



February 9, 2010

**PROPOSAL TO PROVIDE PROFESSIONAL  
AUDIT SERVICES TO –**

**THE WEST VIRGINIA LOTTERY**

RFP Number:  
LOT455  
"Auditing Services"  
  
ORIGINAL

Prepared by –  
**CLIFTON GUNDERSON LLP**

Thomas Rey, CPA, Partner

9515 Deereco Road, Suite 500  
Timonium, Maryland 21093  
1-888-778-9588 phone  
410-453-0914 fax  
Thomas.Rey@cliftoncpa.com

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2010 FEB -5 A 10: 16

PURCHASING DIVISION  
STATE OF WV

 **Clifton  
Gunderson LLP**  
Certified Public Accountants & Consultants  
COUNT ON INSIGHT®  
www.cliftoncpa.com

February 9, 2010

Ms. Shelly Murray  
Buyer  
State of West Virginia  
Department of Administration  
Purchasing Division  
Building 15  
2019 Washington Street, East  
Charleston, West Virginia 25305

Dear Ms. Murray:

Clifton Gunderson is pleased to respond to your request to provide audit services for the West Virginia Lottery (WVL), beginning with the fiscal year ending June 30, 2010, with the option of auditing its financial statements for each of the two subsequent fiscal years.

We are confident that our substantial experience providing audit, accounting and consulting services to governmental entities, including state lottery agencies, bolstered by our client-oriented philosophy and depth of resources, will make Clifton Gunderson the ideal candidate to fulfill the scope of your audit. We are committed to performing this work within the desired time periods established by the WVL, and have the knowledge and resources to complete the engagement in an efficient and effective manner. We acknowledge receipt of Amendment No. 1, dated January 22, 2010 to the request for proposal.

I welcome the opportunity to discuss our qualifications in greater detail or make a presentation to your organization as you prepare to select a CPA firm to serve your needs. Please contact me at 1-888-778-9588 or [Thomas.Rey@cliftoncpa.com](mailto:Thomas.Rey@cliftoncpa.com) with any additional questions.

Sincerely,

CLIFTON GUNDERSON LLP



Thomas Rey, CPA  
Partner





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

# Request for Quotation

RFQ NUMBER  
**LOT455**

PAGE  
**4**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**SHELLY MURRAY  
 304-558-8801**

RFQ COPY

TYPE NAME/ADDRESS HERE

SHIP TO

**LOTTERY COMMISSION**  
  
**312 MACCORKLE AVENUE, SE  
 CHARLESTON, WV  
 25314-1143 558-0500**

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
12/29/2009				

BID OPENING DATE: **02/04/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>TO CONTACT YOU REGARDING YOUR BID:            Fax: 410-453-0914</p> <hr/> <p>CONTACT PERSON (PLEASE PRINT CLEARLY):            Thomas Rey, CPA, Partner</p> <hr/> <p>***** THIS IS THE END OF RFQ LOT455 ***** TOTAL: _____</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Thomas Rey</i>	TELEPHONE 1-888-778-9588	DATE 02/03/10
TITLE Partner	FEIN 7-0802863	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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

### Request for Quotation

RFQ NUMBER:  
 LOT455

PAGE:  
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 SHELLY MURRAY  
 304-558-8801

VENDOR

\*C26145812 410-453-0900  
 CLIFTON GUNDERSON LLP  
 9515 DEERCO ROAD # 500  
 TIMONIUM MD 21093

SHIP TO

LOTTERY COMMISSION  
 312 MACCORKLE AVENUE, SE  
 CHARLESTON, WV  
 25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
01/22/2010				

BID OPENING DATE: 02/09/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 1 -----						
THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS RECEIVED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 01/20/2010.						
THE BID OPENING DATE IS EXTENDED:						
FROM: 02/04/2010						
TO : 02/09/2010						
0001	1	LS		946-20		
AUDITING SERVICES						
EXHIBIT 10						
REQUISITION NO.: LOT455						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE \_\_\_\_\_ TELEPHONE \_\_\_\_\_ DATE \_\_\_\_\_

TITLE \_\_\_\_\_ FEIN \_\_\_\_\_ ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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

# Request for Quotation

RFQ NUMBER  
**LOT455**

PAGE  
**2**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**SHELLY MURRAY**  
**304-558-8801**

TODAY'S

\*C26145812 410-453-0900  
**CLIFTON GUNDERSON LLP**  
**9515 DEERECO ROAD # 500**  
  
**TIMONIUM MD 21093**

SHIP TO

**LOTTERY COMMISSION**  
  
**312 MACCORKLE AVENUE, SE**  
**CHARLESTON, WV**  
**25314-1143 558-0500**

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
01/22/2010				

BID OPENING DATE: **02/09/2010** BID OPENING TIME: **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
NO. 1	✓					
NO. 2						
NO. 3						
NO. 4						
NO. 5						

I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.

VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.

*edg*

.....  
 SIGNATURE  
 Clifton Gunderson LLP  
 .....  
 COMPANY  
 01/25/10  
 .....  
 DATE

NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.

REV. 09/21/2009

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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## Section I – A-133 Audits

### **RELEVANT BACKGROUND AND EXPERIENCE**

Clifton Gunderson is a leader in providing audit and financial management solutions to government entities at the federal, state, and local level. We are thoroughly capable of providing high-quality audit services and technical expertise to the West Virginia Lottery (WVL).

Relevant to this engagement, our team proposed for this contract is accustomed to dealing with business-type governmental agencies including state lottery entities such as the Illinois State Lottery Commission, Colorado Division of Lottery, and lottery operations and IT controls for the Commonwealth of Pennsylvania. In addition, the firm also has professionals on staff with previous gaming experience serving such entities as the Desert Diamond Casino and Cliff Castle Casino in Arizona, as well as other gaming enterprises including Casino Omaha, Ohiya Casino, and Harvey's of Council Bluffs Iowa.

### **INDEPENDENCE**

*(RFP Section 3.2.1)*

Clifton Gunderson is independent of the WVL as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

The firm is also independent of the State of West Virginia and any other component units of that entity, as defined by those same standards.

### **LICENSE TO PRACTICE**

*(RFP Section 3.3.1)*

Clifton Gunderson LLP is a properly licensed certified public accounting firm. The firm's license to practice in the State of West Virginia is included in *Appendix A: License*.

Per the CPA Mobility Legislative Law in West Virginia, our key engagement team has practice privileges outside of their home jurisdiction without obtaining an additional license in another state. 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 his or her principal place of business without obtaining another license. If WVL requires our staff to obtain a CPA license in West Virginia, they will obtain the necessary licensure.

### **ABILITY TO SUCCESSFULLY PERFORM THE PROPOSED EFFORT**

Clifton Gunderson has earned a reputation for helping similar governmental clients meet their goals and fulfill their missions. With our hands-on approach to serving clients, our quality and timely service, and responsiveness to your needs, Clifton Gunderson can help you accomplish your goals. Your engagement team will not only meet, but exceed your expectations.

### **A Sampling of Qualities That Sets Clifton Gunderson Apart:**

- **Extensive Knowledge of the Government Sector.** Our Governmental Services Team serves over 1,000 state and local governmental entities nationwide; over 100 in Virginia, Maryland and surrounding states alone, including a number of business-type component units similar to the WVL. Our extensive knowledge of issues critical to large governmental entities will reduce the burden on your staff and eliminate inefficient and ineffective audit procedures.





- **Experience with Lottery and Gaming.** Your Clifton Gunderson engagement team includes CPAs who have served public sector clients in the lottery and gaming industry with sophisticated cash operations.
- **Commitment to Non-SEC Companies.** Our firm focuses solely on meeting the needs of non-SEC entities like the WV. Unlike “Big 4” firms who are focused on meeting public companies’ deadlines for Sarbanes-Oxley compliance, our focus on the governmental sector and privately-held entities will translate into less risk for Clifton Gunderson and lower fees for you, not to mention more attention from our senior level personnel.
- **Ability to Meet Deadlines.** Clifton Gunderson is well-balanced when it comes to workload issues, and has never had a problem meeting client deadlines. Our practice is very well-rounded in terms of industries served and services

provided, and therefore we do not experience the workload compression that other firms might experience during particular busy seasons. This means better client service for the WV.

- **Personal Attention.** The close, personal attention from our senior level personnel, combined with our low partner-to-staff ratio, sets Clifton Gunderson apart from many other CPA firms. Our partners and managers will be available to you throughout the year, and will be committed to staying abreast of key issues at the WV.

Clifton Gunderson has earned a justifiable reputation for helping similar governmental entities meet their goals and fulfill their missions – we can do the same for you.

Per the request of the RFP, we have included a sampling of governmental audits completed. We have the experience and commitment to assist the WV.

### Clifton Gunderson’s Specific State and Local Government Experience

Experience	Sampling of Clients
States and Municipalities	<ul style="list-style-type: none"> <li>• State of South Carolina</li> <li>• Pennsylvania Office of the Attorney General</li> <li>• Arlington County, Virginia</li> <li>• Baltimore County, Maryland</li> <li>• Carroll County Commissioners, Maryland</li> <li>• Charles County, Maryland</li> <li>• Delaware Department of Homeland Security</li> <li>• Maryland Workers’ Compensation Commission</li> <li>• Montgomery County, Maryland</li> <li>• New Castle County, Delaware</li> <li>• Queen Anne’s County, Maryland</li> <li>• Stafford County, Virginia</li> <li>• State of Maryland, Department of Juvenile Services</li> </ul>







Experience	Sampling of Clients
	<ul style="list-style-type: none"> <li>• Anne Arundel County, Maryland Public Schools</li> <li>• Baltimore City, Maryland Public Schools</li> <li>• Baltimore County, Maryland Public Schools</li> <li>• Calvert County, Maryland Public Schools</li> <li>• Carroll County, Maryland Public Schools</li> <li>• Charles County, Maryland Public Schools</li> <li>• Frederick County, Maryland Public Schools</li> <li>• Howard County, Maryland Public Schools</li> <li>• Montgomery County, Maryland Public Schools</li> <li>• Prince George's County, Maryland Public Schools</li> </ul>
<b>Public Transportation</b>	<ul style="list-style-type: none"> <li>• Delaware Department of Transportation E-ZPass Toll Operations</li> <li>• Maryland Department of Transportation, Motor Vehicle Administration</li> <li>• Maryland Transit Administration</li> <li>• Maryland Transportation Authority</li> <li>• Metropolitan Washington Airport Authority</li> <li>• Montgomery County National Database Audit</li> <li>• Richmond Capital Regional Airport Commission</li> <li>• U.S. Department of Transportation</li> <li>• Virginia Department of Transportation</li> <li>• Washington Metropolitan Area Transit Authority</li> </ul>
<b>Economic Development</b>	<ul style="list-style-type: none"> <li>• Commonwealth of Pennsylvania Financing Authority</li> <li>• Pennsylvania Industrial Development Authority</li> <li>• Arlington County Industrial Authority</li> <li>• Carroll County, Maryland Industrial Authority</li> <li>• Colorado Housing and Finance Authority</li> <li>• Fairfax Redevelopment and Housing Authority</li> <li>• Housing Authority of Baltimore City, Maryland</li> <li>• Maryland Agricultural and Resource-Based Industry - Development Corporation</li> <li>• Maryland Department of Housing and Community Development</li> <li>• Montgomery County, Maryland Housing Opportunities Commission</li> <li>• New Mexico Finance Authority</li> <li>• Northern Virginia Regional Commission</li> <li>• Richmond Redevelopment and Housing Authority</li> <li>• Wisconsin Housing and Economic Development Authority</li> </ul>
<b>Higher Education</b>	<ul style="list-style-type: none"> <li>• Delaware County Community College</li> <li>• Thaddeus Stevens College of Technology</li> <li>• Carroll Community College, Maryland</li> <li>• Cecil Community College, Maryland</li> <li>• Community Colleges of Baltimore County, Maryland</li> </ul>





Experience	Sampling of Clients
	<ul style="list-style-type: none"> <li>• Delaware State University</li> <li>• East Carolina Foundation, North Carolina</li> <li>• Frederick Community College, Maryland</li> <li>• Maryland Institute College of Art</li> <li>• Naval Academy Athletic Association</li> <li>• Towson University, Maryland</li> <li>• Towson University Foundation, Maryland</li> <li>• University of Maryland Medical Systems</li> <li>• The Medical Alumni Association of the University of Maryland</li> <li>• University of Virginia</li> <li>• West Virginia University NCAA Audit and Construction Audit</li> </ul>
<b>Enterprise Funds and Authorities</b>	<ul style="list-style-type: none"> <li>• Arlington Waste Disposal</li> <li>• Maryland Environmental Service</li> <li>• Maryland Food Authority</li> <li>• Maryland-National Capital Park and Planning Commission</li> <li>• Maryland Transportation Authority</li> <li>• Metropolitan Washington Airport Authority</li> <li>• Northeast Maryland Waste Disposal Authority</li> <li>• Town of Easton, Maryland Utilities Commission</li> </ul>
<b>Pension/Benefits</b>	<ul style="list-style-type: none"> <li>• Pennsylvania State Employees Retirement System</li> <li>• Pennsylvania Municipal Retirement System</li> <li>• Pennsylvania Public School Employees' Retirement System</li> <li>• Anne Arundel County Pension</li> <li>• Arlington County Employees' Retirement System</li> <li>• Arizona Deferred Compensation Plan</li> <li>• Ball State-OPEP Plan</li> <li>• Baltimore County Retirement Plan</li> <li>• Board of Pension &amp; Retirement - Philadelphia</li> <li>• Colorado Public Employees' Retirement Association</li> <li>• District of Columbia Retirement Board</li> <li>• Federal Thrift Plan</li> <li>• Florida Small Business Administration</li> <li>• Idaho Public Employees' Deferred Compensation Plans</li> <li>• Local Government Insurance Trust</li> <li>• Maryland State Retirement Agency</li> <li>• Metropolitan Washington Airport Authority Pensions System</li> <li>• Montgomery County Retirement Plan</li> <li>• New Castle County Retirement Plan</li> <li>• New Mexico Public Employees' Deferred Compensation Plan</li> <li>• New York State Deferred Compensation Board</li> <li>• Ohio Public Employees Retirement System</li> <li>• Pension Benefit Guaranty Corporation</li> </ul>





Experience	Sampling of Clients
	<ul style="list-style-type: none"> <li>• Phoenix, Arizona Employees' Deferred Compensation Plan</li> <li>• Public Employees Retirement System of Nevada</li> <li>• State Teachers Retirement System of Ohio</li> </ul>
<b>State Health Care</b>	<ul style="list-style-type: none"> <li>• Maryland Department of Health and Mental Hygiene</li> <li>• Maryland Healthcare Commission</li> <li>• Commonwealth of Department of Medical Assistance Services</li> <li>• New Hampshire Department of Health and Human Services</li> <li>• Washington Department of Social and Health Services</li> <li>• Arkansas Department of Human Services</li> <li>• Oregon Department of Human Services</li> <li>• Michigan Department of Community Health</li> <li>• Texas Health and Human Services Commission</li> <li>• Indiana Family and Social Services Administration</li> <li>• North Carolina Department of Health and Human Services</li> <li>• Alabama Medicaid Agency</li> <li>• South Carolina Department of Health and Human Services</li> <li>• Mississippi Division of Medicaid</li> <li>• Nevada Department of Health and Human Services</li> <li>• Oklahoma Healthcare Authority</li> <li>• Ohio Department of Job and Family Services</li> </ul>
<b>Federal Agencies</b>	<ul style="list-style-type: none"> <li>• Administrative Offices of the U.S. Courts</li> <li>• Architect of the Capital</li> <li>• Centers for Medicare and Medicaid Services</li> <li>• Commodity Credit Corporation</li> <li>• Commodity Futures Trading Commission</li> <li>• Corporation for National and Community Services</li> <li>• Defense Finance Accounting Service</li> <li>• Denali Commission</li> <li>• Farm Credit System Insurance Corporation</li> <li>• Federal Aviation Administration</li> <li>• Federal Communications Commission</li> <li>• Federal Crop Insurance Corporation</li> <li>• Federal Election Commission</li> <li>• Federal Housing Administration</li> <li>• Federal Retirement Thrift Investment Board</li> <li>• Library of Congress</li> <li>• National Institutes of Health</li> <li>• National Reconnaissance Office</li> <li>• National Science Foundation</li> <li>• National Security Agency- Restaurant Fund, Civilian Welfare Fund, National Cryptologic Museum</li> <li>• Nuclear Regulatory Commission</li> </ul>





Experience	Sampling of Clients
	<ul style="list-style-type: none"> <li>• Office of the Comptroller of the Currency 401(k)</li> <li>• Office of Historical Trust Accounting</li> <li>• Office of Special Trustees for American Indians</li> <li>• Peace Corps</li> <li>• Universal Service Administrative Company</li> <li>• U.S. Agency for International Development</li> <li>• U.S. Army Family &amp; Morale, Welfare &amp; Recreation Command</li> <li>• U.S. Department of Agriculture- Working Capital Fund</li> <li>• U.S. Coast Guard</li> <li>• U.S. Department of Homeland Security, Federal Emergency Management Agency</li> <li>• U.S. Department of Health and Human Services</li> <li>• U.S. Department of Justice</li> <li>• U.S. Department of the Interior- Franchise Fund</li> <li>• U.S. Department of Transportation</li> <li>• U.S. Department of the Treasury</li> <li>• U.S. Department of Veterans Affairs</li> <li>• U.S. Election Assistance Commission</li> <li>• U.S. Government Accountability Office</li> <li>• U.S. National Archives and Records Administration</li> <li>• U.S. Senate Restaurants</li> </ul>

\* Please see proposal section titled, *References Supporting Our Work*, for additional details.

\*\* Should you require additional details, please feel free to contact Thomas Rey at 1-888-778-9588.





### ***Experience in Providing Audit Reports on the GAAP Financial Statements***

Our professionals have a thorough understanding of Government Auditing Procedures applicable to state and local government entities. We are an industry leader in providing auditing, accounting, consulting and fraud investigation services.

We are fully aware of GAAP financial statement issues, Governmental Accounting Standards Board (GASB) requirements, Statement of Financial Accounting Standards (SFAS) requirements, and Single Audit Act/OMB A-133. For all of our clients requiring GAAP Auditing Procedures, we diligently and thoroughly comply with all regulations and standards.

### ***Experience with OMB Circular A-133 Audits***

Most of the local governmental entities served by Clifton Gunderson receive federal funds and require a single audit in accordance with OMB Circular A-133. In fact, we have over 100 local clients who are funded through federal financial aid and for which OMB Circular A-133 audits are conducted.

The single audit requires a specific set of skills in order to properly perform the procedures. As such, we have developed a dedicated group of professionals who specialize in providing single audit services. This group is managed by Aires Coleman, CPA and Brian Lyman, CPA. Prior to joining Clifton Gunderson, Aires was an internal auditor with the State of Maryland and Brian, who was previously with KPMG, was a Deputy Auditor with the State of Delaware Office of Auditor of Accounts. Brian also was the Senior Manager in charge of the CAFR and Single Audit for the State of Delaware. Clifton Gunderson has also designated specific partners who are authorized to review and approve single audit reports.

The partners, managers and staff members assigned to your audit have performed hundreds of such audits and have received specialized training in governmental accounting, auditing and financial reporting. In addition, they receive training on the compliance requirements of OMB Circular A-133 and the use of the related compliance supplements. As previously mentioned, our national resource, Sean Walker, our National Assistant Director of Assurance Services/ Assistant Public Sector Leader, is a member of the AICPA's State and Local Government Expert Panel. He has extensive experience overseeing public sector auditing, specifically, Single Audits. A sampling of clients who we have assisted with single audits includes:

- Anne Arundel County, Maryland\*\*
- Arlington County, Virginia Public Schools\*\*
- Arlington County, Virginia\*
- Baltimore City, Maryland Public Schools\*\*
- Baltimore County, Maryland Public Schools\*\*
- Baltimore County, Maryland\*\*
- Calvert County, Maryland Public Schools\*\*
- Carroll Community College, Maryland\*\*
- Carroll County Commissioners, Maryland\*\*
- Carroll County, Maryland Public Schools\*\*
- Cecil Community College\*\*
- City of Greenbelt, Maryland\*\*
- Community Colleges of Baltimore County\*
- Delaware County Community College\*
- District of Columbia Housing Authority\*\*
- Frederick Community College\*\*
- Frederick County, Maryland Public Schools\*\*
- Harford County, Maryland Public Schools\*\*





- Housing Authority of Baltimore City, Maryland\*\*
- Howard County, Maryland Public Schools\*\*
- Maryland-National Capital Park and Planning Commission\*
- Montgomery County, Maryland Housing Opportunities Commission\*\*
- Montgomery County, Maryland Public Schools\*\*
- New Castle County, Delaware\*\*
- Queen Anne’s County, Maryland\*\*
- Queen Anne’s County, Maryland Public Housing Authority\*\*
- Stafford County, Virginia\*\*

\* Please see proposal section titled, *References Supporting Our Work*, for additional details.

\*\* Should you require additional details, please feel free to contact Tom Heseltine at 1-888-778-9588.

Below are sample entities where we have conducted an audit for the purpose of complying with the requirements of Circular A-133, as amended, issued by the U.S. Office of Management and Budget:

**Montgomery County, Maryland\***

- <http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/finance/financial.ASP>

**New Castle County, Delaware\***

- <http://nccde.org/countyfinances/home/>

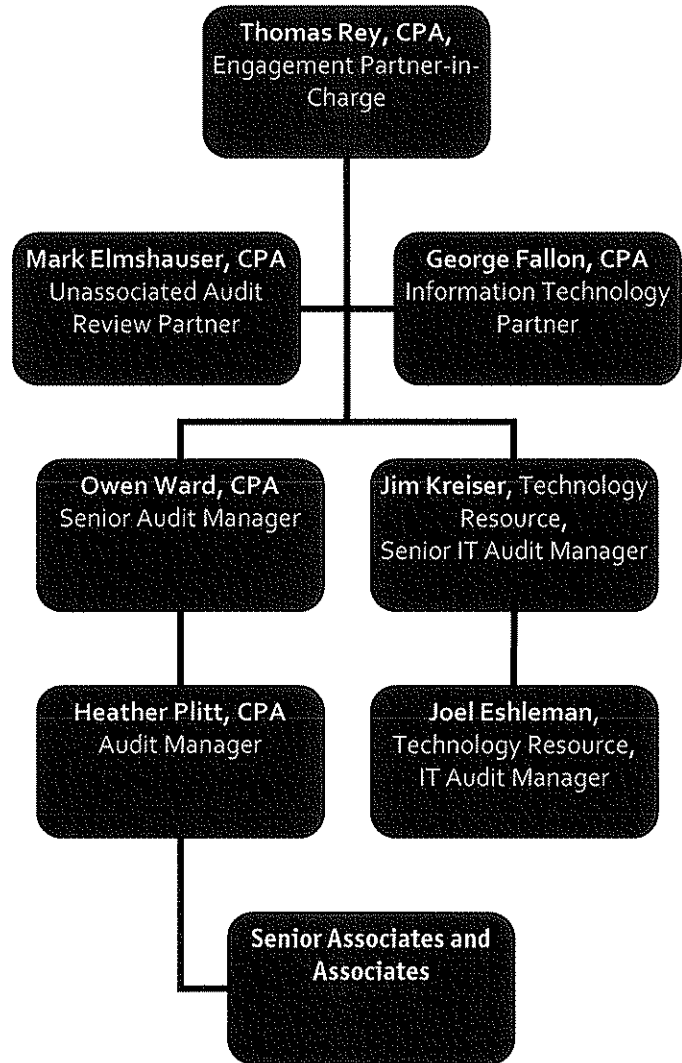
**Arlington County, Virginia\***

- <http://www.arlingtonva.us/departments/ManagementAndFinance/cafr/ManagementAndFinanceCafrMain.aspx>

\* Please see proposal section titled, *References Supporting Our Work*, for additional details.

**AUDIT STAFF ASSIGNED TO ENGAGEMENT**

We have structured your client service team to provide you with the most experience with similar governmental entities. There will be three partners, two senior managers, an additional information technology specialist, an audit manager, and additional staff assigned to audit and organized as follows:



See proposal section titled, *Section IV - Staffing* on starting on page 13 for more information on the project team’s experience and background. Professional resumes for all account team principals are included in *Appendix B: Professional Resumes*.





## WORK PLAN TO FULFILL THE SCOPE OF WORK

At Clifton Gunderson, our audit objective extends beyond the issuing of an opinion on financial statements. We believe that a good audit should yield substantial information for management and be a valuable tool in recognizing opportunities and identifying areas that can be strengthened. An effective audit performed by our team and focused on the needs of the WVL will provide:

- An objective look at your policies and procedures
- Valuable suggestions for improvements in your financial operations and other areas
- An analysis of trends and unusual variations from year-to-year
- Protection for current and future resources through improved internal controls
- A deterrent to embezzlement and other fraudulent activities

We will communicate to you our observations surrounding these key areas. This communication will take place during and after the audit, as well as in the management letter. The information we provide is intended to help you to better manage your organization, and not just reside in a written report that is filed among your organization's records.

Our audit services are designed to protect the interests of management by concentrating on high-risk areas. Risk identification is the first step of the audit process, providing the basis upon which the overall plan is developed. Our risk assessment process involves consideration of the following types of risk:

- **Inherent risk** - the risk that an error in the accounting and reporting process may occur

- **Control risk** - the risk that internal control systems designed to prevent or detect errors may fail
- **Audit detection risk** - the risk that audit procedures may fail to detect errors

Through careful consideration of the above risks and their interrelationships, we will develop an audit plan and related programs that concentrate our efforts on the elements of your financial statements that involve the greatest risk. At the same time, we will avoid the unnecessary application of commonplace and traditional procedures to low-risk areas.

We expect that the majority of our audit hours will be concentrated in the high-risk audit areas. Our approach is not to overly critique every balance sheet account by performing extensive substantive testing. While substantive testing remains part of the process, we will first take an analytical approach, identify relationships, and truly learn about your operations.

### ***Proposed Segmentation of the Audit Engagement***

We will conduct our audit in the following four primary phases:

- Phase 1 - Planning
- Phase 2 - Internal Control and Documentation
- Phase 3 - Testing and Review
- Phase 4 - Reporting

#### ***Phase 1 - Planning***

The primary objective of the planning phase is to identify significant areas and design efficient audit procedures. Clifton Gunderson has made a significant investment in audit efficiency training in recent years. We have developed approaches for our audits that have allowed us to increase both efficiency and effectiveness.





We will accomplish our planning by the following methodology:

- Gain an understanding of the WVWL's operations, including the organization, management style, and internal and external factors influencing the operating environment. We will utilize reference materials such as budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.
- Review prior auditor workpapers to obtain an understanding of the scope of work performed in the prior year. We will critique that approach and determine, after consultation with the WVWL's accounting staff about its operations, the approach that is the most efficient means to audit the accounts.
- 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 technology (IT) - related controls. This includes evaluating the impact of SAS 70 opinions, exceptions, and controls relative to third party outsourcers, such as Scientific Games. We will also determine the effectiveness of any relevant User Control Considerations (UCCs) identified by third party providers in their SAS 70 reports.
- Perform a preliminary overall risk assessment.
- Determine protocol for requesting information from and meeting with the financial staff.
- Establish a timetable for the fieldwork phase of the audit.
- Determine a protocol for using Interactive Data Extraction and Analysis (IDEA), our

data extraction and analysis software, to facilitate timely receipt and analysis of reports from management.

- Prepare an initial comprehensive list of items to be prepared by client, establish clear deadlines and review the listing with the client.

### ***Phase 2 - Internal Control***

During the internal control phase, we will develop our understanding of the internal control structure for financial accounting and relevant operations through observation, discussion and inquiries with management and appropriate personnel. We will then identify control objectives for each type of control that is material to the financial statements. The next step is to identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. We will then determine the nature, timing and extent of our control testing and perform tests of controls. This phase of the audit will include extensive testing of controls over electronic data, including general and application controls reviews and various user controls; and over financial reporting and compliance with laws and regulations.

One of our audit efficiency initiatives is to rely heavily on internal controls when appropriate and to creatively look at internal control testing to maximize its efficiency. This approach relies on the routine performance of detailed tests of transactions using large samples. We will first identify key controls, and then identify possible testing through such alternative methods as observation, interviews and performance. Also, these tests serve 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.







We will also develop our internal control tests to assess compliance with certain provisions of laws, regulations, contracts and grants, for which noncompliance could have a direct and material effect on the determination of financial statement amounts. Our use of multi-purpose tests allows us to provide the most efficient audit with the highest level of quality.

Our information systems audit specialists are also key to the engagement and will be available to assist the team in performing a review of the information technology (IT) controls for the applications that are significant to financial statements to (1) conclude whether IT general controls are properly designed and operating effectively, and (2) consider application controls as part of the internal control assessment in the financial statement audit. This approach to evaluating additional levels of internal controls allows us the flexibility to further rely on IT reports, application processing, etc. in order to provide the most efficient audit approach. This also affords us the opportunity to provide management additional insight and perspective relative to IT internal controls and processing, and to provide indications of the impact of these controls on operations and compliance matters, as well.

### ***Phase 3 – Testing and Review***

The extent of our substantive testing will be based on the results of our internal control tests. We will employ audit programs specifically tailored for the WVL, and update with the results of our tests of controls. We will employ analytical testing on smaller and/or lower risk accounts and cycles to maintain efficiency and to meet milestones.

Audit sampling will be used only in those situations where it is the most effective method of testing. Before deciding to sample, we will consider all possible approaches and audit techniques. Items where, in our judgment,

acceptance of some sampling risk is not justified will be examined 100 percent. These items may include, for example, items for which potential misstatements could individually equal or exceed tolerable error, or any unusual items. After identifying individually significant or unusual items, we will decide on the audit approach for the remaining balance of items by considering tolerable error and audit risk. This could include (1) testing a sample of the remaining balance, (2) lowering the previously determined individually significant item 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 IDEA to efficiently control and select our samples.

We will hold a progress meeting with management during this phase, and will be in constant communication with management to ensure that all issues that are identified are resolved in a timely manner. We will also hold a final exit conference with management to summarize the results of our fieldwork and to review significant findings.

### ***Phase 4 – Reporting***

Reports to management will include oral and/or written reports regarding audit scopes, changes in significant accounting policies or their application, unusual transactions, significant audit adjustments, disagreements with management, if any, and internal control reportable conditions.

Once final review of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, the financial statements and management letter are issued. Management will be provided a draft of any comments that we propose to include in the management letter. This will enable them to review the comments for





accuracy prior to the release of the final document. Any items that come to our attention that we do not consider major will be discussed verbally with management and not included in the management letter. Our management letter will also include our analysis of your operations.

### ***Use of Technology During the Audit***

Throughout the audit we may employ the use of computer assisted audit techniques (CAATs) to increase efficiency and effectiveness. The key CAATs that we will use are as follows:

- **Interactive Data Extraction and Analysis (IDEA).** IDEA benefits the audit process through:
  - Built-in audit functionality including powerful, audit specific commands and a self-documenting audit trail
  - 100 percent data coverage, which means certain audit procedures can be performed on entire populations and not just samples
  - Unparalleled 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
- **DataImport.** This data conversion software translates text-based data from virtually any source into nearly 40 database and spreadsheet formats, including Access, Excel, HTML tables, dBase applications and many others. We use DataImport to extract data out of mainframe reports and data dumps, print-to-disk files, downloaded information, e-mail or any other text

file accessible on a PC.

- **Secure File Transfer Protocol (SFTP).** SFTP is a secure file transfer and secure message server that provides comprehensive, integrated standards-based solutions for secure handling of sensitive information. SFTP will safely and securely collect, store, manage and distribute sensitive information between our firm and the WV. In addition, a web interface offers easy online administration and monitoring of SFTP activities while a programmable interface makes SFTP accessible to custom applications. Most importantly, all files received by SFTP are securely stored using FIPS 140-2 validated AES encryption, the U.S. Federal government encryption standard.
- **FX Engagement.** FX Engagement is our "paperless" audit product. This product allows us to file and save all of our audit work papers in an electronic storage capacity, allowing our firm to save time and resources associated with maintaining and storing paper files. FX Engagement also boasts a trial balance software program, which is utilized to produce financial statements, lead schedules and allows us to perform trend analysis utilizing our clients' trial balances. With FX Engagement, our staff members are able to travel nationwide, carrying a minimal amount of paperwork with them to various client sites. This state-of-the-art technology will also allow us to more efficiently test for sampling purposes.





### **More About Our Information Technology Audit Professionals**

Our IT team has been specifically identified due to their experience with similar operations and entities. For example, Jim Kreiser and Joel Eshleman, IT managers assigned to the WVWL, have worked specifically to audit the lottery operations and IT controls for the Commonwealth of Pennsylvania. Combined, these two professionals have over 10 years experience in evaluating Pennsylvania Lottery operations, related IT controls, and determining the impact of controls and User Control Considerations (UCCs) from Lottery providers such as Scientific Games, and others. Jim also has prior experience for several years in working on the State of Maryland's IT controls as it relates to the preparation of their CAFR and Single Audits.

Furthermore, our IT team has extensive experience providing services to entities of similar cash operations, all of which are large governmental or government affiliated. These organizations also have outsourcer relationships in several cases, which adds to our experience in evaluating and leveraging SAS 70 and other third-party reports and controls to provide the most effective and efficient audit approach overall. Our experience includes services and experience with organizations such as:

- **Maryland Transportation Authority** – includes not only the evaluation of the accounting and financial applications, but also the electronic toll revenue systems, collections, and the outsource systems and operations at Affiliated Computer Services (ACS).
- **Pennsylvania Turnpike Commission** – including the outsource operations of electronic toll collections with TransCore.
- **Maryland-National Capital Park & Planning Commission** – including not only their annual audit related to IT, but

additional engagements to provide procedures and services relative to Payment Card Industry (PCI) compliance and controls; and the enterprise security strategy/framework.

- **Delaware Department of Transportation**– procedures specifically related to providing SAS 70 services related to the outsourced operations of electronic toll collections and violations/ticketing to TransCore.
- **Electronic Data Systems** – services related to compliance reporting and SAS 70 as part of their outsourced claims processing and payment services for Medicaid claims, including Pennsylvania, Delaware, and others.

### **Commitment to Communication with Management**

Through all phases of the audit, we believe it is important to have regular meetings with management to discuss the status of the engagement. We will conduct periodic, scheduled meetings with State personnel for the purpose of discussing the audit status and progress in relation to the audit program, as well as any issues identified during the performance of the audit. The frequency of these meetings and the preparation of subsequent progress reports will be determined during the entrance conference.

Effective communication is critical to the success of the audit. It includes the exchange of ideas and advice as changes are considered or implemented by the WVWL or the accounting profession. Through our client service focus, we emphasize the development of a close professional working relationship with your representatives. In this way, accounting and reporting issues can be identified and resolved on a timely basis.





## Section II – Lottery/Gaming Industry Experience

Our Governmental Services Team has one of the largest governmental audit and accounting practices in the nation, and the professionals who will serve the WVL currently audit some of the largest, most complex governmental entities nationwide.

Following is more information on several of the firm's most recent engagements comparable to cash controls and engagement scope requested by the WVL. These engagements were performed by members of the audit team that will serve you.

- **Colorado Division of Lottery**  
We are currently engaged to perform a financial and compliance audit for the Colorado Lottery. The Colorado Lottery uses Scientific Games as their service provider and part of the engagement was evaluating the SAS 70 performed on Scientific Games specific to the Colorado Lottery.
- **Illinois Department of Revenue Lottery Division**  
We were previously engaged to observe evening drawings for the Illinois Department of Revenue Lottery Division's on-line games. Specifically, we observed the Lottery's evening drawings as the primary auditor, performed equipment selection procedures, and conducted pre-drawing and post-drawing test procedures for the Lottery.
- **Washington Metropolitan Area Transit Authority (WMATA)**  
WMATA, the metrorail and metrobus transit services in Washington, DC, Maryland and Virginia communities, has

a significant cash collection and electronic processing operations in place supported by complex IT systems. We provide annual audit services to WMATA.

- **Maryland Transportation Authority**  
The Maryland Transportation Authority, an independent WVL responsible for managing, operating and improving Maryland's toll facilities, has significant parking operations, particularly the parking garage at BWI Airport in Baltimore. We currently provide annual audit services as well as IT audit assessments related to the internal controls for the Authority's EZ-Pass operator.
- **The Maryland-National Capital Park and Planning Commission (MNCPPC)**  
MNCPPC is a body corporate of the State of Maryland. It is empowered to acquire, develop, maintain and administer a regional system of parks and to conduct recreation programs. MNCPPC's operating sources are derived from a combination of property taxes, bond issuances and fees for services. We currently provide audit services for MNCPPC.

\* Please see proposal section titled, *References Supporting Our Work*, for additional details.

\*\* Should you require additional details, please feel free to contact Tom Heseltine at 1-888-778-9588.





**REFERENCES SUPPORTING OUR WORK**

Quality of service will be a key factor as you prepare to select a CPA and consulting firm to serve the WV. As requested in the RFP, we have included the following client references that are similar in scope to the WV. We invite you to contact each client to learn more about our work and commitment to quality client service.

<b>Organization:</b>	State of Colorado Department of Revenue, Division of Lottery
<b>Address:</b>	Legislative Services Building 200 East 14 <sup>th</sup> Avenue Denver, Colorado 80203
<b>Scope of Work:</b>	Financial statement audit
<b>Length of Services:</b>	2008 - present
<b>Client Contact:</b>	Barb Aggson, Controller, 719-546-2400

<b>Organization:</b>	Maryland Transportation Authority
<b>Address:</b>	2400 Broening Highway, Suite 5 Baltimore, Maryland 21224
<b>Scope of Work:</b>	Financial statement audit and IT audit assessments related to the internal controls for the Authority's EZ-Pass operator.
<b>Length of Services:</b>	2008 - present
<b>Client Contact:</b>	Deborah Sharpless, CFO, 410-537-6767

<b>Organization:</b>	Maryland Environmental Service
<b>Address:</b>	259 Najoles Road Millersville, Maryland 21108
<b>Scope of Work:</b>	Financial statement audit
<b>Length of Services:</b>	2004 - present
<b>Client Contact:</b>	Henry Cook, CFO, 410-729-8200

<b>Organization:</b>	Maryland-National Capital Park & Planning Commission
<b>Address:</b>	6611 Kenilworth Avenue, Suite 300 Riverdale, Maryland 20737
<b>Scope of Work:</b>	Financial statement audit and PCI compliance
<b>Length of Services:</b>	2005 - present
<b>Client Contact:</b>	Al Warfield, Director of Accounting, 301-454-1600

<b>Organization:</b>	Washington Metropolitan Area Transit Authority
<b>Address:</b>	600 5th Street, NW Washington, DC 20001-2651
<b>Scope of Work:</b>	Financial statement audit
<b>Length of Services:</b>	2008 - present
<b>Client Contact:</b>	Helen Lew, Inspector General, 202-962-2515

<b>Organization:</b>	West Virginia University Department of Athletics
<b>Address:</b>	One Waterfront Place Morgantown, West Virginia 26506
<b>Scope of Work:</b>	NCAA Agreed Upon Procedures
<b>Length of Services:</b>	2005 - present
<b>Client Contact:</b>	Russ Sharp, Senior Associate Athletic Director for Administration and Finance, 304-293-2101, ext. 5513

<b>Organization:</b>	Montgomery County, Maryland
<b>Address:</b>	101 Monroe Street, 15 <sup>th</sup> Floor Rockville, Maryland 20850
<b>Scope of Work:</b>	Financial statement audit in accordance with Governmental Auditing Standards, Single Audit in accordance with OMB Circular A-133.
<b>Length of Services:</b>	2008 - present
<b>Client Contact:</b>	Leslie Rubin, Legislative Analyst, 240-777-7879





<b>Organization:</b>	<b>New Castle County, Delaware</b>
<b>Address:</b>	87 Reads Way New Castle, Delaware 19720
<b>Scope of Work:</b>	Financial statement audit in accordance with Governmental Auditing Standards, Single Audit in accordance with OMB Circular A-133, CAFR.
<b>Length of Services:</b>	2006 - present
<b>Client Contact:</b>	Robert Wasserbach, County Auditor, 302-395-5279

<b>Organization:</b>	<b>Arlington County, Virginia</b>
<b>Address:</b>	2100 Clarendon Blvd., Suite 501 Arlington, Virginia 22201
<b>Scope of Work:</b>	Financial statement audit in accordance with Governmental Auditing Standards, Single Audit in accordance with OMB Circular A-133, CAFR.
<b>Length of Services:</b>	2002 - present
<b>Client Contact:</b>	Barbara Wiley, Acting Controller, 703-228-3432

principals are included in *Appendix A: Professional Resumes*.

The team, comprised of over 25 Mid-Atlantic professionals, is capable of fulfilling an array of information technology services, and is comprised of individuals who possess several of the major certifications available to IT professionals, including Certified Financial Services Auditor (CFSA), Certified Information Systems Auditor (CISA), Certified Data Processor (CDP), Certified Ethical Hacker (CEH), and Certified Internal Auditor (CIA). Members of the IT audit team are also vendor-trained and certified in the use of Internet Security Scanner, Nessus, and other vulnerability and penetration testing tools. Their knowledge and experience includes most operating environments, such as Windows 2000/NT, UNIX and OS/390; System Development Life Cycle (SDLC) controls; and data center operations.

Our team of IT professionals have deep backgrounds and experience related to a broad range of systems, processes, and technologies. We perform a wide variety of services to produce recommendations for improving system security and operational efficiency, including:

- Enterprise Resource Planning (ERP) application controls and implementations
- Statement on Auditing Standards No. 70 (SAS 70) and other Third-party reporting
- Data Extraction and Analysis
- Forensics Services
- Performance Auditing
- Internal Audit Support
- IT Security Services
- Business Continuity Planning
- Emerging Technology Reviews
- WebTrust Reviews

### EXPERIENCE WITH GAMING INDUSTRY IT SYSTEMS

Clifton Gunderson brings significant experience in auditing IT systems and applications to the engagement, and has a wealth of skill in technology controls and processing. Virtually all of our government audit clients have highly sophisticated computerized accounting systems. Therefore, as part of your project team, we have included George Fallon, Jim Kreiser, and Joel Eshleman, information technology specialists and members of the firm's Information Technology Security and Assurance Services Team, as key IT resources.

Please see proposal section titled, "Section IV - Staffing" starting on page 13 for more information on the project team's experience and background. Professional resumes for all account team





- SysTrust Reviews

We help organizations of all sizes, drawing upon the vast pool of knowledge and industry expertise we have gained from working closely with our clients. Using the latest in assessment methodologies and technology-based tools, we efficiently analyze data associated with your IT environment, and provide our professionals with ongoing training to keep them abreast of current technology trends and changes in the business environment.

Our approach includes identifying and evaluating key IT and application controls related to significant financial statement accounts and processes. By targeting these controls, we can test the underlying application and reporting controls related to significant financial statement accounts and assertions. This allows us the ability to work with our clients to rely on management's own existing internal control structures and processes to align our audit approach with the operations and procedures that management has already undertaken.

### **Section III – CAFR**

Our partners are involved with industry groups, such as the Government Finance Officers Association (GFOA). Clifton Gunderson has assisted governments (clients and non-clients) in obtaining and retaining the GFOA Certificate of Achievement for Excellence in Financial Reporting award.

Our local Governmental Services Team has assisted numerous clients in the preparation of governmental annual financial report compilation and improvement of their financial statements. Through our government assurance experience, we have acquired many skills which will aid in the performance of this engagement. We understand the interrelationships of the many

and varied components of a governmental entity's financial statements. This understanding allows us to quickly determine errors or problems with the financial statements. Examples of these relationships include interfund accounting, capital outlay versus capitalization, and entity-wide versus fund statements.

We will assist WVL with the preparation and submission of the WVLs' CAFR should the Board elect to prepare and submit a CAFR to the GFOA at no additional cost. Our procedures with respect to the CAFR will be completion of the CAFR checklist and review of the transmittal letter and statistical data to ensure that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis, where applicable.

Below is a sampling list of our CAFR clients:

- Ohio Public Employees Retirement System
- Stafford County, Virginia
- Newport News, Virginia Public Schools
- Arlington County, Virginia
- Anne Arundel County, Maryland Public Schools
- Baltimore County, Maryland
- Baltimore County, Maryland Public Schools
- Community College of Baltimore County, Maryland
- New Castle County, Delaware
- State of South Carolina
- Montgomery County, Maryland Public Schools
- City of Greenbelt, Maryland
- Maryland-National Capital Park and Planning Commission
- Howard County, Maryland Public Schools
- Town of Elkton, Maryland
- Queen Anne's County, Maryland





- Carroll County, Maryland
- Montgomery County, Maryland (new engagement)
- Charles County, Maryland
- City of Gaithersburg, Maryland

## **Section IV – Staffing**

Clifton Gunderson's team of professionals is knowledgeable about the changing rules, regulations, standards, and market trends you face, and they spend the majority of their time working with the government sector. Furthermore, our national network of CPAs and consultants means that if you need specialized help, we have a professional on staff who can provide it.

There will be no need for your management team to "re-educate" Clifton Gunderson's audit team. You will benefit from our fresh perspectives, as well as focused industry and specialty service expertise relevant to adequately meet your needs.

### **Account Team Principles**

Thomas Rey, the partner-in-charge of your engagement, is a licensed CPA. In addition, the unassociated audit review partner and all other account team principles possess certified public accountant licenses. All CPAs working on this engagement have at least five years experience doing business for firms or government agencies with assets and operating budgets of \$50 million or more.

The following team biographies highlight the specific responsibilities and tasks assigned to each key engagement team member. Detailed resumes are included in *Appendix B: Professional Resumes*.

### **Monthly/Year-End Audit Account Team**

#### **Thomas Rey, CPA – Engagement Partner-in-Charge**

As the partner-in-charge of the engagement team, Thomas will be responsible for the overall coordination of the engagement and will oversee all responsibilities for the training and audit services, including reviewing the audit program, coordinating activities with the Account Manager, and directing all meetings with management. He will also be available to WVLT throughout the engagement and at any time during the year.

Thomas has been actively involved in the performance of financial and compliance audits, reviews and compilations of state and local government entities for more than 14 years. He is currently the engagement partner-in-charge of the WVU Athletic Department's annual NCAA compliance procedures. His other governmental clients currently include the New York State Deferred Compensation Board; State of New Mexico Public Employees Deferred Compensation Plan; State of Florida Retirement System; Public Employees' Retirement System of Nevada; Pennsylvania Public School Employees Retirement System; Pennsylvania State Employees' Retirement System; State Retirement and Pension System of Maryland; Idaho Deferred Compensation Committee; Wisconsin Deferred Compensation Plan; State of Arizona Deferred Compensation Plan; City of Phoenix, Arizona Employees' Deferred Compensation Plan; Pennsylvania Deferred Compensation Program; and the Maryland-National Capital Park and Planning Commission Employees' Retirement System.

On the commercial side, Thomas has performed research and consulting projects on the structure and operations of investment entities, passive







foreign investment companies, and offshore commodity pools.

Thomas also managed several audits of private equity funds which included assessments of their investment valuation procedures and compliance procedures. These clients included Calvert Street Partners, Beltway and Parkway Funds and Brown Advisory.

**Mark D. Elmshouser, CPA, Unassociated Audit Review Partner**

Mark will serve as the unassociated audit review partner. The purpose of the independent review is to ensure that all audit and accounting standards are met, and to have "another set of eyes" on the work. He will also be available throughout the engagement and at any time during the year.

Mark has over 24 years of public accounting experience with governmental auditing, including the Colorado Lottery, Colorado Housing and Finance Authority, CollegeInvest, Colorado Department of Education, Colorado Department of Labor, and Denver Public Schools as well as numerous other governmental entities.

**Owen Ward, CPA, Senior Assurance Manager**

As the senior audit manager, Owen will be responsible for the overall direction of the engagement and will be your primary day-to-day contact. He will also be available throughout the engagement and at any time during the year.

During his career of more than nine years, Owen has developed a specialty in governmental audit and accounting with an emphasis on state and local government agencies. His key clients currently include Maryland Environmental Service, the Pension Benefit Guaranty Corporation, and Ohio Public Employees' Retirement System. Owen is also thoroughly

versed in governmental and private-sector pension plan auditing and currently serves as the senior manager assigned to a number of the firm's largest pension clients including Snyder's of Hanover, Inc., Barcoding, R.E. Michel, and Rohde & Schwarz.

**Heather Plitt, CPA, Audit Manager**

Heather will be the audit manager assigned to the engagement team and will assist Owen Ward in developing the audit work program, managing our fieldwork personnel, and resolving any technical and reporting issues. She will also be available throughout the engagement and at any time during the year.

Heather has over five years of auditing and accounting experience, specializing in governmental entities and is actively involved in the financial and compliance audits of a number of our governmental clients including the New York State Deferred Compensation Plan; Federal Retirement Thrift Investment Board; Maryland-National Capital Park & Planning Commission; and Washington Metropolitan Area Transit Authority.





**Information Technology Audit Account Team**

**George F. Fallon, CPA, CISA, Information Technology Partner**

George will serve as the information technology partner for the engagement team and will coordinate our review of the information systems.

George leads our information technology audit practice and has extensive experience supporting our governmental audit clients. He has 30 years of experience primarily in information systems auditing, and has provided information technology review support services for the AmTote (a leading totalisator service provider committed to providing the best ongoing customer service, support, and technological advancements in the pari-mutuel wagering industry); U.S. Department of Transportation, Pension Benefit Guaranty Corporation, the State Retirement and Pension System of Maryland, Pennsylvania School District Liquid Asset Fund, Pennsylvania Public School Employees' Retirement System, Pennsylvania Municipal Retirement System, Colorado Pension System and the State Retirement, and the State Teachers Retirement System of Ohio.

**Jim Kreiser, CISA, CFSA - Director of IT Assurance and Security Services**

Jim will serve as the IT Senior Manager and will be Responsible for overseeing all IT work associated with this engagement.

Jim has over 14 years of audit and accounting experience, and has been with Clifton Gunderson for nearly two years. Jim has extensive experience working on similar size engagements. Jim has done work in Pennsylvania for the controls and related audit impacts of when they established their Gaming Control Board. He was also involved in IT consulting work on the 404 controls audits for Penn Gaming and for Trump.

Jim was the senior manager in charge of various processes and internal controls evaluations for the Commonwealth of Pennsylvania (including Lottery Operations, where he had to identify and test user control's at the Lottery, as well as review the controls and reporting from the outsource providers - which included evaluating controls at G-Tech and Scientific Games - both of which are large providers of Lottery services); audit related activities for the General Assembly of Pennsylvania; and has worked with the Pennsylvania Employees Benefit Trust Fund; Pennsylvania Municipal Retirement System; Public School Employees Retirement System, and others. Jim has led various training seminars for the National Association of State Auditors Comptrollers and Treasurers and the PA State Association of County Controllers in the areas of Enterprise Resource Planning system implementation processes and impacts and privacy considerations such as HIPAA. Additionally, Jim was the engagement Manager for the SAP pre-implementation controls and project management review for the PA Turnpike Commission.

Jim has extensive SAP and SAS 70 experience regarding large and public companies. Jim has previously led all global SAS 70s for Unisys Corporation; including locations in Bangalore, India; Budapest; Eagen, MN; New Jersey; Washington; Pennsylvania; and California. SAS 70s covered ASP operations, business process outsourcing, system hosting, and Medicaid claims processing. He was the engagement manager for SunGard on the SunAccounts GL implementation, and also was the manager on SAS 70s for SunGard related to investment product outsourcing and pricing. Jim was the IT Senior Manager responsible for overseeing the IT audit and SOX 404 procedures for AmerisourceBergen. He was the engagement manager for GENEX SAS 70 of UnumProvident, related to disability insurance and case management services. He led SAS 70





engagements for Electronic Data Systems (EDS) - now a division of HP, related to Medicaid claims processing. Jim was the engagement Manager for the SAP pre-implementation controls and project management review for Cephalon Pharmaceuticals. He was the engagement manager for the SAP pre-implementation controls and project management review for the Commonwealth of Pennsylvania. Jim has worked on the SOX 404 controls testing and IT testing for INVISTA (a former division of DuPont) and worked on the conversion of their SAP system and data when Invista was sold from DuPont to Koch Industries.

He is a Certified Information Systems Auditor and a Certified Financial Services Auditor experienced in the areas of information technology audit, business process and controls, third party reporting, and risk advisory services. Jim is a member of the Information Systems Audit and Control Association and the Institute of Internal Auditors.

#### **Joel Eshleman, CISA, CIA, Information Systems Audit Manager**

Joel will serve as the manager overseeing the day-to-day activities related to information technology. In addition to being a Certified Information Systems Auditor, Joel is a Certified Internal Auditor with over nine years experience in the areas of information technology audit, business processes and controls, third party reporting, and risk advisory services.

Joel has extensive experience working with IT and business process control evaluation projects. He has worked with a number of publicly traded and private clients as an integral part of their controls evaluation process, including INVISTA (Koch Industries), DuPont, Discovery Communications, Rite-Aid, Sovereign Bank (Banco Santander), EDS (HP), and Unisys Corporation. He has managed numerous SAS 70

examinations, and has managed process and internal control evaluations for the Commonwealth of Pennsylvania (including Lottery Operations, SAP, Promise, UC, etc). Additionally, Joel has worked within the internal audit operations for key Mid-Atlantic financial institutions performing both operational and compliance audit engagements. He was previously employed by an international accounting firm prior to joining Clifton Gunderson and is designated as a Certified Internal Auditor and Certified Information Systems Auditor.

#### **Additional Staff Assigned to the Engagement Team**

In addition to these staff members, we will also assign experienced associates as deemed necessary with relevant governmental experience to assist in performing the assigned tasks. These staff members will be determined based on the final scheduling of engagement tasks with management.

#### **Section V – Cost**

We have included our cost bid in the separately sealed envelope titled, "*Cost Proposal.*"

#### **Required Submissions**

The following forms provided in the RFP have been completed and are included in *Appendix C: Required Forms.*

- Purchasing Affidavit
- Vendor Preference Certificate





## Conclusion

We would like to be a part of your future success. Clifton Gunderson has earned a justifiable reputation for helping similar governmental entities meet their goals and fulfill their missions. With our hands-on approach to serving clients, the extensive experience of our Government Services Team, our wealth of local and national resources and responsiveness to clients' needs, Clifton Gunderson can help you accomplish your goals. Your engagement team will be dedicated to not only meeting, but exceeding, your expectations.

The West Virginia Lottery Commission faces challenges today that will undoubtedly affect the organization's future. Clifton Gunderson understands that these challenges require more than ordinary solutions; they require forward-thinking, creative solutions now that will help carry you into the future. We will take this proactive approach as we help meet your immediate needs and achieve your long-range goals.

We truly appreciate the opportunity to present this proposal, and look forward to establishing a long-lasting relationship with the WVL. If you have any questions or comments, please contact Thomas Rey at 888-778-9588 or [Thomas.Rey@cliftoncpa.com](mailto:Thomas.Rey@cliftoncpa.com).





**Appendix A: License**





State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557



West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

The entity listed below was issued a  
**FIRM PERMIT**  
for the period beginning  
July 1, 2008 through June 30, 2009

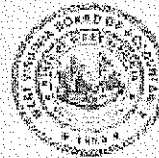
Your fee has been  
received for renewal  
of your firm permit. This  
registration may be  
detached from the perforation at  
left and used until the  
date indicated.

Any errors in the attached  
information should be  
reported to the Board office at  
304/558-3557

F0347A  
CLIFTON GUNDERSON LLP  
301 SW ADAMS ST STE 600  
PEORIA IL 61602

*Robert S. Maust* *J. Ann Walker*  
Robert S. Maust, CPA, Board President J. Ann Walker, Executive Director

*Robert S. Maust*  
Robert S. Maust, CPA, Board President  
*J. Ann Walker*  
J. Ann Walker, Executive Director



State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557



West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3557

The entity listed below was issued an  
**Authorization to Perform  
Audit and/or Compilation Services**  
for the period beginning  
July 1, 2008 through June 30, 2009

Your fee has been received  
for your firm's Authorization to  
Perform Audit or Compilation  
Services in West Virginia.  
This Authorization may be  
detached and used  
until the date indicated.

Any errors in the  
attached information  
should be reported  
to the Board  
office at  
304/558-3557

F0347A  
CLIFTON GUNDERSON LLP  
301 SW ADAMS ST STE 600  
PEORIA IL 61602

*Robert S. Maust* *J. Ann Walker*  
Robert S. Maust, CPA, Board President J. Ann Walker, Executive Director

*Robert S. Maust*  
Robert S. Maust, CPA, Board President  
*J. Ann Walker*  
J. Ann Walker, Executive Director





Appendix B: Professional Resumes





**Thomas Rey, CPA**  
Partner-In-Charge

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**Education**

- Bachelor of Science degree with a major in accounting, Salisbury State University

**Years of Experience**

- 14 years

**Areas of Specialization**

- Governmental auditing and accounting with an emphasis on federal, state and local agency pension plans and retirement systems
- Retirement and employee benefit plan audits
- Nonprofit auditing and accounting services
- Commercial auditing and accounting services with an emphasis on manufacturers, wholesalers and service industries.
- Health care auditing and accounting with extensive experience in multiple forms of reimbursement
- Computer assisted auditing tools, including ACL

**Relevant Experience**

- Actively involved in the performance of financial and compliance audits, reviews and compilations of state and local government entities for more than 14 years. His governmental retirement plan clients currently include the New York State Deferred Compensation Board; State of New Mexico Public Employees Deferred Compensation Plan; State of Florida Retirement System; Public Employees' Retirement System of Nevada; Pennsylvania Public School Employees Retirement System; Pennsylvania State Employees' Retirement System; State Retirement and Pension System of Maryland; Idaho Deferred Compensation Committee; Wisconsin Deferred Compensation Plan; State of Arizona Deferred Compensation Plan; City of Phoenix, Arizona Employees' Deferred Compensation Plan; Pennsylvania Deferred Compensation Program; and the Maryland-National Capital Park and Planning Commission Employees' Retirement System.
- Experienced in reconciling retirement plans in order to complete Form 5500 filings.
- Oversees various nonprofit engagements including audits of providers to the developmentally disabled and athletic associations.
- Audit manager for commercial audits with an emphasis on manufacturers, wholesalers and service industries.
- Performs compilations and reviews of financial statements for closely held businesses.







- Prepares tax returns for corporations, partnerships and limited liability companies.
- Prepares individual tax returns for general partners and investors ranging in degree of complexity.
- Prepares and researches tax reporting in non-U.S. jurisdictions.
- Performed research and consulting on the structure and operations of offshore commodity pools, investment entities, and passive foreign investment companies.

#### **Professional Affiliations**

- Government Finance Officers Association - member
- American Institute of Certified Public Accountants - member
- Maryland Association of Certified Public Accountants - member





**George F. Fallon, CPA, CISA, CGFM**  
IT Partner

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**Education**

- Bachelor of arts degree with a major in accounting, Loyola College, 1976
- Bachelor of arts degree with a major in mathematics, Loyola College, 1973

**Professional Certifications**

- Certified Public Accountant- Maryland
- Certified Information Systems Auditor
- Certified Government Financial Manager

**Years of Experience**

- 29

**Key Experience**

- AmTote International, Inc.
- Served as the IT partner-in-charge on the SAS No. 70 review of the DOT's ESC for the last 4 years. The review was conducted in accordance with the Federal Information Systems Control Audit Manual (FISCAM), American Institute of Certified Public Accounting (AICPA) standards, National Institute of Standards and Technology (NIST) Special Publications (SP), Federal Information Processing Standards (FIPS), and Office of Management and Budget (OMB) memorandums and circulars. Control objectives reviewed included:
  - Partner-In-Charge of SAS 70 - Type II internal control review of the fairness, design, and effectiveness of information system controls placed in operation at Delaware Department of Transportation's EZ-Pass Toll Operations.
  - Partner-In-Charge of SAS 70 - Type II internal control review of the fairness, design, and effectiveness of information system controls placed in operation of Maryland Department of Transportation's vehicle excise taxes

**Other Relevant Experience**

- Serves or served as partner-in-charge on Statement on Auditing Standards No. 70 engagements for the following clients:
  - U.S. Department of Health and Human Services central payroll and personnel system
  - U.S. Department of Health and Human Services Division of Financial Operations Program Support Center.
  - Centers for Medicare & Medicaid Services; SAS 70 examinations of Medicare contractors: Connecticut General Life Insurance Company - CIGNA





HealthCare Medicare Administration, HealthNow, Riverbend, Blue Cross and Blue Shield of Georgia.

- Illinois and Texas Departments of Human Services; SAS 70 examination of an electronic benefits transfer (EBT) contractor
- Maryland Health Partners, A Fully Own Subsidiary Of Magellan Health Services, Inc., the mental health claims processing service WVL for the State of Maryland.
- Department of Housing and Urban Development's single-family property disposition disbursements and global file maintenance.
- Pennsylvania Municipal Retirement System
- Served as partner-in-charge of a review of the Federal Communication Commission's general and application controls in relation to the annual audit of the WVL's financial statements. The engagement also included a Federal Information System Management Act (FISMA) review, which included penetration testing. Audit conducted in accordance with FISCAM, NIST SP 800-53, other NIST Special Publications, OMB circulars, memorandums and bulletins.
- Served as partner-in-charge of a review of general and application controls as part of the annual CFO Act audit for the National Science Foundation. The engagement also included a FISMA review, which included penetration testing. Audit conducted in accordance with FISCAM, NIST SP 800-53, other NIST Special Publications, OMB circulars, memorandums and bulletins.
- Serves or served as Information Technology (IT) partner-in-charge on financial statement audits using GAO's FISCAM of the following federal government agencies:
  - Pension Benefit Guaranty Corporation
  - U.S. Election Assistance Commission
  - U.S. Government Accountability Office, including the WVL's Davis-Bacon Fund and International Journal of Government Accounting
  - Corporation for National and Community Service
  - Federal Election Commission
  - U.S. National Archives and Records Administration
  - U.S. Senate Restaurants Fund
  - U.S. Department of the Treasury's Financial Management Service
  - U.S. Department of the Treasury's Government-wide Cash, and Exchange Stabilization Fund
  - U.S. Department of Health and Human Services operating divisions, including the Administration for Children and Families, Administration on Aging, Center for Medicare and Medicaid Services (formerly the Health Care Financing Administration), Health Resources and Services Administration, Indian Health Service, Program Support Center, and Substance Abuse and Mental Health Services Administration





- U.S. Army Community and Family Support Center, Non-Appropriated Funds
- The Library of Congress
- U.S. Department of Agriculture Working Capital Fund
- Serves or served as partner-in-charge on FISMA Reviews for the following:
  - Pension Benefit Guaranty Corporation
  - National Science Foundation
  - Farm Credit Administration
  - International Trade Commission
- Performed a targeted and focused assessment of data communications network, servers, routers, and workstations to assist in identifying vulnerabilities and implement safeguards within an enterprise security architecture using Internet Scanner from Internet Security Systems (ISS)
- Probed wireless networks using 802.11a and 802.11b wireless network cards and Net Stumper, Ethereal, and other open source products
- Probed for unauthorized modems using War Dialing software TeleSweep Secure. These unauthorized modems provide a means to bypass most or all of the security measures in place to stop unauthorized users from accessing a network
- Performed penetration testing on firewalls, Windows X servers, Windows X Web servers, routers and switches, UNIX servers, and UNIX Web servers using Internet Security Scanner penetration software
- Reviewed applications operating under AIX, AS400, CICS, DB2, MVS, NetWare, TSO, UNIX, and Windows X systems
- Reviewed client/server applications with regard to business rules and deployability written in Oracle's CASE tools
- Reviewed access controls for ACF2, AIX, CICS, DEC VAX/VMS, Novell, RACF, TopSecret, TSO, and UNIX systems

#### **Publications and Presentations**

- "Revised OMB Circular No. A-123," The Association of Government Accountants, 2006
- "Developing and Implementing Effective Internal Controls," Clifton Gunderson and Lorman Educational Services, 2005
- "Developing and Implementing Effective Internal Controls," Clifton Gunderson and Lorman Educational Services, 2004
- "Developing and Implementing Effective Internal Controls," Clifton Gunderson and Lorman Educational Services, 2004
- "Developing and Implementing Effective Internal Controls," Clifton Gunderson and Lorman Educational Services, 2003
- "Information System- General Controls", Loyola College Beta Alpha Psi, 2003





- "Are You Winning the War Against Hackers?," Relationships Magazine, Winter issue, 2003
- "Web Penetration Testing," E-Commerce in Maryland Seminar, 2001
- "Web Site Security and Penetration Testing," Emerging Technologies Seminar, 2001
- "Is Network Penetration Testing Necessary?," Credit Union Executive Newsletter, 2002
- "The Role of the IT Audit Function in a CFO Act Financial Statement Audit," Clifton Gunderson, 2000
- "ILOVEYOU Virus Exposed Our Vulnerabilities," The Business Monthly, 2000

### **Professional Affiliations**

- Information Systems Audit and Control Association - member
- Association for Federal Information Resources Management - member
- American Institute of Certified Public Accountants - member
- Maryland Association of Certified Public Accountants - member
- Library of Congress, Open World Leadership Center Audit Committee - member

### **Civic and Social Affiliations**

- Baltimore Chamber Orchestra - treasurer, 1995 - 2000

### **Continuing Professional Education**

- In excess of 40 hours annually





**Mark D. Elmshouser, CPA**  
Unassociated Review Partner

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**Education**

- B.S. in Business Administration, emphasis in Accounting, Colorado State University, Fort Collins, Colorado, 1981

**Years of Experience**

- 26 years

**Areas of Experience**

- Mr. Elmshouser is a partner in the Rocky Mountain Client Service Center of Clifton Gunderson LLP. He manages a variety of client engagements.
- Mark is in charge of numerous Colorado government and nonprofit audit clients.
- Mark's governmental clients include cities, school districts, governmental insurance pools, state departments, and a variety of special districts.
- Mark's consulting engagements with local Colorado governments include TABOR analysis, financial projections and cash flows, budget preparation and review, and formation of special district authorities.
- Mark has been a lecturer at Government Finance Officer's Association of Colorado conferences and Colorado Division of Local Government Workshop.

**Professional Organizations**

- American Institute of Certified Public Accountants.
- Colorado Society of Certified Public Accountants – Past member CPE. Compliance, Not-For-Profit, and Private Companies Practice Committees
- Government Finance Officers Association
- Colorado Government Finance Officers Association

**Civic Organizations**

- Mount Olive Lutheran Church in Aurora – Past Treasurer
- Colorado Lutheran High School Association-Treasurer





**James P. Kreiser, CISA, CFSA**  
Director of IT Assurance and Security Services

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**Education**

- Bachelor of Science degree with majors in Managerial Economics and Philosophy, Carnegie Mellon University, 1996

**Years of Experience**

- 12 years of public accounting experience focused around business controls and risks, third party reporting activities, and public sector organizations.
- 2 additional years experience working in an IT internal audit capacity for Fortune 500 global financial service and manufacturing companies.

**Professional Certifications**

- Certified Information Systems Auditor
- Certified Financial Services Auditor

**Areas of Specialization**

- Information systems auditing and consulting

**Relevant Experience**

- Served as the project manager of Information Technology (IT) process and internal controls evaluations for the Commonwealth of Pennsylvania. He has reviewed the IT control assessments and procedures for the past seven years for both the GAAP audit and Single Audit.
- Acted as the Chair of the SAP Audit Subcommittee for the Commonwealth of Pennsylvania. In the role of chairing the SAP Audit Subcommittee, Jim helped coordinate and facilitate training sessions for the Bureau of Audits, as well as the Auditor General. He also was directly involved in coordinating with the Deputy Auditor General and Ernst & Young Coordinating Partner relevant to established new audit programs and procedures under the SAP environment.
- Developed and led multiple seminars for the National Association of State Auditors, Comptrollers and Treasurers (NASACT) regarding the impacts, benefits, risks, and implementation considerations associated with Enterprise Resource Planning (ERP), and specifically SAP, applications for government/public sector organizations.
- Led IT audit related activities for the General Assembly of PA. These responsibilities include reviewing and assessing the controls and processes regarding the financial and administrative systems.
- Led and/or was the primary IT contact for other various state related organizations, including the Pennsylvania Employees Benefit Trust Fund (PEBTF), Pennsylvania Municipal Retirement System (PMRS), Public School Employees Retirement System (PSERS), and others.
- Served as the lead manager in charge of Information Technology (IT) controls and evaluations for the University System of Maryland, Maryland Department of





Transportation, Maryland Unemployment Insurance, and Maryland (proper). Also was responsible for coordinating specific Single Audit procedures related to UI and Food Stamps (EBT).

- Performed various security, general controls, project management, regulatory, ERP implementation, and application reviews.
- Prepared internal and external (including SAS No. 70) audit reports.
- Worked with clients in the government, insurance, health care, manufacturing, retail, and banking industries.
- Performed international project management and information system audits.

#### **Professional Affiliations**

- Information Systems Audit and Control Association
- Institute of Internal Auditors

#### **Continuing Professional Education**

- Minimum of 40 hours annually
- Receives in excess of 24 hours annually and 80 hours in total every two years qualified under Generally Accepted Government Auditing Standards







**Owen Ward, CPA**  
Senior Audit Manager

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**Education**

- Bachelor of Science degree with a major in accounting, Towson University, 2000

**Years of Experience**

- 9 years

**Professional Certification**

- Certified Public Accountant

**Areas of Specialization**

- Governmental audit and accounting
- Governmental and commercial employee benefit plan assurance services
- ERISA employee benefit plan assurance services
- Commercial assurance services with an emphasis on manufacturing, wholesale, and distribution
- Nonprofit auditing and accounting governmental auditing and accounting with an emphasis on local, state, and federal agencies
- Tax return preparation for various business entities

**Relevant Experience**

- Manages the financial statement audit for the Pension Benefit Guaranty Corporation, specializing on actuarial services.
- Involved in the planning, re-engineering, and performance of commercial audits, reviews, and compilations in various industries, including government, nonprofit, construction, manufacturing, educational institutions, and employee benefit plans.
- Audit manager on several large public employee benefit plans.

**Civic and Social Affiliations**

- Downtown Baltimore Childcare Center – finance committee member
- The Society of the Friendly Sons of St. Patrick of Baltimore, Inc.- treasurer





**Heather Plitt, CPA**  
Audit Manager

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**Education**

- Bachelor of Science degree with a major in accounting, University of Baltimore

**Years of Experience**

- 4 years

**Areas of Specialization**

- Governmental auditing and accounting with an emphasis on local, state, and federal agencies, including single audits in accordance with OMB Circular A-133
- Employee benefit plans audit and accounting services
- Commercial auditing and accounting
- Financial institutions - audit and accounting services

**Relevant Experience**

- Involved in the planning and performance of commercial audits and agreed-upon procedures in various industries, including government, nonprofit, financial institutions, and employee benefit plans
- Internal audit functions

**Professional Affiliations**

- Maryland Association of Certified Public Accountants- member
- MACPA Leadership Academy Participant- member

**Civic and Social Affiliations**

- Viva House Soup Kitchen - volunteer





**Joel Eshleman, CISA, CIA, CAP**  
Manager, Information Security Services

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**Education**

- Bachelor of Science degree with a major in Accounting, York College of Pennsylvania, 2000

**Years of Experience**

- 10 years

**Professional Certifications**

- Certified Information Systems Auditor
- Certified Internal Auditor
- Certified Approva Professional

**Areas of Specialization**

- Information technology internal control reviews and system audits

**Relevant Experience**

- Managed 6,000 hours of audit activity including information technology controls audits, third-party servicer audits, business advisory projects, and data analytics.
- Identified potential opportunities to provide clients with additional services and assist in the pursuit and proposal of audit services.
- Communicated noted audit issues to client executive management and worked with management to identify appropriate corrective actions.
- Drafted communications to internal and client management detailing the results of the audit.
- Assisted clients with the implementation of Approva/BizRights rule books in conjunction with Sarbanes-Oxley Act activities.
- Performed business process and regulatory compliance audits.
- Performed internal fraud investigations.





**Appendix C: Required Forms**



Rev. 09/08

State of West Virginia  
**VENDOR PREFERENCE CERTIFICATE**

Certification and application\* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. **Application is made for 2.5% resident vendor preference for the reason checked:**  
n/a Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,  
n/a Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,  
n/a Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2. **Application is made for 2.5% resident vendor preference for the reason checked:**  
n/a Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3. **Application is made for 2.5% resident vendor preference for the reason checked:**  
n/a Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
4. **Application is made for 5% resident vendor preference for the reason checked:**  
n/a Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**  
n/a Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**  
n/a Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: Clifton Gunderson LLP Signed: 

Date: 02-03-10 Title: Thomas G. Heseltine, Partner

\*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

RFQ No. RFP Number: LOT 455

STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

**West Virginia Code §5A-3-10a states:** No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

**WITNESS THE FOLLOWING SIGNATURE**

Vendor's Name: Clifton Gunderson LLP

Authorized Signature: \_\_\_\_\_ Date: 02-03-10

State of Maryland

County of Baltimore, to-wit:

Taken, subscribed, and sworn to before me this 3<sup>rd</sup> day of February, 2010.

My Commission expires NICOLE ANN SIMEK, 20    .

NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires March 23, 2011

**AFFIX SEAL HERE**

NOTARY PUBLIC

