach an approach agreed upon by both parties. If there remains any ambiguity or disagreement, we can explore other resources that could possibly assist, such as subject matter professionals within the Government Accounting Standards Board staff or the Government Finance Officers Association (GFOA) or perhaps other municipalities who may have dealt with similar issues.

GASB insight potentially affecting current and future audits

CLA has one of the largest governmental audit and accounting practices in the country. As a result, we are intimately involved in the review, development, and implementation of new standards promulgated by GASB. Additionally, we have members of our government services team that participate in the AICPA State and Local Government Expert Panel. These individuals are involved in the process of reviewing and updating the AICPA's State and Local Government Audit and Accounting Guide.

Our significant knowledge of technical issues and GASB pronouncements will be especially beneficial to the State. The below are recent issues and pronouncements which may have a future impact on the audits and financial statement of the State. We will proactively work with the State to address the reporting and auditing impact of each pronouncement or issue in advance of the implementation date.



GASB – Recent and Pending

Description of Statement	Potential Impact on the State
<p>GASB Statement No. 104, Disclosure of Certain Capital Assets</p> <p>– The objective of this Statement for State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.</p> <p>This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.</p> <p>This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.</p>	<p>The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.</p>
<p>GASB Statement No. 103, Financial Reporting Model Improvements – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.</p>	<p>The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.</p>



GASB – Recent and Pending

Description of Statement	Potential Impact on the State
<p>GASB Statement No. 102, Certain Risk Disclosures – State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.</p> <p>This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.</p> <p>This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.</p> <p>If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact.</p>	<p>The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.</p>
<p>GASB Statement No. 101, Compensated Absences – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.</p>	<p>The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.</p>



The following are some of the current projects being conducted by GASB that may impact the State in the future:

Future Pronouncements and Projects	
Description of Project	Current Status
<p>Revenue and Expense Recognition – The overall objective of this project is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. Achieving that objective will include: (1) development of guidance applicable to topics for which existing guidance is limited, (2) improvement of existing guidance that has been identified as challenging to apply, (3) consideration of a performance obligation approach to the GASB’s authoritative literature, and (4) assessment of existing and proposed guidance based on the conceptual framework. The expected outcome of the project is enhanced quality of information that users rely upon in making decisions and assessing accountability.</p>	Currently in the preliminary views redeliberations stage.
<p>Going Concern Uncertainties and Severe Financial Stress – The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government’s exposure to severe financial stress is necessary to disclose.</p>	Currently in the preliminary views initial deliberations stage.
<p>Infrastructure Assets – This proposed project will address issues related to accounting and financial reporting for infrastructure assets. The project would evaluate standards-setting options related to reporting infrastructure assets to make information (1) more comparable across governments and more consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government’s economic condition, and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time.</p>	Currently in the public hearings preliminary views stage.



Future Pronouncements and Projects

Description of Project	Current Status
<p>Subsequent Events—Reexamination of Statement 56 – The objective of this project is to improve the accounting and financial reporting for subsequent events. The project will reexamine existing requirements related to subsequent events in Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, to address issues related to (1) confusion about and challenges associated with applying the existing standards, (2) inconsistency in practice in the information provided about subsequent events, and (3) the usefulness of the information provided about subsequent events.</p>	<p>Currently in exposure draft of a proposed statement.</p>
<p>Implementation Guidance Update – 2025 – The objective of this project is to update implementation guidance for additional issues that come to the attention of the staff. This project will result in the issuance of an Implementation Guide when sufficient need exists for new or improved guidance and the Board does not object to its issuance. All updates are incorporated into the Codification of Governmental Accounting and Financial Reporting Standards and the Comprehensive Implementation Guide, as appropriate.</p>	<p>Currently in exposure draft of a proposed Implementation Guide.</p>

Assistance from client

We request that the State provide access to all records required for the audits and other requirements of the contract. In addition, we request that you assign a “project coordinator” through whom we will communicate and coordinate activities. We do not foresee needing the State’s staff other than during normal business hours.

To assist in this process, we will provide a detailed Prepared by Client list early in the engagement. We will ask that your accounting staff provide us with standard schedules, as well as additional requested supporting items. We anticipate that your accounting personnel will need to locate and submit to us certain invoices, vouchers, cancelled checks, and other documents and records. We are extremely flexible as to the format in which we receive this information and to the extent possible will use the latest technology to help minimize the level of effort of your personnel.

We will depend on your staff to provide us with as much information as possible, in an effort to limit everyone’s time on the engagement and, ultimately, to save your organization money.



Extent of technology to be used

Data analytics

In addition to standard auditing methodology, a distinguishing aspect of CLA's audit services incorporates the power of data analytics to multiply the value of the analyses and the results we produce for clients. CLA's data methodology is a six-phase, systematic approach to examining an organization's known risks and identifying unknown risks. Successful data analysis is a dynamic process that continuously evolves throughout the duration of an engagement and requires collaboration of the engagement team.

Data analytics are utilized throughout our audit process, our Risk Assessment, Data Analytics and Review ("RADAR") is a specific application of general ledger data analytics that has been implemented on all audit engagements. RADAR is an innovative approach created and used only by CLA that aims to improve and replace traditional preliminary analytics that were being performed.



The phases in our data analytics process are as follows:

1. Planning

In the planning stage of the engagement, the use of data analysis is considered and discussed to determine that analytics are directed and focused on accomplishing objectives within the risk assessment. Areas of focus, such as journal entries, cash disbursements, inventory, and accounts receivable are common.

2. Expectations

We consider the risks facing our client and design analytics to address these risks. Through preliminary discussions with management and governance, we develop and document expectations of financial transactions and results for the year. These expectations will assist in identifying anomalies and significant audit areas in order to assess risk.

3. Data acquisition

Sufficient planning, a strong initial risk assessment, and an adequate understanding of your systems will serve as the foundation necessary to prepare our draft data request list. We will initially request information in written format and conduct follow-up conversations helping CLA practitioners share a mutual understanding of the type of data requested and the format required. If there are going to be any challenges/obstacles related to obtaining data, or obtaining data in the preferred format, they will generally be discovered at this point.



4. Technical data analysis

Technical analysis of the data requires the skillful blend of knowledge and technical capability. Meaningful technical analysis provides the engagement team with a better understanding of the organization. The additional clarity assists the engagement team to better assess what is “normal” and, in turn, be better suited to spot anomalies, red flags, and other indications of risk. Analytics generally fall into five categories, each looking into the data set in a different way and deployed with a different purpose.



5. Interpret results and subsequent risk assessment

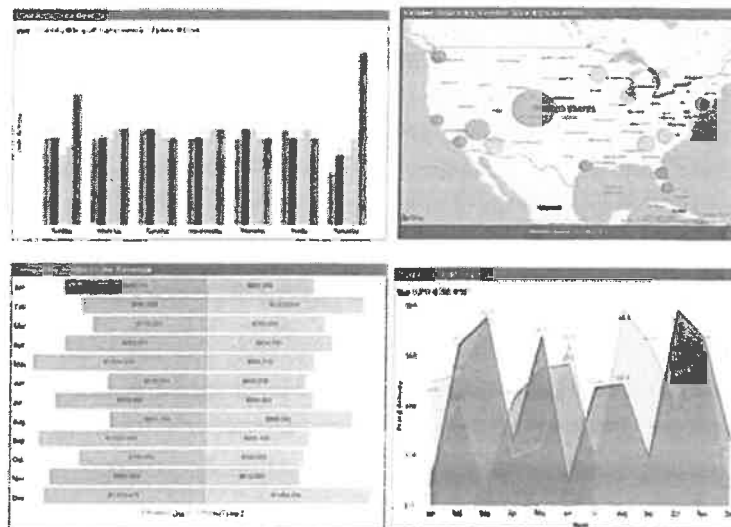
Trends and anomalies will be identified through the performance of the above referenced analytics. Comments regarding the interpretation of those trends and anomalies will be captured. When trends are identified, they are reconciled against expectations. For anomalies identified, the approach to further audit procedures will be considered.

6. Response and document

The last process is to capture responses and determine that our procedures are properly documented. Abstracts, charts, or summaries of both trends and anomalies are retained in audit documentation to support our identification of risks. Our analysis can be tailored and customized to help analyze an array of information, including client-specific and proprietary data. Key benefits of data analytics include:

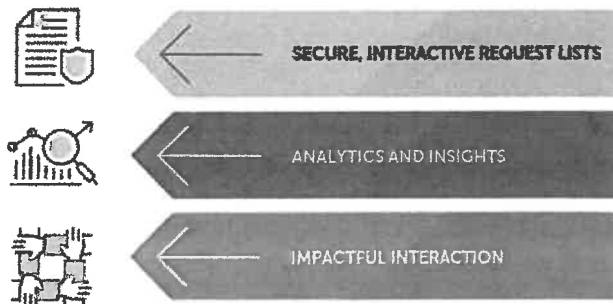
- Built-in audit functionality including powerful, audit specific commands and a self-documenting audit trail
- 100% data coverage, which means that certain audit procedures can be performed on entire populations, and not just samples
- Unlimited data access allows us to access and analyze data from virtually any computing environment
- Eliminates the need to extrapolate information from errors (a common effort when manually auditing data) and allows for more precise conclusions

The below figure illustrates typical data analytics scenarios.



Use of technology in the audit

We're reimagining the audit process through technology to elevate your experience!



Assurance Information Exchange (AIE) — CLA offers a secure web-based application to request and obtain documents necessary to complete client engagements. This application allows clients to view detailed information, including due dates for items that CLA requests. Additionally, the application allows clients to attach electronic files and add commentary related to the document requests directly on the application. AIE is provided at no additional cost, subject to the terms of the Assurance Information Exchange Portal Agreement.

Assurance Integrated System (AIS) — AIS is CLA's new assurance methodology platform and includes audit programs, risk assessments, and many of our template forms that can be completed and updated online by individuals that you designate.

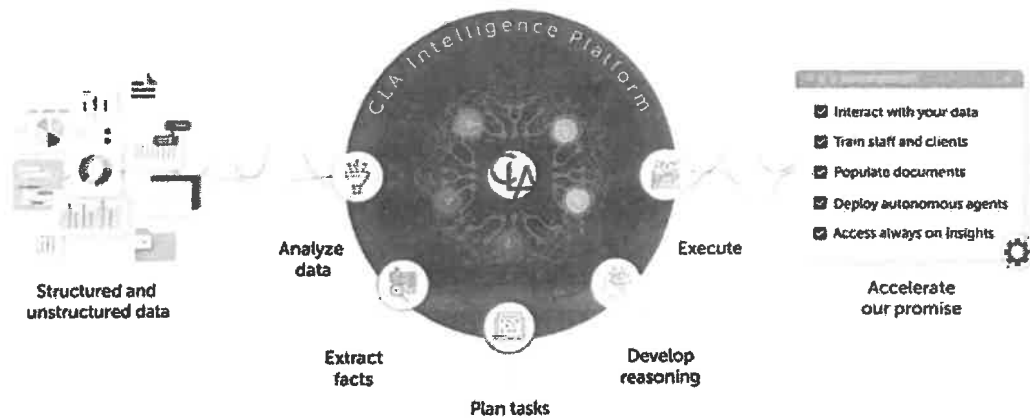
TeamMate Analytics and Expert Analyzer (TeamMate) — To analyze and understand large data sets, we use TeamMate Analytics and Expert Analyzer. We customize the application by industry in order to perform the most applicable procedures. This allows us to go beyond sampling and instead analyze the entire general ledger for targeted anomalies. Far beyond the audit application, our six-phase process of Risk Assessment, Data Analytics and Review (RADAR) can also provide actionable insights to help you understand your entity better.

Microsoft® Teams — Our services approach focuses on impactful interactions. We've said goodbye to the days of setting up camp in our clients' conference rooms for weeks on end. We know our clients have organizations to run, so our interactions have purpose. To assist with communications when we are not onsite, we utilize tools such as Microsoft Teams, which allow for two-way screen sharing and video. We've found this helps reduce disruptions in our clients' environments while continuing to effectively communicate with each other.



CLA Intelligence Platform: Digital services and generative AI

Let us help you harness cutting-edge technology to transform the way your teams work and uncover deeper business and financial insights.



Digital transformation is no longer optional, it's a necessity. With CLA, you'll find a comprehensive suite of capabilities spanning automation and integration, data analytics, software, and cybersecurity — offering you new opportunities to navigate and thrive in the digital age.

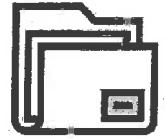
By leveraging digital product solutions and services, you can improve your business operations and achieve big goals, whether that's streamlining processes, enhancing customer experiences, embracing generative artificial intelligence (AI), or driving innovation. We help you put digital solutions in place to:

Drive growth and profitability	Drive more value from software	Gain efficiencies and quality
Improve employee experience and retention	Make data-driven decisions	Make your data work for you
Manage security more effectively	Put the power of AI in your hands	Reduce cyber and other threats



Sample size and statistical sampling

We follow the guidance of AU-C Section 530, Audit Sampling, which allows the use of a statistical or nonstatistical sampling approach. We use quality control material in all our audit engagements. These AU-C Section 530 – “Audit Sampling” forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing.



Sample sizes will vary depending on the nature of the testing (controls versus substantive) and the size of the population being sampled. Sampling techniques are utilized in compliance and internal control testing, as well as substantive testing of certain asset and liability account balances. Sample sizes used for internal control testing depend on a number of factors, namely the number of expected or actual control deviations, size of population, and level of control assurance anticipated. Sample sizes typically range from 22 to 77 for populations greater than 200.

To illustrate, if no internal control deviations are anticipated and the frequency of the population (i.e., the number of times the control is performed in a given year) is 100, then we will test 10 transactions in order to obtain moderate control assurance. If one internal control deviations is anticipated, and the frequency of the population is greater than 200, then we will test 77 transactions in order to obtain low control assurance. We are usually able to cover a substantial portion of the compliance and controls testing with one sample, resulting in a very efficient approach.

Attachment B: Mandatory Specification Checklist

REQUEST FOR PROPOSAL (West Virginia Finance Division CRFP FAR2500000001)

Attachment B: Mandatory Specification Checklist

List mandatory specifications contained in Section 4, Subsection .5:

Section 4, Subsection 4.3.1: The firm (and any joint proposers or subcontractors) must be independent and licensed to practice in West Virginia.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.2: All directors, principals or partner equivalents on the engagement must be licensed CPA's with at least 5 years of audit experience with governmental entities. All manager level employees on this engagement must be CPAs with 3 years of experience on governmental engagements. Once awarded, the Agency must be informed in writing of any changes in staffing at the supervisory level and above. The Agency retains the right to approve or reject replacements based upon their qualifications, experience, or performance. This requirement relates to the firm proposing as well as any joint proposers or subcontractors.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.3: The firm and its staff (as well as any joint proposers or subcontractors) must meet the qualifications to perform audits in accordance with the requirements of the Uniform Guidance.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.4: The firm and any joint proposers or subcontractors must all have experience auditing a minimum of three different State government entities (agencies) over the past 5 years. The firm(s) MUST have audited at least one of the 50 States (or a US territory that follows GAAP) and must submit a list of those States or territory audits in their proposal. The list of State/Territory government entities must be clearly listed on the proposals for the firm and separately for all joint proposers or subcontractors.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Revised 07/01/2021



REQUEST FOR PROPOSAL

(West Virginia Finance Division CRFP FAR2500000001)

Section 4, Subsection 4.3.5: The firm, joint proposers and subcontractors, contracted for any work related to the Single Audit must all have experience performing audits in accordance with the requirements of the Uniform Guidance..

Vendor Response: Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.6: The firm shall submit a copy of one(1) Single Audit and one (1) State ACFR report issued in the last five (5) years performed by the Vendor. The reports must be submitted with the Vendor's proposal.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.7: The firm, joint proposers and subcontractors shall all submit a statement that they have not failed their 2 most recent AICPA Peer Reviews of their audit/accounting practice and submit a copy of its most recent review with their proposal.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.8 The firm, any joint proposers, or subcontractors must not have had a final audit issued by the proposing firm 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.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.9 The firm, any joint proposers, or subcontractors must all provide a statement that they are a member in good standing of the AICPA's Governmental Audit Quality Center.

Vendor Response Due to limited space, we have provided our response on the following pages.

Section 4, Subsection 4.3.10 Only one subcontractor is allowed per each proposal. Firms may not use two or more subcontractors in their bid. This is too cumbersome for state officials to manage with multiple points of contact. As stated earlier, the same subcontractor is allowed to submit multiple proposals with different firms.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Revised 07/01/2021



REQUEST FOR PROPOSAL

(West Virginia Finance Division CRFP FAR2500000001)

Section 4, Subsection 4.3.11 This audit cannot be completed 100% remotely. There will be times when it is necessary for auditors to audit records on site. The on-site work can be performed by a local subcontractor that is listed/specified in your bid. It is estimated that 20% of the ACFR work is done in person Tax department, Treasurer's Office, etc.) and that up to 35 % of the work on the Single Audit will need to be performed in person. This includes limited necessary travel to colleges and universities.

Vendor Response: Due to limited space, we have provided our response on the following pages.

Revised 07/01/2021



4.3.1: Independence and license


(RFP Section 4, Subsection 4.3.1)

Firm independence

CLA is independent of the State as required by auditing standards generally accepted in the United States and the U.S. Government Accountability Office's Government Auditing Standards. Our firm-wide quality control policies and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your audit are independent of the State.

License to practice in West Virginia

CLA is licensed to practice public accounting in the state of West Virginia. All assigned key professional staff are licensed certified public accountants. A majority of states, including West Virginia, have adopted mobility legislation – which is a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of their principal place of business without obtaining another license. A copy of our state license is provided below.

	<p>State of West Virginia West Virginia Board of Accountancy 405 Capitol Street, Suite 908 Charleston, WV 25301-1744 (304) 558-3557</p>	<p><i>The entity listed below was issued a FIRM PERMIT for the period beginning JULY 1, 2024 THROUGH JUNE 30, 2025</i></p>
	<p><i>for the period beginning JULY 1, 2024 THROUGH JUNE 30, 2025</i></p> <p>F0347A CLIFTONLARSONALLEN LLP 220 S 6TH ST STE 300 MINNEAPOLIS MN 55402</p>	<p>F0347A CLIFTONLARSONALLEN LLP 220 S 6TH ST STE 300 MINNEAPOLIS MN 55402</p>
	<p><i>Barry L. Duggan CPA</i> Board President</p>	<p><i>David A. Justice</i> Executive Director</p>

4.3.2. Principal, supervisory, and management staff

(RFP Section 4, Subsection 4.3.2)

The principals and directors on CLA's engagement team are licensed CPA's with at least five years of audit experience with governmental entities. The managers on this engagement are licensed CPAs with three years of experience on governmental engagements. If awarded, we understand that the State must inform in writing of any changes in staffing at the supervisory level and above. We also understand that the State retains the right to approve or reject replacements based upon their qualifications, experience, or performance. We further understand that this requirement relates to the firm proposing as well as any joint proposers or subcontractors



4.3.3. Single audit qualifications

(RFP Section 4, Subsection 4.3.3)

CLA and all staff meet the qualifications to perform audits in accordance with the requirements of the *Uniform Guidance*.

4.3.4. Experience auditing state governments

(RFP Section 4, Subsection 4.3.4)

CLA has experience auditing a minimum of three different State government entities (agencies) in the past five years. CLA has audited at least one of the 50 states and has submitted a list of those states within our proposal. A complete listing of states audited by CLA has been provided in the proposal section titled **Attachment A: Vendor Response Sheet, 4.2.1.1. Demonstrate availability to manage an audit.**

4.3.5. Work related to single audit requirements

(RFP Section 4, Subsection 4.3.5)

CLA contracted for any work related to the single audit must all have experience performing audits in accordance with the requirements of the *Uniform Guidance*.

As previously mentioned, for this engagement we do not plan on using any subcontractors.

4.3.6. Sample report

(RFP Section 4, Subsection 4.3.6)

We have included a copy of sample single audit and ACFR report issued in the last five years with our proposal, separately bounded, State of Delaware for fiscal year ended 2023.



4.3.7. External quality control review

(RFP Section 4, Subsection 4.3.7)

Quality control procedures and peer review report

In the most recent peer review report, dated November 2022, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. CLA has not failed our two most recent AICPA Peer Reviews of our audit/accounting practice and has submitted a copy of our most recent review with our proposal. The full report is provided in **Appendix B. This quality control review included a review of specific government engagements.**



In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements.

Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.

4.3.8. Final audit issued

(RFP Section 4, Subsection 4.3.8)

CLA has not had a final audit issued by the proposing firm 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.



4.3.9. Membership in AICPA Government Audit Quality Center

(RFP Section 4, Subsection 4.3.9)

Because CLA is committed to quality audits for our government clients, we are an active member of the Government Audit Quality Center (GAQC) of the American Institute of Certified Public Accountants (AICPA).



Launched in September 2004, the mission of the GAQC is to raise awareness about the importance of governmental audits and to serve as a comprehensive resource on the topic for member firms.

GAQC member firms must institutionalize annual internal inspection procedures, comply with continuing professional education requirements as set forth by Government Auditing Standards, and establish policies and procedures in compliance with GAQC-recognized professional standards.

We leverage our membership to access resources designed to enhance audit quality and to apply audit best practices. The GAQC provides the latest developments in accounting, auditing, and the various rules and regulations that affect governmental audits.

4.3.10. Subcontractor requirement

(RFP Section 4, Subsection 4.3.10)

CLA understands that only one subcontractor is allowed per proposal. However, for our proposal we do not plan on using a subcontractor for assistance with our services outlined in the State's RFP. We understand that firms may not use two or more subcontractors in their bid. This is too cumbersome for state officials to manage with multiple points of contact. As stated earlier, the same subcontractor is allowed to submit multiple proposals with different firms.

4.3.11. Remote work

(RFP Section 4, Subsection 4.3.11)

CLA understands that this audit cannot be completed 100% remotely. We understand that there will be times when it is necessary for CLA to audit records on site. It is estimated that that 20% of the ACFR work is done in person (Tax Department, Treasurer's Office, etc.) and that up to 35% of the work on the single audit will be performed in person. We understand that that this includes limited necessary travel to colleges and universities. Please see below for CLA's remote work capability for the services that can be provided remotely.

While we value our face-to-face time with our clients, we have capabilities to perform this engagement remotely, if necessary. CLA has been performing internal audit and regulatory compliance engagements remotely for the past several years. We will discuss establishing a proper planning document; enhanced communications before, during, and after the engagement; use of interactive meeting formats; and the use of various secure portals and/or VPN networks. We have learned this process needs strong communication and commitment from our clients to send us requested information electronically — as well as making key personnel available during the times assigned to the projects. We have used resources such as Microsoft Teams and secure, encrypted tools to facilitate the transfer of sensitive information, share information, work collaboratively internally and with our clients, and conduct meetings. We will discuss the method in which documentation should be supplied to us, and will listen to what tools and protocols you prefer.



Attachment C: Cost Sheet

CLA has completed Attachment C: Cost Sheet included in the State's request for proposal and as requested, it has been submitted in a separate sealed envelope.



Cost Proposal

Having upfront conversations builds relationships.

The value we can provide your organization goes beyond meeting your compliance needs. We can help you discover opportunities to enhance your performance and achieve your strategic goals. Our insights and strategies are tailored to your specific situation and represent a return on your investment.

Please note that these are firm-fixed fees and include out-of-pocket costs associated with the engagement such as local travel. We understand that clients do not want fee surprises; our fee and billing practices reflect this understanding.

CLA has completed *Attachment C* and has been provided on page 5 of this document.

1. Name of firm

CLA (CliftonLarsonAllen LLP)

2. Total all-inclusive maximum price for one-year engagement of fiscal year 2025

Total all-inclusive maximum price for fiscal year 2025	\$1,460,000
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3. Total all-inclusive maximum price for one-year engagement of fiscal year 2026

Total all-inclusive maximum price for fiscal year 2026	\$1,503,900
--	-------------

4. Total all-inclusive maximum price for one-year engagement of fiscal year 2027

Total all-inclusive maximum price for fiscal year 2027	\$1,549,300
--	-------------

5. Total all-inclusive maximum price for one-year engagement of fiscal year 2028

Total all-inclusive maximum price for fiscal year 2028	\$1,596,000
--	-------------

Our fee quote is designed with an understanding that:

- The State personnel will provide documents and information requested in a timely fashion.
- The operations of your organization do not change significantly and do not include any future acquisitions or significant changes in your business operations.
- There are not significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.

The 5% technology and client support fee supports our continuous investment in technology and innovation to enhance your experience and protect your data.



Fee increase

Our fees are based on professional standards and regulations currently in effect and barring any changes in the nature or requirements of the engagement, our annual fees will increase in accordance with the increases in our payroll and overhead costs. In addition, costs could increase due to substantial changes in your office locations, asset size and/or operational structure. If fee increases are expected outside of the ranges provided above, we would discuss with management prior to the completion of the work.

No surprises

Our clients don't like fee surprises. Neither do we. If changes or complexities occur — or any "out-of-scope" work is required — we'll discuss a revised proposal with you first.

It's not our policy or practice to bill our clients every time we receive a phone call or email. We're invested in our relationships and strongly encourage intentional and frequent communication. Contact us year-round as changes or questions arise.

Out-of-pocket expenses in the total all-inclusive maximum price and reimbursement rates

As requested, all estimated out-of-pocket expenses must be included in the cost proposal as part of the total all-inclusive maximum price submitted by the firm. CLA understands that it is anticipated that there will be weeks of in person/onsite required hours for the chosen auditor (outside of the audit time that can be performed remotely). We understand, for the ACFR we estimate approximately 20% of the audit will be performed on-site. We understand, for the Single Audit, certain case files and sample documentation will have to be reviewed on site. We understand that it is estimated that up to 35% of that testing will need to be performed on site as well. CLA understands that these hours are estimates only and may exceed this amount. While some of the audit work can be done remotely and uploaded to secure portals, many files will have to be reviewed in person due to volume or sensitivity of data. Our bids account for in person audit days and the travel expenses necessary.

Single audit program fees

Our fees are based on 23 major programs. If the number of programs increases or decreases, you can expect an increase or decrease in your fees on the single audit, approximately \$25,000 per program for a basic program. Larger programs such as Student Financial Aid could be up to \$50,000.



Fee for additional services

For any additional work, it is our practice to bill for actual hours incurred at an hourly rate applicable to the professional completing the project at hand. If additional work is requested outside of the scope of requested services, we will discuss with you our proposed fee for additional services before we begin the project. Any such additional work agreed to between the State and CLA shall be performed at the below rates.

Level	Current Hourly Rate
Principal/Signing Director	\$355+
Manager/Director	\$185 - \$320
Senior	\$160 - \$220
Associate	\$140 - \$170

Our last word on fees: we're committed to serving you and creating a long-standing relationship. If fees are a deciding factor in your selection of a professional services firm, give us a call and let's discuss.

Transparent: Clear, authentic communication and market-based fees.



REQUEST FOR PROPOSAL
(West Virginia Finance Division CRFP FAR2500000001)

Attachment D: ENTITIES AUDITED ON A STAND-ALONE BASIS

AGENCY NAME

Alcohol Beverage Control Administration
Board of Risk and Insurance Management
Board of Treasury Investments
Consolidated Public Retirement Board
Economic Development Authority
Educational Broadcasting Commission
Workforce West Virginia
Water Pollution Control Revolving Fund - (DEP) A-133 version also
Housing Development Fund
Insurance Commission / Workers' Compensation Fund
West Virginia Lottery
Parkways Authority
Public Employees Insurance Agency
Retiree Health Benefit Trust Fund
WV College Prepaid Tuition and Smart 529 Savings Program
Public Defender Corporations (18)
Racing Commission
Division of Corrections and Rehabilitation Services
School Building Authority
Solid Waste Management Board
Division of Highways
Tobacco Settlement Finance Authority
Water Development Authority
Drinking Water Treatment Revolving Fund (WDA) (loan funds)
Drinking Water Treatment Revolving Fund (DHHR) (set-aside funds) every 3 years (4)(2024)
WV Infrastructure & Jobs Development Council
WV Investment Management Board
WV Multimodal Transportation Facilities
Higher Education (20 institutions, including WVNET and Higher Education Policy Commission)
Municipal Pension Oversight Board

REQUEST FOR PROPOSAL
(West Virginia Finance Division CRFP FAR2500000001)

Attachment E: TIMETABLE FOR COMPLETION OF AUDIT

Required Submission/ Event	Required Completion/Submission Date
Entrance Conference	Within three (3) weeks of award of contract
Any interim work must be completed	June 30, 2025
Detailed Audit Plan	June 30, 2025
Field Work to begin (No Later Than) - Federal Awards - ACFR	August 1, 2025 August 1, 2025
Tests of Federal Awards substantially complete	October 26, 2025
Closing conferences with agencies substantially complete	November 1, 2025
Draft ACFR Audit Report	November 15, 2025
Draft Single Audit findings and other management comments	December 9, 2025
Final ACFR audit report	December 12, 2025
Final Single Audit findings	January 2, 2026
Final Single Audit Reports	January 31, 2026

REQUEST FOR PROPOSAL

(West Virginia Finance Division CRFP FAR2500000001)

Proposal 1: Step 1 – $\$1,000,000 / \$1,000,000 = \text{Cost Score Percentage of } 1 (100\%)$
Step 2 – $1 \times 30 = \text{Total Cost Score of } 30$

Proposal 2: Step 1– $\$1,000,000 / \$1,100,000 = \text{Cost Score Percentage of } 0.909091 (90.9091\%)$
Step 2 – $0.909091 \times 30 = \text{Total Cost Score of } 27.27273$

6.8. Availability of Information: Proposal submissions become public and are available for review immediately after opening pursuant to West Virginia Code §5A-3-11(h). All other information associated with the RFP, including but not limited to, technical scores and reasons for disqualification, will not be available until after the contract has been awarded pursuant to West Virginia Code of State Rules §148-1-6.3.d.

By signing below, I certify that I have reviewed this Request for Proposal in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that, to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

CLA (CliftonLarsonAllen LLP)

(Company)

Sean M. Walker, CPA, CFE, CGFM, CGMS, Principal

(Representative Name, Title)

703-825-2106 | 410-453-0914

(Contact Phone/Fax Number)

April 15, 2025

(Date)

Revised 07/01/2021

