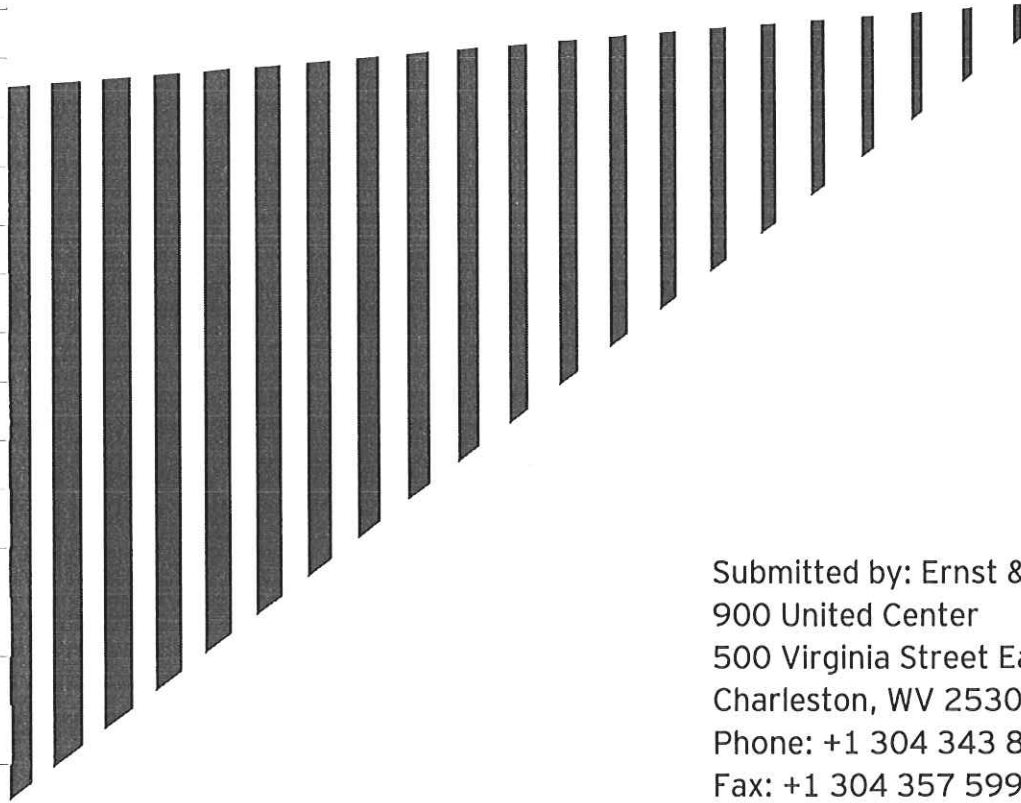


May 30, 2012

Technical proposal to provide  
auditing services to the

**State of West Virginia Offices of  
the Insurance Commissioner**

RFP Number: INS12015



Submitted by: Ernst & Young  
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WV PURCHASING  
DIVISION

## Title page

RFP subject: Audit services for fiscal year ending June 30, 2012

RFP number: INS12015

Vendor's name: Ernst & Young LLP

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Date: 5/30/2012



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May 30, 2012

Dear Evaluation Committee:

Thank you for providing Ernst & Young the opportunity to serve as independent auditors for the State of West Virginia Offices of the Insurance Commissioner (OIC). Based on our experience with OIC and our relationship with the State of West Virginia, we understand your needs and expectations more than any other firm, and believe that we are the best qualified firm to meet those needs and expectations for the following reasons:

- ▶ ***Experienced, local core team*** – Your core engagement team will be a local Charleston, West Virginia-based team that can provide the high-quality support that you expect throughout the year. The core professionals live and work right here in Charleston, as Ernst & Young remains committed to the West Virginia market. Our Charleston office has been here for more than 60 years, which allows our professionals the opportunity to live and work in the state we call home. Accordingly, you will receive the right resources at the right time, as well as having access to our national actuarial, public sector and insurance support when needed.
- ▶ ***Government and insurance expertise combined with other thought-leading resources*** – Not only is your core engagement team based in Charleston, but such professionals are also dedicated to working on other clients in the government and insurance industries. In addition, since we have made major investments developing our capability to serve clients in these key sectors from a national perspective, you will also enjoy the benefits of the knowledge we have built through extensive proprietary research and leading practices developed from serving hundreds of other government and insurance clients. We understand that a critical component of your audit relates to the procedures performed by an accredited actuary. Ernst & Young has that expertise in-house and we will not be coordinating schedules with another service provider to complete our auditing procedures. In addition, our actuarial team has extensive experience working with OIC in prior years. Your entire engagement team will be focused on serving our client, OIC. Additionally, because we serve as the independent auditor for the State of West Virginia, the Public Employees Insurance Agency (PEIA), the Retiree Health Benefit Trust Fund (RHBT), and the West Virginia Board of Risk and Insurance Management (BRIM), we are better prepared to understand your issues and challenges and help you address them from OIC's, as well as from the overall state's perspective. This translates into minimal disruptions to your staff. Also, as situations arise whereby specific knowledge resources are needed, we can tap into our vast network of resources to help provide further thought leadership.
- ▶ ***Ability to meet deadlines*** – We have a proven track record of meeting important deadlines and since we are the auditors of the State, we are uniquely positioned to assist and interpret the financial reporting requirements and deadlines established by the Financial Accounting and Reporting Section (FARS). Because of our knowledge of OIC and the accounting issues that are your focus, our understanding of the financial reporting requirements and deadlines of FARS and the local resources in place, you can feel comfortable knowing that we will work to meet your expectations.
- ▶ ***Quality In Everything We Do*** – An audit is no longer considered a "one size fits all" service. The Insurance Commissioner, management, the community, the Governor and other stakeholders expect an audit that is conducted under stringent quality standards and is responsive to the ever changing risk profile of OIC. At Ernst & Young our tagline is "Quality In Everything We Do." That is what our team lives every day and will continue to deliver to OIC each and every day.

While we have attempted to create a proposal that responds to your RFP clearly and concisely, words and packaging can never fully convey the enthusiasm we feel about serving you. Please feel free to call Susan Wheeler at +1 304 357 5974 or me at +1 216 583 4672 with questions about our proposal.

Sincerely,



Robert D. Johnson  
Coordinating Partner



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## Our response to your RFP

Ernst & Young has adhered to the instructions the OIC provided on preparing and submitting this response to your RFP. The following requirements are met by Ernst & Young.

### Attachment A: Vendor Response Sheet

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

### Firm qualifications

#### Ernst & Young's general global strength

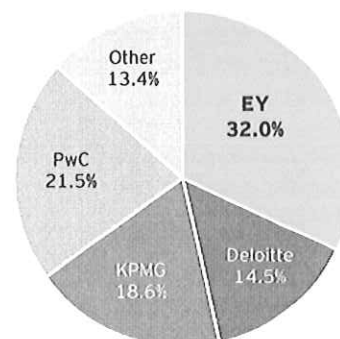
Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Ernst & Young employs more than 152,000 people in 700 locations in 140 countries and has developed a leadership position in several industries, including public sector, insurance, financial services, health care, manufacturing/high technology, real estate and consumer products. We have consistently been named one of the world's top organizations in fostering opportunity, knowledge, technology innovation, work-life balance, quality and leadership.

We are organized globally with a central management team, strong regional partnerships, common governance and common partner performance measurement systems. Ernst & Young professionals are empowered to think globally and act locally on our clients' behalf. Our people are enabled through a strong account management philosophy, supported by leading-edge knowledge management and seamless technology.

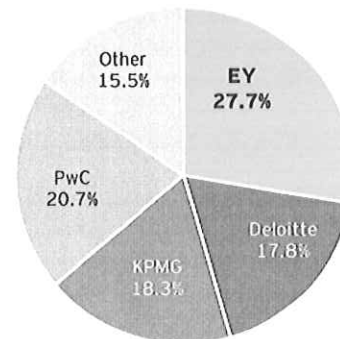
Our strong market position means you get the people, technology, knowledge and business insight that meet your needs. Our audit practice – our foundation and largest practice group – accounts for a majority of our total US revenue, with a larger percentage of our business coming from audit work than any of the other Big Four firms. In the United States, Ernst & Young has the largest combined corporate audit and tax practice.

Our audit strength in the marketplace is demonstrated by the fact that nationally, Ernst & Young currently ranks #1 among the Big Four firms in providing external audits to the Russell 3000 index companies, with a market share of 27.7%. We serve as independent auditors to 29% of the 2011 Fortune 1000 – more than any other firm. Ernst & Young also leads the Big Four audit firms in the local, East Central market share. It's clear that we truly are making a difference in today's marketplace.

Ernst & Young US – East Central  
Companies audited



Russell 3000 Index



\* Auditors as of March 2011  
\* Due to Russell's methodology (call "no replacement rule") there are 2,975 companies on the 2012 Russell 3000 Index

## Ernst & Young's governmental and insurance practices

Our Public Sector practice is comprised of professionals across the country who understand the issues facing state government agencies. With approximately 1,000 public sector industry-focused professionals who serve government clients across the country, the Ernst & Young team has the depth of resources and knowledge to meet OIC's needs. We audit government clients large and small, including states and state agencies, local governments, special districts and a number of large federal agencies including the US Departments of Health and Human Services and Education. Additionally, our local team has extensive government experience. Several of our team members serve the State of West Virginia (the State).

We understand that OIC is currently the recipient of federal monies however, expenditures have not reached a materiality level to require an audit in accordance with OMB Circular A-133 or be considered a major program under the State's Single Audit. Be assured that your local team has the expertise to audit those monies should the funding level increase and your reporting responsibilities change. In fact, your local team has experience performing these audits for the State. Nationally, we perform approximately 300 OMB Circular A-133 audits annually for organizations varying in size from small hospitals to state governments whose annual federal expenditures measure in the billions. Our Public Sector Services professionals are skilled not only in auditing, but also in the budgeting methods, systems and controls that today's public sector entities utilize. They have multiple years of experience with the systems, programs and issues of the public sector; and in fact, several of them were formerly policy-makers, senior executives or department heads in government.

Additionally, Ernst & Young's insurance industry practice is a recognized leader in providing professional services to property casualty insurers, workers' compensation insurers, life and health insurers, managed care organizations, insurance regulators, reinsurers, and insurance agents and brokers. Insurance organizations and regulators around the world turn to Ernst & Young for business assurance, tax, actuarial, regulatory, risk management and technology and security and risk services.

Ernst & Young has extensive insurance industry experience, with approximately 2,000 insurance industry-focused professionals, including 150 partners, serving insurance clients across the country. Our insurance industry practice integrates the skills of actuaries, auditors, tax advisors and information systems professionals who focus most, if not all, of their time on serving clients in the insurance industry, including commercial lines, workers' compensation and offshore captive insurance companies. Our insurance industry practice falls beneath the umbrella of Ernst & Young's Global Financial Services practice, and Global Financial Services is one of our core industry groups, representing nearly 25% of Ernst & Young's business.

Our professionals provide integrated assurance, tax and business advisory services to some of the world's largest and most well-known financial services companies. This broad and deep knowledge base, when combined with the impressive bench strength and varying talents of our local and national team, places Ernst & Young in a powerful position for addressing OIC's specific issues and opportunities in a timely, respectful and responsive manner.

## Ernst & Young in Charleston

Our services will be delivered through personnel from our Charleston office, under the direction of Susan Wheeler, the Engagement Partner.

Ernst & Young's Charleston office, comprised of 3 partners/executive directors and approximately 30 professionals, has been a part of the West Virginia community for 60 years. Our local staff serves government, insurance, health care, energy, employee benefit, technology, banking and manufacturing entities throughout West Virginia and surrounding states. Because our professional resources are broad and deep, we can effectively work to meet your deadlines. Over 50% of the Charleston staff has

experience serving the State and related agencies. Our Charleston office is part of our firm's East Central area consisting of approximately 4,100 professionals, of which approximately 300 have governmental/A-133 experience.

**Ernst & Young Charleston office audit professionals will comprise the core team to serve you. Because we live and work nearby, we will be easily accessible to you to deliver the quality service that you have come to expect.**

Employees of Ernst & Young's Charleston office are members of the American Institute of Certified Public Accountants (AICPA), the West Virginia Society of Certified Public Accountants (WVSCPA), the Government Finance Officers Association (GFOA) and other professional organizations. Charleston office professionals will lead your engagement supplemented by industry professionals from other locations to make certain that your deadlines are met.

Resumes of our team to serve you are included in the Appendix. We expect to utilize 6 to 8 full-time professional staff members to complete the OIC audit. We also plan to use 3 to 5 professionals on a part-time basis, including actuarial support, information systems auditors, and technical advisors.

What's more, our long-standing commitment to the West Virginia marketplace means that you have local experienced professionals in addition to the firm's leading industry and specialty practice professionals. Approximately 80% of our hours will be incurred by professionals who live and work in West Virginia and are passionate about the State and the public sector environment. Because we are local, we are flexible, able to provide resources as necessary and respond to issues when you need us to. In other words, our service to OIC will be local and real time. Ultimately, this will provide for a more cost-effective and efficient audit than any other firm can provide.

Not only are the professionals of Ernst & Young's Charleston office the same professionals, who will lead your audit, they are the professionals who are interested in making a difference in the West Virginia communities we serve. We spend many hours of our personal time each year working side by side with philanthropic organizations, businesses and others, putting words into actions throughout West Virginia.

### Firm status with public accounting profession

Ernst & Young is proud of our record of quality work. Ernst & Young performs hundreds of audits annually that must conform with Government Auditing Standards (GAS) and various federal audit regulations. On a selective basis, oversight organizations (e.g., federal inspectors general) have the authority to perform desk and quality control reviews, and do so. As a matter of course, such quality control reviews have been made of Ernst & Young's audit policies, procedures and practices by the US Comptroller General of the General Accounting Office (GAO), federal inspectors general and state auditors. Some of our audits have been selected for federal or state desk or field review over the past three years. However, Ernst & Young has not been subject to disciplinary action by state or federal regulatory bodies or professional organizations as a result of such reviews. The results of these reviews have supported the quality of our audits.

We are not aware of any litigation or regulatory action during the past three years that is relevant to, or would have material impact on, our performing the audit for OIC.

Ernst & Young and our licensed professionals are qualified to practice as Certified Public Accountants with the West Virginia Board of Accountancy. Ernst & Young is in compliance with all applicable rules and regulations of the West Virginia Board of Accountancy. The Firm has complied with organization and registration requirements and annually renews our registration with the West Virginia Board of Accountancy. Ernst & Young is authorized to perform attest services in the state of West Virginia.

The Ernst & Young executives who will perform your audit are Certified Public Accountants in good standing with the West Virginia Board of Accountancy, the American Institute of Certified Public Accountants (AICPA), the West Virginia Society of Certified Public Accountants (WVSCPA) and the Government Finance Officers Association (GFOA). Additionally, our professional staff assigned to the engagement will maintain compliance with AICPA and Government Auditing Standards continuing professional education requirements.

Please refer to Appendix C to review a copy of our most recent Peer Review report. The peer review process included a sample of governmental engagements.

### Staffing qualifications and plan

Our market leadership, our roster of high-profile client companies and our investments in the development of our people differentiate Ernst & Young as a highly sought-after place to work. Our success in creating and maintaining an excellent

professional work environment is reflected in that we are the only Big Four firm to make the Fortune "100 Best Companies to Work For" list for 13 consecutive years. Our retention rates for the past three years have also increased from just above 80% to nearly 82% – definitive evidence that our learning and career development environment meets the career and personal goals of our professionals.

The experience and accessibility of the people who will work with you are crucial to the quality of your audit and the level of service and attention OIC receives. At Ernst & Young, our goal is to provide OIC with a knowledgeable team that will serve your needs and meet your expectations. Our team has a proven record of delivering quality audits, proactive communications and timely service to OIC. They will continue to work together to provide you with seamless, well-coordinated services. This team will also provide the right level of focus and priority you deserve and offer prompt attention to any critical accounting issues that may arise.

We are extremely proud of the outstanding local team who will serve OIC. This team will be led by highly qualified individuals including Rob Johnson, Susan Wheeler, Shelley Norton, Adam Fisher, and Betty Rowe. Our team members have significant experience serving clients similar to OIC such as the State of West Virginia, PEIA, RHBT, and BRIM. Susan Wheeler has experience serving the former West Virginia Workers' Compensation Commission (WCC). Through her experience on the State and the WCC, Susan understands OIC's accounting issues. Our local team will be supplemented with an actuarial team that has served OIC and WCC in the past and understands the unique characteristics of OIC's workers' compensation liabilities. You can be assured that our team has the experience to make the transition seamless to your staff. Please refer to Appendix B for copies of the engagement team's biographies and certifications or degrees. The OIC team has been selected because of their experience with OIC and their expertise in the areas of insurance and governmental agencies. We do not plan to utilize any subcontractor firms so our core team will not have to coordinate our schedules with another firm. We can focus on serving our client, OIC. A high-level organization chart of our proposed team is as follows:





## Actuarial support

Ernst & Young's Global Insurance Actuarial Advisory Services (IAAS) practice includes over 600 professional staff in 70 countries. IAAS delivers business advice to its clients in the property/casualty and life/health insurance industries. IAAS provides insurance, risk management and claims advisory services to a range of clients, including insurers and self-insurers in the private, public, and governmental sectors. Additionally, Ernst & Young actuaries are an integral part of Ernst & Young's audit of Company's reserves.

Some of the key areas and issues in the insurance market where our actuaries provide services are listed below:

- ▶ Risk-based examinations
- ▶ Appointed actuary
- ▶ Reserving
- ▶ Audit support
- ▶ Underwriting and pricing
- ▶ Financial reporting
- ▶ Claims advisory
- ▶ Risk and capital management
- ▶ Mergers and acquisitions
- ▶ Predictive modeling for claims and underwriting
- ▶ Quality and controls testing
- ▶ Transformation of actuarial and financial procedures
- ▶ Data mining

As business and regulation becomes more complex and fast changing, you need tools and advice that keep pace with your needs and can effectively handle the multiple dimensions of your challenge. This is particularly essential in sectors where regulatory reform, weak investment returns, and greater demands for transparency are reshaping the business landscape. Our actuaries apply their experience, financial analysis and sophisticated modeling techniques to help you gain clear and fresh insights into your business and technical issues, and improved performance is likely to result. We assemble the right multidisciplinary teams, use consistent and proven global methodologies and tools and draw on the full breadth of Ernst & Young's global reach, capabilities and experience to help you, wherever you are in the world. And because we understand that, to achieve your potential, you need a tailored service as much as consistent methodologies, we work to give you the benefit of our broad sector experience, our deep subject matter knowledge and the latest insights from our work worldwide. It's how Ernst & Young makes a difference.

Our actuarial support is "in house" and has the expertise that you have come to expect. We won't be coordinating schedules with another firm to meet your deadlines. Our actuarial support has worked with OIC on prior projects and understands your workers compensation programs. As you know, they are available to discuss accounting issues with your financial personnel.

Art Cohen will be the lead actuary supporting the audit of OIC. Art is the opining actuary on several workers' compensation specialty insurers in the United States. He has served several workers' compensation state funds in the US, and abroad, including the provision of actuarial opinions. He has also supported the audits of commercial workers' compensation insurers, as well as state audits where the primary liability was related to the state workers' insurance fund. He has served the West Virginia workers' compensation system previously in conjunction with both audit support and as the workers' compensation funds external actuarial. Along with staff, Art's primary support will be Ian Sterling. Ian supports Art on opinion clients, including workers' compensation specialty insurers. Ian was also part of the team that supported the WV workers' compensation fund, both as the monopolistic insurer, and in "run-off" under the direction of OIC.

Both Art and Ian are intimately familiar with the legislation and judicial decisions that impact the estimation of the liabilities associated with the "Old Fund." During our service to various WV state agencies, we have evaluated the pertinent legislation passed since 1989. We have also served the Federal government in the evaluation of changes in the Federal Black Lung Act.

### Other subject matter resource (SMR) professionals

Our IT professionals are uniquely positioned to serve OIC. Executive Director Bill Schlegel is also a part of the State of West Virginia team and understands the State systems you are utilizing including the West Virginia Financial Information Management System and EPICS. Being that we are the auditors of the State, we will not have to gain an understanding of these systems. We will leverage our knowledge so that we can minimize our disruptions of your staff. Bill is also well-versed in information security, technology, issues and risks, including: IT general controls, IT dependent manual controls, embedded application controls, configurable application controls, data security, data privacy, and related leading practices. Bill and other members of our IT audit practice are an integrated part of the financial audit team and will work with your organizations and State personnel, as necessary, to understand your IT environment and the IT processes that support the business' objectives.

### Additional staff members

In addition to the key team members described previously, Ernst & Young has other senior and staff auditors who have experience serving insurance and government entities. We will use these professionals and others as necessary to serve the OIC on this engagement. John Gianola, a member of your advisory team, is the Charleston office managing partner and has the ability to request, reassign and supplement resources on an "as needed" basis. He will oversee quality and flexibility of staff over the term of the engagement. He will assist Susan in assuring that you have the quality staff assigned to your engagement when you need them.

### Continuing professional education

Ernst & Young is proud to be recognized for our long-term commitment to helping our people grow and succeed at every stage of their careers, and we fully understand that leading organizations cannot stay on the leading edge without continuous updates to its people and processes. That is why our partners and staff spend a significant number of hours each year taking formal CPE courses through formal classroom style channels, web-based learning and self-study. Ernst & Young mandates that all CPAs have at least 120 hours of formal continuing education programs over a three-year period. Most of our professionals exceed that requirement. Every member of your proposed team has met or exceeds the yearly quota for CPE credits. See Appendix I for details of CPE for each team member from January 1, 2010 through December 31, 2011.

The members of your team have received training – both on the job and through continuing education– so your team has an in-depth understanding of the issues that you will face and the unique financial reporting requirements with which it must comply. Additionally, all audit professionals assigned to the OIC engagement will remain in compliance with the *Government Auditing Standards* 24-hour annual CPE specialty requirement.

Specifically, our proposed engagement team members have completed formal classroom, web-based and teleconference education courses so that our team has the most relevant, up-to- date information. Our classroom trainings enable networking and education opportunities for our local staff at a national level. Our teleconference education courses are current hot topics that impact governmental entities such as OIC. Our team is prepared to discuss accounting issues with your financial team.

These courses are designed to satisfy that the team members receive CPE relevant to their specialty practice and the governmental industry. Such courses include annual comprehensive technical updates on governmental accounting and auditing including Yellow Book and A-133 requirements. Previous topics include GASB Update, including Pollution and Intangibles Issues; Yellow Book and related SAS 115 Update, Accounting and Financial Reporting for Derivatives; Federal Audit Guidance and the Data Collection Form; Internal Controls and Sampling; and A-133 Reporting and Changes Due to Stimulus Bill.

To make certain of compliance with firm and other CPE requirements, Ernst & Young has developed a comprehensive automated CPE tracking system. Quarterly, each professional in the firm receives an updated transcript of all CPE credits earned during both the last three and the most recent CPE years. Self-development activities, such as participating in our quality assurance review team and residency programs and researching literature for lectures, articles and publications, are other ways in which our personnel further promote their professional development.



## Prior engagements with the State of West Virginia

Ernst & Young is proud of the close, productive, working relationships we have established with the State over the years. The following table illustrates where our firm has served the State of West Virginia.

Engagement name	Scope of work	Engagement date	Total hours	Partner	Office location	Principal client contact
State of West Virginia	Financial Statement and Single Audit (with GFOA Certificate)	2011	>9,000	John Gianola	Charleston, WV	Ross Taylor, Acting Cabinet Secretary, Department of Administration +1 304 558 4331
WV Board of Risk and Insurance Management	Financial audit (GFOA Certificate), actuarial and accounting assistance	2011	500	Rob Johnson	Charleston, WV	Steve Schumacher, CFO +1 304 766 2646
WV Public Employees Insurance Agency	Financial audit, actuarial and accounting assistance	2011	500	Rob Johnson	Charleston, WV	Jason Haight, CFO +1 304 588 6244
WV Retiree Health Benefit Trust Fund (RHBT)	Financial audit, actuarial and accounting assistance	2011	500	Rob Johnson	Charleston, WV	Jason Haight, CFO +1 304 588 6244
West Virginia Office of Technology SSAE 16 Report	Data Center services SOC 1 report, including IT general controls over the WVFIMS application	2010 & 2011	350	Bill Schlegel	Pittsburgh, PA	Ross Taylor, Acting Cabinet Secretary, Department of Administration +1 304 558 4331

## Similar engagements with other entities

The following table summarizes engagements that our similar to OIC as defined in the request for proposal:

Engagement name	Scope of work	Engagement date	Staff hours	Partner	Office location	Principal client contact
Ohio Mutual Insurance Group	Financial audit	2011	*	Rob Johnson	Cleveland, OH	David Hendrix, CFO +1 419 563 0998
Louisiana Workers' Compensation Fund	Financial audit	2011	*	Robert P. Johnson	Baton Rouge, LA	Michael J. DeLaat +1 225 231 0506.
Erie Insurance Group	Financial audit	2011	*	Rich Lipovich	Pittsburgh, PA	Marcia Dall +1 814 870 2000
Meadowbrook Insurance Group	Financial audit	2011	*	Eric Schreiber	Columbus, OH	Karen Spaun, CFO +1 248 204 8178
State Auto Insurance Company	Financial audit	2011	*	Eric Schreiber	Columbus, OH	Steven English, CFO +1 614 464 5000

*\*Information not provided due to client confidentiality*

## Goals and objectives:

Each of the audited listed are either audits of financial statements and/or single audits. Project goals and objectives were similar for each engagement.

- Financial statement audit - The goal and objective of the financial statement audit was to complete an audit in accordance with auditing standards generally accepted in the United States and/or Government Auditing Standards (GAS) and provide for reasonable, rather than absolute, assurance that the financial statements were free of material misstatement. We also obtained and understanding of internal control sufficient to plan the audit and to determine that nature, timing and extent of testing performed. In order to achieve those goals for each financial statement audit, we developed an audit approach tailored to the specific client in a fashion similar to the way our audit approach has been developed for the State. We then developed a plan with management and with a solid understanding of the timeline, worked as a team to ensure all deadlines were met and goals achieved.
- For those with a GFOA certificate we work closely with management, reviewing the Comprehensive Annual Financial Report (CAFR). With our solid understanding of the requirements and our experience as reviewers of financial statements in accordance with GFOA requirements, we were able to provide accurate, helpful and timely feedback, which assisted these clients to be successful in achieving GFOA certificate.
- Single Audit - The goals and objectives of the Single Audits were to complete an audit in accordance with the Single Audit Act of 1996 and OMB Circulars A-133. In order to achieve the goal, we worked closely with management at each organization to identify major programs in a timely manner. We then developed our audit approach for both internal controls and compliance for each major program based upon the applicable compliance requirements per OMB Circular A-133. We worked closely with management of each organization in order to complete the required testing and document any findings in a timely manner.
- SSAE16 Engagement - The goal of the engagement initially was to coordinate with West Virginia Office of Technology (WVOT) and issue a service organization controls report over their data center services. In 2010, we worked with WVOT management to perform a pre-assessment to verify the control objectives (and identified controls) were adequately designed to operate effectively. Additionally, we assisted management in creating the description of services to be included within the report. The first data center report was issued covering the period of July 1, 2009 through June 30, 2010. The report provided efficiencies for WVOT as auditors could leverage the report for the applicable services WVOT provided without having to perform any additional procedures. In 2011, we issued the report covering the period of July 1, 2010 through June 30, 2011. For this report, we worked closely with WVOT management to assist in updating the report for compliance with the new standard (SSAE 16). Further, to assist in meeting fee expectations and transfer knowledge internally, we leveraged one of WVOT's staff auditors to function as one of the engagement team members. The auditor contributed to fieldwork execution; additionally, they took the lead in helping update the report for compliance with the new standard. Lastly, to meet agency auditor requests and alleviate any additional audit procedures for WVOT, we started and completed fieldwork procedures as well as issued the report in a 45 day time frame.

### *List project goals and objectives contained in Section 2.4.*

**Section 2.4.1:** The OIC desires the auditing firm to express an opinion on the fair presentation of financial statements in conformity with generally accepted accounting principles.

#### **Vendor Response:**

Planning materiality is used in developing the overall scope of our audit procedures to be applied. The determination of our planning materiality requires professional judgment, and as a result, senior engagement executives including engagement partners are involved. We will communicate any significant audit differences throughout the audit. At the conclusion of the audit, we evaluate whether the effect of unrecorded audit differences is material to the financial statements. Following our audit procedures and determination of the impact of any unrecorded audit differences which may be identified, we will be able to express our opinion on the financial statements in conformity with generally accepted accounting principles.

**Section 2.4.2:** The auditing firm will be required to prepare all supporting schedules required by the Department of Administration for the preparation of the State's Comprehensive Annual Financial Report (CAFR).

**Vendor Response:**

We understand that the scope of our procedures will include all supporting schedules required by the Department of Administration for the preparation of the State's CAFR. Given our experience auditing the State of West Virginia and our participation in the Closing Book Training presented by the Department of Administration, we have intimate knowledge of the supporting schedules and forms including an understanding of the requirements and deadlines.

**Section 2.4.3:** The auditing firm shall also be responsible for assisting in the implementation of required supplementary information required by the Governmental Accounting Standards Board (GASB) as mandated by generally accepted auditing standards.

**Vendor Response:**

We understand that you will be presenting unaudited required supplementary information including management's discussion and analysis, revenue and reserve development information, reconciliation of claims liabilities by type of contract information, and a budgetary comparison schedule. This information is required by accounting principles generally accepted in the United States. We will be applying certain limited procedures, including inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we will not audit the information or express an opinion on it nor are you required to have the information audited.

**Section 2.4.4:** The auditing firm will provide technical assistance to the OIC accounting staff in the preparation of financial statements, reports, and documents necessary for compliance with the Comprehensive Annual Financial Report of the State of West Virginia and the requirements of the West Virginia Financial Accounting and Reporting Section of the Department of Administration. The audit and technical assistance must be performed in accordance with the provisions contained below.

As the auditors of the State, we understand what the West Virginia Financial Accounting and Reporting Section of the Department of Administration needs from you in order complete the State's CAFR. Given this, we are the most qualified firm to provide you with the technical assistance needed to review the required financial statements, reports and documents necessary.

**2.4.4.1 Independence.**

The OIC seeks an independent and objective auditing firm.

Independence is fundamental to our ability to serve as auditors. The concept of independence runs to the integrity and objectivity of the relationship between the firm and each of our client-serving professionals. Our policies and procedures include:

- ▶ Ongoing training and employee annual confirmation of firm independence policies.
- ▶ State-of-the-art electronic tool for quarterly independence monitoring related to personal financial interests and relationships with clients.
- ▶ Independence policies that incorporate the most stringent requirements of all of the regulatory bodies.
- ▶ An electronic database of all of our service offerings, indicating which services are allowable for clients where we also serve as auditors. All services we perform for our clients must be preapproved through our automated process, which includes verification that the service is allowable in situations where we also serve as the auditor.

Ernst & Young is independent of OIC under the requirements of auditing standards generally accepted in the United States and the General Accounting Office's (GAO) Government Auditing Standards (Yellow Book). We have no relationships with OIC that would be deemed to be a conflict of interest as described in Section 5.3 of the request for proposal. As a service provider to OIC, Ernst & Young will continue to take the steps necessary to ensure our independence with respect to OIC.

Our firm's independence rules incorporate the rules of the American Institute of Certified Public Accountants (AICPA) and, in certain instances, are more stringent.

2.4.4.2 Engagement partners, managers, other supervisory staff, audit seniors, and specialists may need to be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for these or other reasons with the express prior written permission of the OIC. It is also possible that personnel associated with a subcontractor may be assigned to other duties or leave the subcontracted firm. However, in either case, OIC must be informed in writing of these changes and retain the right to approve or reject replacements based upon their qualifications, experience, or performance.

Other personnel may be changed at the discretion of the proposer, provided that replacements have substantially the same or better qualifications or experience.

It is required that the successful bidder possesses comprehensive knowledge of the insurance industry and workers' compensation. The OIC reserves the right to request staff changes throughout the term of the contract

**Vendor Response:**

Professional services firms have grown accustomed to a certain inevitable level of employee turnover. Despite this industry reality, Ernst & Young has embedded techniques into our firm's culture that are designed to mitigate turnover. We understand the importance of team continuity and the impact that it can have on the success of our relationship. We gain efficiencies by maintaining team continuity and have reflected those efficiencies in this proposal. We will make every effort to provide staffing continuity at every level of your service team. By having Susan Wheeler and John Gianola on your engagement team, you can be assured that the local partners understand your engagement's staffing needs and can minimize unnecessary turnover.

Should events necessitate change, we will promptly inform you in writing and identify a successor with substantially the same or better qualifications or experience. As outlined throughout our proposal, Ernst & Young and more specifically, our proposed team has and will have the comprehensive knowledge of the insurance industry and workers' compensation. If OIC requests a change, we will work to identify a qualified replacement. At Ernst & Young, we have the depth of resources to make that commitment.

In addition to continuity and professional development, another key element of our staffing plan is our commitment to accessibility and flexibility. OIC's accessibility to communicate face to face with our project team members is critical in the coordination and successful completion of this project. Our core local team will provide you that accessibility.

What does this mean for OIC? This means that we can provide you the personal support that you deserve throughout this process. This enables us to address accounting and auditing issues in real time.

**2. 4.4.3 Reports:**

Following the completion of the audit of the fiscal year's financial statements, the auditing firm shall issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. It is the intention of the OIC to issue a bound set of financial statements.

In addition, the auditing firm will provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements.

The auditing firm shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.



*Irregularities and illegal acts.* The auditing firm shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the State Comptroller and the Financial Accounting and Reporting Section of the Department of Administration under the authority of Section SA-2-33 of the State Code.

*Reporting to the OIC.* At a minimum, the auditing firm shall inform the OIC of each of the following:

- The auditing firm's responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit.

**Vendor Response:**

We will determine (1) whether the financial statements of OIC present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the OIC at June 30, 2012, and the respective changes in financial position and, where applicable, cash flow thereof for the year then ended, and (2) whether the other financial information required by the Financial Accounting and Reporting Section of the West Virginia Department of Administration and any other financial information included by management for purposes of additional analysis is stated fairly in all material respects in relation to the basic financial statements taken as a whole.

We will issue an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements. OIC's financial statements will also include required supplementary information including management's discussion and analysis, revenue and reserve development information, reconciliation of claims liabilities by type of contract information, and a budgetary comparison schedule. This information is required by accounting principles generally accepted in the United States. We will be applying certain limited procedures, including inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we will not audit the information or express an opinion on it nor are you required to have the information audited.

See Appendix D for sample opinions, internal control report and management representation letter.

We will provide the State Comptroller and the Financial Accounting and Reporting Section of the Department of Administration an immediate written report of all irregularities and illegal acts of which we become aware.

We will report to the OIC the following:

- ▶ The auditing firm's responsibility under generally accepted auditing standards
- ▶ Significant accounting policies
- ▶ Management judgments and accounting estimates
- ▶ Significant audit adjustments
- ▶ Other information in documents containing audited financial statements
- ▶ Disagreements with management
- ▶ Management consultation with other accountants
- ▶ Major issues discussed with management prior to retention
- ▶ Difficulties encountered in performing the audit

The services required by this RFP will include reporting on internal control over financial reporting based on an audit of OIC's financial statements performed in accordance with GAS. Any material weaknesses or significant deficiencies in internal control noted during our consideration of internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. In addition, our management letter may include comments on other control deficiencies and other suggestions for improving procedures and/or controls. The report on control over financial reporting and the management letter are to be issued no later than October 12, 2012.

We understand that all financial reports must comply with the parameters established by the State of West Virginia's Department of Administration, Financial Accounting and Reporting Section (FARS). We will respond to reasonable requests for information and attend meetings held by FARS regarding their requirements for report format, deadlines, etc.

Written reports will be submitted initially in draft form so that any necessary changes may be discussed and agreed upon before final acceptance.

#### 2.4.4.4 Working Paper Retention and Access to Working Papers:

All working papers and reports must be retained, at the auditing firm's expense, for a minimum of three (3) years, unless the firm is notified in writing by the OIC of the need to extend the retention period. The auditing firm will be required to make working papers available, upon request, to the OIC.

In addition, the successful auditing firm shall respond to the reasonable inquiries by the OIC or its successor auditing firms and allow its successor auditing firms to review working papers relating to the matters of continuing account significance.

#### **Vendor Response:**

Ernst & Young retains working papers and reports for seven years. Should OIC need access to historical work and with sufficient notice, we will be able to provide the work papers. Additionally, we will respond to reasonable inquiries by the OIC or its successor auditing firms and allow its successor auditing firms to review work papers relating to the matters of continuing account significance.

#### 2.4.4.5 Schedule for Fiscal Year Audit:

Each of the following shall be completed by the auditing firm no later than the dates indicated. These dates apply to the 2012 audit only.

Required Submission or Event	Required Completion/Submission Date
Entrance conference	Prior to June 30, 2012
Any interim work must be completed	June 30, 2012
Detailed audit plan	July 20, 2012
Field work to begin	On or after August 1, 2012
Draft submitted to the Financial Accounting and Reporting Section (FARS) of the Department of Administration with copies to the Assistant Commissioner of Finance	September 14, 2012
Unsigned final draft with all modifications to the OIC management for final review	October 5, 2012
Final signed report submitted to the OIC and to FARS	October 12, 2012

At a minimum, the following conferences shall be held by the dates indicated on the schedule:

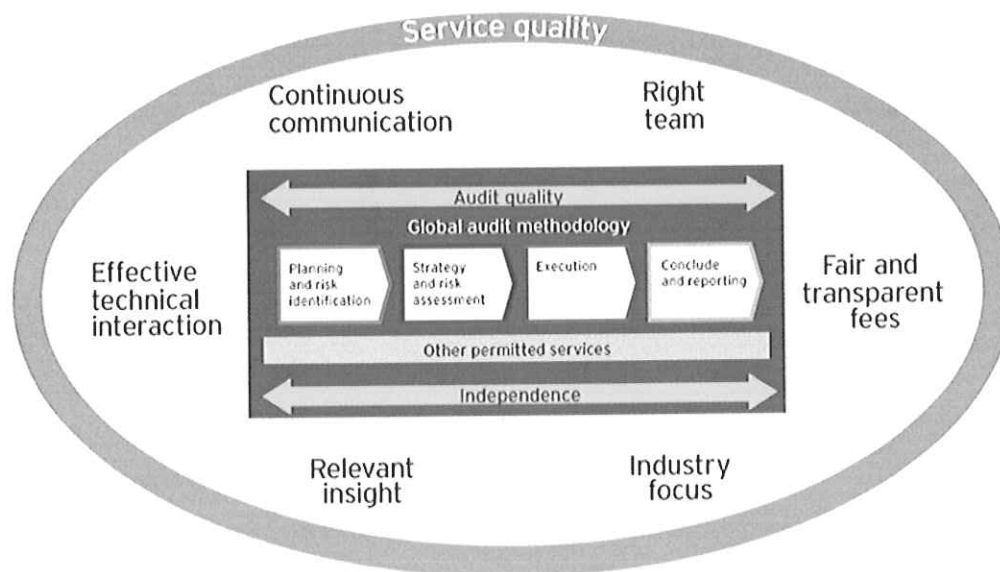
- Entrance Conference with OIC staff. The purpose of this meeting is to discuss potential audit problems and the interim work to be performed. This meeting will also be used to establish an overall liaison for the audit and to make arrangements for work space and other needs of the auditing firm.
- Monthly Progress Conference with auditing firm's supervisory staff. The purpose of these meetings will be to summarize the results of the preliminary review and to identify key internal controls of other matters to be tested.
- Exit Conference with audit managers. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.

#### **Vendor Response:**

#### **Our approach to your audit: flexible, customizable and responsive**

One of the key benefits of working with Ernst & Young is our approach to service delivery. It includes our ability to understand your vision, align our capabilities and deliver those capabilities to you through a structured relationship that takes into account your service expectations, issues and needs.

Our Global Audit Methodology (GAM) is executed through a structured audit service approach. This service approach begins with an initial process of gaining an understanding of client expectations and specific service requirements. Throughout our service approach, we will communicate proactively on all aspects of our audit engagement with an open and transparent dialogue, thereby providing "no surprises." In addition, we will co-develop and establish working protocols with management prior to the initiation of our audit. We will also conclude our audit with our Assessment of Quality Service process, to document and discuss our team's success in meeting your service expectations. The illustration below depicts our audit service process. Brief descriptions of each key element follow.



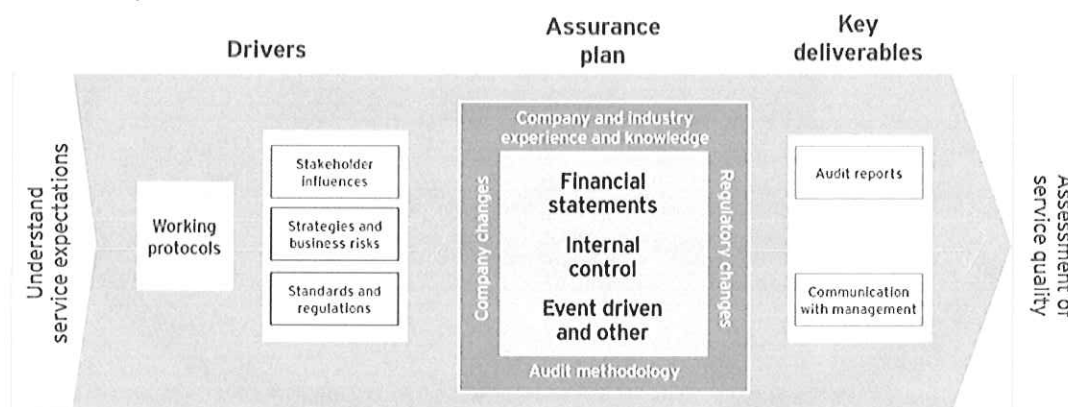
We will utilize GAM and supporting tools that provide a framework for applying a consistent thought process to the entire audit. While all of our professionals use the same audit methodology, our procedures are customized at the local team level. This allows our local audit teams to tailor GAM for the size, nature and risks of each company and location. Your status as a governmental insurance agency will permeate our entire audit approach, and all the conversations about your audit. Using a single audit technology platform helps improve communication and enables a consistent and efficient audit, allowing us to quickly adapt to your changing business requirements. Through our strong practice and experience serving insurers and governmental agencies, we have created processes that are tailored around your business and operations, processes that effectively identify high-risk areas while at the same time producing an efficient audit strategy that helps to control the costs and minimize disruption to you. This process guides the following audit activities:

- A top-down, risk-based approach that focuses not only on the financial statement processes but also on the drivers of the business, the associated risks and the potential effects on the financial statement amounts
- An investment by Ernst & Young in understanding your needs and expectations of the audit process
- Focused audit scope, materiality and audit tools such as a disclosure checklist designed specifically for governments
- Identification of "what can go wrong" considerations (the financial risks) within your significant classes of financial transactions
- Ability to focus on and test key controls for purposes of issuing an opinion on the financial statements rather than the testing the broader array of controls necessary for an opinion on internal controls over financial reporting
- Reliance on internal control (IT and manual) work to reduce the amount of detailed audit testing necessary
- Execution and documentation of audit procedures related to financial statement reporting, including footnotes and supplemental information
- Conclusion on the audit and provide feedback and recommendations for improvements to the board and management

Our audit methodology allows us to focus our attention on the most significant financial statement risks, the effectiveness of which you are most concerned about. Our goal is to provide you quality, accurate and timely service that will make a difference and provide ideas that will contribute to your long-term success.



Our service model is designed to be flexible, proactive, interactive and local to avoid surprises and work efficiently. We are ready to begin immediately and will work with management to understand your needs and expectations with regards to the audit process. We will design an audit that fully considers the business risk environment of OIC while still complying with applicable rules and regulations.



### Partner and executive involvement

We have a history with OIC and understand the challenges you face. Each member of our team brings a wealth of financial audit, technical knowledge, and government and insurance service experience to this engagement. A competitive advantage for us and a significant benefit to you is the involvement of our partners and executives throughout the audit process. With Susan Wheeler and our core team being located in Charleston, Susan can be involved throughout the audit and be available for OIC as needed. Susan has also worked extensively with Art Cohen, our in-house lead actuary. Susan will not have to coordinate these services with a subcontractor firm and she will work closely with Art so the team can work towards your goals and objectives. John Gianola, Rob Johnson, Susan Wheeler and Shelley Norton have worked extensively with Randy Nelson, the engagement quality review partner. They understand the importance of managing the process with Randy so that we can provide timely, quality service that you expect.

### Overall approach

Ernst & Young's work plan to serve OIC is designed to deliver value beyond attestation. Tenets of our approach are as follows:

- ▶ **Co-development of expectations.** The co-development of expectations is performed at the outset of the relationship annually thereafter, and defines an effective audit and idea flow process.
- ▶ **Executive presence.** Susan will oversee the audit process and maintain close and personal contact with OIC's executives. Your executives know Susan from her past experience serving WCC and her current role on the State of West Virginia. Susan will minimize disruption to OIC and address your issues in a timely manner.
- ▶ **Communication.** Effective communication is a fundamental component of our relationship. We work with our clients to define what information should be communicated, to whom and in what format. We avoid surprises by co-developing the nature, timing and extent of these communications, and by delivering them in a timely and professional manner. Confidentiality of all our communications is given paramount importance. We will develop communication protocols designed to meet your needs. It is our belief that our focus should be on no surprises and open and frequent communication between our team. By identifying issues early, raising those concerns promptly and working on joint solutions, both of our teams will be focused on a win-win relationship. Any "risk" items will be communicated to the appropriate organization's management immediately.
- ▶ **Client satisfaction.** Our satisfaction with our work hinges on your satisfaction with our work. In addition to periodic informal feedback sessions, periodically certain OIC management may be asked to complete an Assessment of Service Quality (ASQ). Our ASQ evaluation has been utilized on the State of West Virginia Single Audit in the past. We feel it is an important tool to help us build our relationship with your organizations and continue our commitment to excellence.

## Audit approach specific to OIC

In the previous section, we have discussed our overall general audit approach. This section is to describe in more detail how this will be utilized in auditing the various significant audit areas for OIC. These procedures are not all-inclusive.

We will be utilizing our proprietary web-based audit software, GAMx, which provides structure and flexibility. This translates in to quality and efficiency for OIC. GAMx enables our team to minimize hardcopy working papers and provides the team access to the working papers real time. This facilitates our timely resolution of your accounting and auditing issues as they arise. We will not only request electronic client assistance from your staff but we will document our audit electronically and select our samples electronically. From our use of electronic planning tools and confirmations to our electronic GAAP checklist, technology will be an important component to every aspect of the OIC audit.

The following chart depicts an overview of the various interrelated sampling and analytical procedures applied to significant financial statement elements during the audit of OIC.

	Representative sampling	Technology	SSAE 16	Key Items	Analytical procedures	Independent confirmation
Planning						
Tests of controls and transaction testing						
Cash and cash equivalents and related investment income						
Receivables						
Capital assets						
Payables and accruals, including OPEB						
Claims payable						
Net assets						
Revenues						
Claims expense						
Other income and expense						
Financial reporting						

## Detailed audit plan timeline

Our EY GAM provides a global framework for the application of a consistent thought process to all audits. One of the cornerstones of our methodology is making (and reconsidering and modifying, when appropriate, throughout the audit) our combined risk assessments and then determining the nature, timing and extent of our audit procedures based on those risk assessments. The preliminary audit plan below outlines our approach to perform our audit services for OIC.

The audit methodology for all audit and audit-related deliverables is carried out by the core team members. The following is a preliminary audit plan to address your audit deliverables and deadlines and capture our responsiveness and frequent communications. We believe that the granularity and specifics of the deliverables and delivery dates will allow for a very well controlled and managed process with a result being that there should be no surprises along the way. We realize that our audit plan will need to be modified after further discussions with you. We will continue to refine our communication protocols with you, and you have our commitment that we will work with you to develop the best approach for our relationship.

An important component of our audit plan is co-developing expectations with management as well as holding monthly meetings throughout the process. This ongoing communication will be critical to a successful project especially in today's changing regulatory environment. We also understand the importance of our understanding of the laws and regulations governing OIC and the workers compensation funds as well as the implementation of new accounting standards. Our engagement team has experience with the West Virginia State Code and the financial statement implications. Furthermore, the actuaries on our team have experience working with OIC's management in applying the laws and regulations governing the workers compensation funds. Our team is also prepared to provide technical assistance to OIC when new accounting pronouncements are to be implemented. We have provided the State of West Virginia and other agencies technical assistance with the implementation of new accounting pronouncements including most recently GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". We understand that the State of West Virginia intends on early adopting GASB Statement No. 60: Accounting and Financial Reporting for Service Concession Arrangements; GASB Statement No. 61: The Financial Reporting Entity, Omnibus an amendment of GASB No. 14 and GASB No. 34; and GASBT Statement No. 62: Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements in the fiscal year 2012 CAFR. Since we are also the auditors of the State of West Virginia, we are uniquely qualified to assist state agencies like OIC in adopting these standards consistent with the State of West Virginia. This will minimize reconciliations or additional follow up questions between FARS and OIC. We will address the adoption proactively early in the engagement process so that the adoption does not impact timely delivery and the presentation is consistent and meaningful to the users of OIC's financial statement.

Beginning with the entrance conference through the issuance of the reports, we outlined our detailed audit plan and timeline to demonstrate our understanding of OIC, your deadlines and expectations:

Audit plan	2012				
	Jun	Jul	Aug	Sept	Oct
Entrance conference with OIC staff (to be completed by June 30, 2012)					
Conduct monthly status meetings with management through the issuance of the final reports					
<b>Planning/interim procedures (to be completed by June 30, 2012 with detailed audit plan delivered July 20, 2012)</b>					
Meet with management to finalize planning and interim Prepared-by-Client request list					
Discuss new accounting and reporting policies/issues with management and evaluate the impact on the audit procedures					
Assess OIC's internal control at the entity level and identify fraud risks and related responses					
Determine audit planning materiality, tolerable error and posting amounts					
Identify OIC's significant accounts, disclosures and relevant assertions					
Perform walkthroughs, including the financial statement close process					
Determine the Combined Risk Assessment (CRA)					
Finalize the audit procedures (tests of controls, substantive and general ) to respond to the identified risks					
Conduct OIC's team planning event and prepare the Audit Strategy Memorandum (ASM)					
Provide OIC with detailed audit plan and client request list for field work to be conducted in August					

Audit plan	2012				
	Jun	Jul	Aug	Sept	Oct
<b>Field work (to begin on or after August 1, 2012)</b>					
Select samples and execute control and transaction testing					
Perform substantive procedures (see detail by area below)					
Audit the financial statement close process					
Conduct monthly status meetings with management through the issuance of the final reports to discuss status and any findings to date					
Perform general audit procedures					
<b>Conclusion and reporting with final audit reports issued to OIC and FARS on before October 12, 2012</b>					
Conduct monthly meetings with OIC staff through the issuance of the final reports to discuss status and any findings to date					
Draft financial statements submitted to the Financial Accounting and Reporting Section of the Department of Administration with copies to the Assistant Commissioner of Finance by September 14, 2012					
Perform the final overall financial statement review, document conclusions and complete the required quality review					
Final draft financial statements with all modifications to the OIC management for final review by October 5, 2012					
Conduct the exit conference with OIC staff to discuss the results of field work and to review significant findings					
Issue the final audit reports by October 12, 2012					

We have provided sample formats of our opinion, other financial information report, report on internal control and management representation letters in Appendix D for your review.

#### Level of staff and hours by segment

Activity/Description of task	Partners Including EQR	Senior Manager	Manager	Seniors	Staff	Total
Planning, including meetings, risk assessments, and developing audit plan	8.0	12.0		90.0		110.0
Walkthroughs of significant processes				4.0	24.0	28.0
Assessment of SSAE 16		1.0		6.0		7.0
Test of controls and transaction testing		4.0		36.0	72.0	112.0
Cash and cash equivalents	1.0	6.0		15.0	22.0	44.0
Receivable	1.0	2.0		4.0	4.0	11.0
Capital assets				1.0	1.0	2.0
Accrued expenses and payables, including OPEB	1.0	2.0		4.0	4.0	11.0

Activity/Description of task	Partners including EQR	Senior Manager	Manager	Seniors	Staff	Total
Claims liability and claims expense	8.0	10.0		24.0	10.0	52.0
Actuarial review of claims liability, methods and assumptions	5.0	30.0	34.0	43.0	40.0	152.0
Net assets				2.0	2.0	4.0
Statutory allocations		1.0		2.0	4.0	7.0
Employer surcharges		1.0		4.0	6.0	11.0
Other operating revenue		1.0		4.0	4.0	9.0
General and administration		1.0		6.0	12.0	19.0
Investment earnings		2.0		8.0	12.0	22.0
General Audit Procedures	2.0	4.0		5.0	16.0	27.0
Audit results/deliverables	4.0	4.0		4.0		12.0
Financial statements including GAAP checklist, RSI and OFI	8.0	10.0		26.0	32.0	76.0
Review and quality procedures	8.0					8.0
Wrap up				4.0	4.0	8.0
	<b>46.0</b>	<b>91.0</b>	<b>34.0</b>	<b>292.0</b>	<b>269.0</b>	<b>732.0</b>

## Detailed audit plan by significant account

### Cash and cash equivalents including investment income

Our approach in auditing cash and cash equivalents and the related investment income will consist of confirmation of balances and investment income, combined with a review of the Investment Management Board (IMB) and the Bureau of Treasury Investment's (BTI) audited financials. We will also perform a review of the testing completed by the Internal Auditor of the BTI to gain an understanding of the controls in place and their operating effectiveness. In addition we will also work with both the IMB and BTI to gain an understanding of the significant processes that impact OIC. Any investment income that is not confirmable will be tested analytically by calculating an annual yield and comparing this calculation to the anticipated or market return on the investment.

### Receivables and related revenue

We understand that receivables include past premiums from defaulted employers for periods of coverage prior to June 30, 2005 and the current receivable from state agencies and insurance carriers for statutory transfers due pursuant to the debt reduction provisions found in Senate Bill 1004. To audit receivables, we will rely primarily upon substantive procedures primarily subsequent cash receipts and confirmation procedures. Revenues will include testing controls over cash receipts and selecting samples of both key items and representative samples as appropriate.

### Capital assets

If material, we will obtain a progression of capital assets and substantively test any material additions and deletions by reviewing supporting documentation.



### **Estimated liability for unpaid claims and claims adjustment expenses/claims expenses**

To audit the estimated liability for unpaid claims and claims adjustment expense, our actuaries will evaluate the methods and assumptions used by OIC's current actuarial advisor, Pinnacle Actuarial Resources, Inc. (Pinnacle). Part of that evaluation will be the testing of the life pension models used by Pinnacle for both State Act claims (Permanent Total Disability and Fatalities) and Federal Black Lung Claims. These models are the key drivers of the liability calculation.

We will be testing data integrity by selecting a sample of State Act claims (approximately 40) and testing the underlying documentation supporting the significant claim information (birth date, benefit amount, accident date, award date, etc.). Using the claim information for our sample, our actuarial team will first test the indemnity liability associated with the claim using Pinnacle assumptions regarding mortality and the Ernst & Young model to verify the methodology used by Pinnacle. We will then test the claims using mortality assumptions that reflect West Virginia injured worker mortality to evaluate the potential impact of such a revised assumption. The selection of claims will be made in order to reflect various combinations of award date and accident date, to verify that Pinnacle is properly reflecting the intricacies of the West Virginia workers' compensation system.

We will select a sample of Federal Black Lung claims to test using the claimant demographics (birth date, spouse's birth date, dependent information, etc.). Again, we will first test using Pinnacle's assumptions regarding cost of living adjustments, medical inflation, mortality, etc., and then test using Ernst & Young assumptions. One key assumption will be related to the impact of the "Byrd Amendment" under the Patient Protection and Affordable Care Act, which has a direct impact on Federal Black Lung liabilities.

With respect to the claims process, we will review the service auditors' reports and/or bridging letters provided by your third party administrators (TPAs). We have assumed that we will be able to place maximum reliance on controls at the TPAs. We will modify our strategy if the reports are inadequate, contain exceptions or have qualified opinions.

### **Other post employment benefits liability**

Being the auditors for RHBT and the State, we have played a significant role in the implementation of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions. We are very familiar with the OPEB calculation at the State level and will leverage the testing performed in conjunction with our audit of the State and RHBT. We will confirm the OPEB liability with our RHBT team.

### **Net assets**

We will obtain a progression of net assets by classification and substantively test any material or unexpected changes. We will also obtain an understanding of management's classification and review supporting documentation.

### **Other expenses (primarily general and administrative)**

We will leverage our testing at the State over the cash disbursements process and test controls using representative sampling over cash disbursements and expense classification at OIC. We will also perform analytical procedures and investigate significant /unusual balances or changes.

### **Other financial information**

We understand that you will also be presenting other financial information. We will perform audit procedures in relation to OIC's basic financial statements taken as a whole. Since we are the auditors of the State, we believe that we are in the best position to assist OIC with the other financial information included for the preparation of the State's CAFR. In addition, we will be issuing an "in-relation to" report on this other financial information.

### **Required supplementary information**

We understand that you will be presenting unaudited required supplementary information including management's discussion and analysis, revenue and reserve development information, reconciliation of claims liabilities by type of contract information, and a budgetary comparison schedule. This information is required by accounting principles generally

accepted in the United States. We will be applying certain limited procedures, including inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we will not audit the information or express an opinion on it nor are you required to have the information audited.

### **Information technology systems**

Our IT professionals are uniquely positioned to serve OIC. We understand that you are currently utilizing the West Virginia Financial Information Management System and EPICS. Being that we are the auditors of the State, we will not have to retest the general controls over these systems. The State is implementing an Enterprise Resource Planning (ERP) system. This system will standardize and reduce the versions of software necessary for different state agencies including OIC. Our IT professionals have extensive experience auditing ERP in a state government environment that we believe no other firm can match.

### **Leading-edge technology tools and knowledge resources**

Throughout the firm, Ernst & Young is driven by knowledge. Knowledge resources, along with our people and their approach to client service, distinguish us from our competition. We have developed technology and knowledge resources including audit software expressly to support our business process approach to conducting the audit. As depicted by the technologies described below, Ernst & Young has built a robust set of technology and knowledge management tools that increase efficiency and effectiveness of the audit function, but we are not resting on our laurels. We are committed to investing in the future, constantly striving to enhance our tools and technology.

**GAMx** is Ernst & Young's real-time audit support tool. GAMx drives consistent application of our global audit methodology and appropriate documentation of every Ernst & Young audit. GAMx also has reminder diagnostics, which help determine that audit procedures have been performed and properly documented. GAMx workflow provides a disciplined, consistent approach to audit execution – encouraging performance of audit procedures at the appropriate time. In addition, GAMx is a web-based tool which allows for timely, real-time performance and review of procedures. The engagement can be accessed by all engagement team members regardless of their location.

**EY/GAAIT** provides all of our audit staff with a full set of up-to-date technical references (GASB statements, auditing and other professional standards) and Ernst & Young position statements. Current developments are communicated through our Accounting and Auditing News e-mails via Lotus Notes and are classified and maintained in our Accounting/Audit Publications databases. These resources are on each audit professional's laptop computer.

**Audit Command Language® (ACL)** can enable us to test literally 100% of transactions within any risk area, in minutes. This tool allows our teams to spend less time on administrative and manual review activities and more time in meaningful analysis. This tool will be utilized to analyze data such as claims and receivable information on the audit engagements.

**EY/MicroSTART** is an audit planning tool that assists in planning an effective and efficient audit strategy for those audit areas that involve sampling using the firm's Audit Risk Tables. It can be used to consider the audit strategy effects of testing controls beyond a walk-through, obtaining additional assurance from other substantive procedures (e.g., analytical procedures) and expanding tests of details on individual key items. This tool will be utilized in various areas including premium accounts receivable.

**Lotus Notes™ Knowledge Bases and The Knowledge Web** – These resources provide access to several hundred industry-related resources relevant to governmental and insurance accounting. Every member of the engagement team is equipped with a laptop computer that includes a loadset of these databases.

### **Certification of person signing the proposal**

John Gianola and Robert Johnson are entitled to represent Ernst & Young, empowered to submit the proposal, and authorized to sign a contract with OIC.

## **Contract terms and conditions**

Ernst & Young affirms to comply with the terms and conditions outlined in Section 5 Contract Terms and Conditions outlined in the request for proposal.

### **2.4.4.6 Financial Accounting and Assistance:**

The Financial Accounting staff and responsible management personnel of the OIC will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the auditing firm.

#### **Vendor Response:**

We will work closely with the Financial Accounting staff and responsible management personnel of the OIC throughout the audit and understand that they will be available to assist us by providing information, documentation, and explanations. We will prepare and distribute confirmation requests.

### **2.4.4.7 Work Area, Telephone, Photocopying and Fax Machines:**

The OIC will provide the auditing firm with reasonable workspace, desks, and chairs. The auditing firm will also be provided with access to telephone lines, photocopying facilities, and fax machines as appropriate.

#### **Vendor Response:**

We acknowledge that OIC will provide the auditing team with reasonable workspace, desks and chairs. We also understand that OIC will provide the auditing team with access to telephone accessibility, photocopying resources and fax machines, as appropriate.

2.4.6 The proposal should include a description of the entity that they will be auditing and state a clear understanding of the work that they will be undertaking. The proposal should demonstrate that the firm has thoroughly reviewed the OIC's financial statements and achieved an understanding of the entity and the funds to be audited.

#### **Vendor Response:**

Our proposed engagement team is familiar with OIC through prior experience with OIC, WCC, and the State including the presentation as part of the primary government in the State's CAFR. Key members of your core team, Susan Wheeler and Adam Fisher, have extensive experience serving the State. OIC is responsible for the administration and oversight of all insurance transactions conducted in the State as well as the administration and oversight of the remaining assets and liabilities of the former WCC which operated an exclusive state-managed workers compensation insurance fund, the Coal Workers' Pneumoconiosis Fund, the Uninsured Employers' Fund and the Self-Insured Funds (collectively referred to as the Workers' Compensation Funds or WCF). OIC also administers the West Virginia Health Insurance Plan known as AccessWV, which is a high risk health insurance pool. As a result of the Patient Protection and Affordable Care Act, OIC anticipates that AccessWV will cease to exist in 2014. WCF and AccessWV are reported as propriety funds in OIC's financial statements. OIC also maintains an operating fund that is reported as the general fund for financial reporting purposes. We have outlined the significant accounts in our audit plan previously summarized.

Based on our review of the request for proposal, the following is a summary of our understanding of the services to be provided:



## Scope of work to be performed

In accordance with generally accepted auditing standards and with *Government Auditing Standards* issued by the Comptroller General of the United States, Ernst & Young will:

- ▶ Issue a report on the fair presentation of the OIC financial statements in conformity with generally accepted accounting standards.
- ▶ Issue an "in relation to" report on the other financial information required by the Financial Accounting and Reporting Section of the West Virginia Department of Administration and any other financial information included by management for purposes of additional analysis is stated fairly in all material respects in relation to the financial statements taken as a whole.
- ▶ Communicate in a letter to management any reportable conditions identified during the audit. A reportable condition is defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.
- ▶ Provide technical assistance in the preparation of the financial statements, reports, and documents necessary for compliance with the Comprehensive Annual Financial Report of the State of West Virginia and the requirements of the West Virginia Financial Accounting and Reporting Section of the Department of Administration. We understand that the OIC financial statements are to be included as an enterprise fund in the financial statements of the State of West Virginia. Since we are the auditors of the State, we are the best firm to address any presentation issues and inquiries from FARS.
- ▶ Inform the OIC of the following;
  - ▶ Our responsibility under generally accepted auditing standards
  - ▶ Significant accounting policies
  - ▶ Management judgments and accounting estimates
  - ▶ Significant audit adjustments
  - ▶ Other information in documents containing audited financial statements
  - ▶ Disagreements with management
  - ▶ Management consultation with other accountants
  - ▶ Major issues discussed with management prior to retention
  - ▶ Difficulties encountered in performing the audit

Make an immediate written report of all irregularities and illegal acts uncovered to the Acting State Comptroller and FARS under the authority of Section 5A-2-33 of West Virginia State Code.

## Timing and Deliverables

Because of our experience with the State, PEIA, RHBT and BRIM, we understand the importance of OIC's timetable. We have outlined the timetable in the audit approach outlined above. Based on the request for proposal, draft reports will be submitted to OIC management for review by October 5, 2012. The Ernst & Young team will be available to discuss and resolve any concerns while management of OIC reviews the reports. We will then complete and deliver 50 copies of the final audited financial statements for the year ending June 30, 2012 to the OIC's Assistant Commissioner of Finance by October 12, 2012. We will also provide the OIC with an electronic copy of the final audit report in a format that is suitable for publication on the OIC's website.

## Meetings

We understand that communication is critical to a successful project. You have outlined your communication protocols. In addition, since your core team is a Charleston based team, we can easily accommodate revisions to this schedule at your direction if changes need to be made. You won't have to sacrifice the face-to-face real time meetings if you need to modify the communication protocol.

Based on the request for proposal, we understand that we will hold an Entrance Conference with the OIC staff prior to June 30, 2012. During this meeting we will discuss potential audit issues and the interim work to be performed. We will also establish an overall OIC liaison for the audit and determine work space and other needs.

We will hold monthly progress conferences in order to summarize our results of the preliminary review and identify key internal controls or other matters to be tested. We will also hold an Exit Conference with the OIC staff to summarize the results of the fieldwork and to review significant findings.

Other meetings and conference calls will be scheduled as necessary.

## Attachment B: Mandatory Specification Checklist

*List mandatory specifications contained in Section 2.*

**Section 2.5.1:** The successful audit firm must be in compliance with all applicable rules and regulations of the WV Board of Accountancy, as required by WV Accountancy law. All public accounting firms must comply with firm organization and registration requirements and annually renew their registrations with the WV Accountancy Board. Additionally, the successful firm must be authorized by the WV Board of Accountancy to perform attest services within the state of WV.

**Vendor Response:**

Ernst & Young is licensed to operate in every state in the United States, including West Virginia. Ernst & Young and our licensed professionals are qualified to practice as Certified Public Accountants properly licensed by the West Virginia Board of Accountancy. Ernst & Young is in compliance with all applicable rules and regulations of the West Virginia Board of Accountancy. The Firm has complied with organization and registration requirements and annually renew our registration with the West Virginia Board of Accountancy. Ernst & Young is authorized to perform attest services in the state of West Virginia.

The Ernst & Young executives who will perform your audit are Certified Public Accountants in good standing with the West Virginia Board of Accountancy, the American Institute of Certified Public Accountants (AICPA), the West Virginia Society of Certified Public Accountants (WVSCPA) and the Government Finance Officers Association (GFOA). Additionally, our professional staff assigned to the engagement will maintain compliance with AICPA and Government Auditing Standards continuing professional education requirements.

**Section 2.5.2:** To meet the requirements of this Request for Proposal, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.

**Vendor Response:**

The audit of the OIC will be completed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.

**Section 2.5.3:** Report preparation, editing, and printing shall be the responsibility of the auditing firm

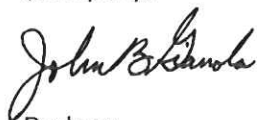
**Vendor Response:**

We understand that we will be responsible for the preparation of OIC's financial statements in final form, including editing and printing. On or before October 12, 2012, unless otherwise specified by OIC's Assistant Commissioner of Finance, we will deliver 50 final copies of OIC financial statement as of June 30, 2012 and for the year then ended. We will also provide OIC with an electronic copy of the final report for publication on OIC's website.

I certify that the proposal submitted meets or exceeds all the mandatory specifications of this Request for Proposal. Additionally, I agree to provide any additional documentation deemed necessary by the State of West Virginia to demonstrate compliance with said mandatory specifications.

Ernst & Young LLP

\_\_\_\_\_  
(Company)



John Gianola, Charleston Office Managing

Partner

\_\_\_\_\_  
(Representative Name, Title)

(phone) +1 304 357 5977, (fax) +1 866 264 3437

\_\_\_\_\_  
(Contact Phone/Fax Number)

May 30, 2012

\_\_\_\_\_  
(Date)

## Appendix A – Bios



**Robert Johnson**  
Coordinating Partner

Cleveland, Ohio  
+1 216 583 4672  
robert.johnson16@ey.com

**Role:** Rob, a native West Virginian who served in our Charleston office for 15 years, will serve as the coordinating partner and will help to make certain that all Ernst & Young services are delivered consistently and according to your expectations. Rob will leverage his experience in the insurance and governmental industries so that you receive a quality audit focused on the key risk areas associated with the environment in which you operate. He will also continue to focus on having the right resources assigned to your engagement.

- ▶ Rob has more than 23 years of experience providing assurance services to a variety of Ernst & Young clients including those in the insurance and financial services sectors. Rob is based in the Cleveland office and continues to serve various Charleston-based clients like BRIM, PEIA and RHBT.
- ▶ Rob has significant experience addressing various audit and accounting technical issues, including experience with both statutory and GAAP accounting for insurance companies and government audit and accounting issues.
- ▶ Rob serves as the engagement partner on Medical Mutual of Ohio, which prepares both statutory and GAAP-based financial statements and includes certain life insurance and agency services subsidiaries.
- ▶ Other selected clients include: Ohio Mutual Insurance Group, Safe Auto Insurance Company, FirstMerit Corporation, and City Holding Company. Some of Rob's past clients include: United Bankshares, Inc., West Virginia Housing Development Fund, West Virginia Parkways, Economic Development and Tourism Authority and the State of West Virginia A-133 single audit compliance for the state colleges and universities.
- ▶ Rob has completed required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements.
- ▶ Rob holds a Bachelor of Business Administration in accounting from West Virginia University and is a member of the AICPA and the West Virginia and Ohio Society of Certified Public Accountants. Rob is licensed to practice as a certified public accountant in West Virginia.



**Susan Wheeler**  
Engagement Partner

Charleston, West Virginia  
+1 304 357 5974  
susan.wheeler@ey.com

**Role:** Utilizing her government and insurance industry experience, Susan will continue to assist Rob with the overall administration and supervision of the engagement, as well as being involved in complex accounting and reporting matters. Susan will be a part of your local Ernst & Young team dedicated to addressing your accounting issues.

- Susan has more than 19 years of experience providing assurance services to a variety of Ernst & Young clients including those in the public sector and insurance industries.
- She has significant experience addressing insurance and government audit and accounting issues (i.e., loss reserves), including experience with both statutory and GAAP accounting for insurance companies.
- Selected clients of Susan's include the State of West Virginia, West Virginia Board of Risk and Insurance Management and West Virginia Public Employees Insurance Agency. Susan has assisted the State and BRIM in filing and being awarded the Certificate of Achievement of Excellence in Financial Reporting. Her past clients include West Virginia Bureau of Employment Programs, including the Workers' Compensation Division, West Virginia Prepaid Tuition Plan, and Inland and Safe Mutual Insurance Companies.
- Susan is a reviewer in the GFOA's certificate of achievement program.
- Susan has completed required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements.
- Susan holds a Bachelor of Business Administration in accounting from Marshall University where she serves on the Lewis College of Business Division of Accountancy and Legal Environment Advisory Board. She is a member of the AICPA, the West Virginia Society of Certified Public Accountants and GFOA. Susan is licensed to practice as a certified public accountant in West Virginia.



**Randy P. Nelson**  
Engagement Quality Review Executive Director

Iselin, New Jersey  
+1 732 516 4340  
randy.nelson@ey.com

**Role:** Randy will be responsible for reviewing all auditor reports, financial statements, and selected workpapers in higher risk areas. He will perform and document his quality review of OIC using our firm's "Program for Engagement Quality Review." Randy's review, which is a component of our firm's quality control system, is designed to evaluate the significant judgments made and conclusions reached by the engagement team in forming the overall conclusion on the engagement. He will also perform certain other quality control procedures such as review of our Government Auditing Standards checklist prior to report issuance.

- ▶ Randy is an Executive Director in Ernst & Young's Public Sector practice, with more than 30 years of experience providing accounting, auditing and governmental consulting services to a number of public sector entities.
- ▶ Randy has been actively involved with state and local authorities, counties, municipalities and school districts, with total assets ranging from \$1 million to \$8 billion.
- ▶ He is responsible for all audit services rendered to the New Jersey Economic Development Authority, New Jersey Educational Facilities Authority, New Jersey Transit, State of New York Mortgage Agency, New York City Economic Development Corporation, New York City Housing Development Corporation and the New York City Housing Authority. Locally, Randy is the engagement quality review partner for the State, PEIA, RHBT, and BRIM. He is also responsible for all audit services rendered to Suffolk County and Middletown Township with significant experience performing OMB Circular A-133 audits.
- ▶ ☐ Randy has worked on numerous bond and note issuances – ranging in size from \$1 million to \$2 billion – for various governmental entities within the State of New Jersey. He has also served as speaker on technical issues impacting governmental organizations for the New Jersey Society of Certified Public Accountants and the Government Financial Officers Association of New Jersey.
- ▶ Randy has completed required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements.
- ▶ Randy is a Certified Public Accountant and is a Registered Municipal Accountant. ☐ He  
New Jersey Society of Certified Public Accountants, American Institute of Certified Public Accountants, Executive Committee of the NY/NJ Intergovernmental Audit Forum and the Board of Examiners for the Municipal Finance Officers Certificate Program in the State of New Jersey. He is also Past Chairman of the Committee on Governmental Accounting and Auditing of the New Jersey Society of CPAs. He holds a Masters in Business Administration in Accounting and Taxation from Fairleigh Dickinson University and a Bachelor of Science in Accounting from William Paterson University. Randy is licensed to practice as a certified public accountant in West Virginia.



**John Gianola**  
Office Managing Partner

Charleston, West Virginia  
+1 304 357 5977  
john.gianola@ey.com

**Role:** John will serve as an additional local resource to the audit team. John is the Office Managing Partner and will assist Susan in providing access to the right resources required to meet OIC's deadlines.

- ▶ Since joining Ernst & Young in 1975, John has had supervisory responsibility for engagements involving accounting and auditing for a variety of industries, including governmental, insurance, banking, energy, manufacturing and distribution companies.
- ▶ John's governmental clients include the State of West Virginia. His clients have been publicly and privately owned, ranging in size from small entities to multinational companies with numerous subsidiaries. His responsibilities have also included significant experience with reports filed with the SEC, including initial public offerings.
- ▶ John has also been responsible for providing a full range of merger and acquisition services to major clients of Ernst & Young. He has assisted clients and their attorneys in structuring transactions, working with regulators and the SEC and purchase price allocations and valuation assistance.
- ▶ In addition, he advises clients on the accounting and reporting implications of various alternatives before, during and after merger/acquisition negotiations. John has testified on accounting and auditing matters.
- ▶ John has completed required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements.
- ▶ John received his Bachelor of Science degree from West Virginia University, where he currently serves on the West Virginia University College of Business and Economic Board of Advisors. John is a member of the AICPA and WV Society of Certified Public Accountants. John is licensed to practice as a certified public accountant in West Virginia.





**John Good**

Executive Director

McLean, Virginia  
+1 703 747 1000  
john.good@ey.com

**Role:** John is the Firm's National Public Sector Executive Director and will serve on the engagement team as a technical advisor. The core engagement team will leverage John's knowledge of governmental accounting issues to ensure you receive a quality audit focused on the key risk areas.

- ▶ John is an executive director with the Americas Professional Practice group of Ernst & Young and serves as the firm's technical resource in government accounting and OMB Circular A-133 audits.
- ▶ John has significant experience serving as Engagement Executive Director for the State, West Virginia Public Employees Insurance Agency, and West Virginia Retiree Health Benefit Trust Fund and as a technical advisor for the West Virginia Board of Risk and Insurance Management and other public sector clients of the firm. He has more than 20 years of experience in public sector auditing and has served the states of West Virginia, Pennsylvania and Maryland on the financial statement and A-133 Single Audits.
- ▶ John teaches the Ernst & Young Government Accounting and Auditing Update session, teaches other government accounting and auditing classes, and A-133 training sessions in all areas of the firm. He has also developed and presented various technical educational sessions.
- ▶ John distributes Government Accounting Standards Board (GASB), Governmental Auditing Standards (GAS) and A-133 newsletters within the firm, which are available for client distribution.
- ▶ He represents the firm at the semiannual National Single Audit Roundtables. He has consulted frequently on government accounting and auditing matters within and outside the firm; liaises frequently with the federal inspector general community, the Federal Audit Clearinghouse Government Accountability Office, and the OMB on OMB Circular A-133 matters; assists engagement teams before, during, and after quality control reviews of A-133 audits by federal agencies; and represents the firm on the AICPA State and Local Government Expert Panel that liaises with the GASB.
- ▶ John also develops our firm's forms and templates and policies and procedures on performing government and A-133 audits. He represents the firm and participates in the AICPA Governmental Audit Quality Center and reviews AICPA Practice Aids and Audit Guides on OMB Circular A-133 audits.
- ▶ John has completed the required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements.
- ▶ John is a member of the American Institute of Certified Public Accountants and a Certified Public Accountant. He has a Bachelor of Science from Shippensburg University of Pennsylvania. John is licensed to practice as a certified public accountant in West Virginia.



**Bill Schlegel**  
Executive Director

Pittsburgh, Pennsylvania  
+1 412 644 7410  
william.schlegel@ey.com

**Role:** Bill will guide and execute information system audit reviews surrounding the West Virginia Financial Information Management System (WVFIMS) environment at the Office of Technology. As an Information Technology Risk and Assurance (ITRA) professional, he will help identify risk and maximize value by providing appropriate Information Technology resources to address specialized needs throughout the course of our audits.

- ▶ Bill has more than 17 years of public accounting experience in IT systems auditing, including significant experience on the State Single Audit. He is experienced with all common technology platforms from an audit and security perspective within the State of West Virginia's IT environment (e.g., WVFIMS, EPICS, RAPIDS, FACTS, GenTax). In addition, specifically to supporting the State:
  - ▶ Bill was the Engagement Partner overseeing the team that drafted, completed and issued the first-ever West Virginia Office of Technology Data Center SAS 70 report in 2010. Additionally, for the issuance of the data center report the following year (2011), Bill participated to help the Office of Technology comply with the new standard (SSAE 16).
  - ▶ Bill was the executive overseeing our team that assisted the Department of Health and Human Resources with a Medicaid compliance project (e.g., IT risk assessments, telecommunication security program, IT policies and procedures, etc.).
- ▶ Bill's career-long focus has been on assisting clients with information technology auditing and advisory services. He has performed control reviews in various industries including government, manufacturing, banking, health care, retail, and public utility. These reviews included a variety of disciplines with some examples as follows:
  - ▶ Extensive experience in IT general control, application and technical security reviews
  - ▶ IT control auditing experience across a wide array of accounting ERP applications (e.g., SAP, Oracle), operating systems (e.g., IBM Mainframe, all flavors of UNIX, Windows, AS/400), and databases (e.g., Oracle, SQL)
  - ▶ Experience in performing application control testing and segregation of duties analyses over a variety of applications covering many of the significant business processes
  - ▶ Experience performing SAS 70/SSAE16 reports (service organization reporting) including documenting the various components that make up the report
- ▶ Bill has completed required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements.
- ▶ Bill routinely gives presentations, training and workshops on the topic of information technology internal control to the Pittsburgh chapter of the Information Systems Audit and Control Association, colleges and universities, Ernst & Young national and local level staff training programs, as well as to clients.
- ▶ Bill is a Certified Information System Auditor (CISA) and a Certified Risk Professional. He holds a Bachelor of Science in Business Administration in Management Information Systems with a concentration in Accounting from Ohio University and is an active member of the Information Systems Audit and Control Association and Bank Administration Institute.



**Shelley Norton**  
Senior Manager

Charleston, West Virginia  
+1 304 357 5973  
shelley.norton@ey.com

**Role:** Shelley will work with Susan Wheeler on the overall administration and supervision of the audit.

- ▶ Shelley has more than 13 years of experience at Ernst & Young serving various clients, including government, financial services, and health care entities.
- ▶ She has experience performing audits in accordance with Government Auditing Standard (GAS) and A-133 including the State Single Audit, including all major programs, West Virginia Public Employees Insurance Agency, and West Virginia Retiree Health Benefit Trust Fund. Her past clients include the West Virginia Board of Risk and Insurance Management, the West Virginia Housing Development Fund and the Consolidated Public Retirement Board. She has assisted the State of West Virginia and the West Virginia Public Employees Insurance Agency in filing for the Government Financial Officers Association's Certificate of Achievement.
- ▶ Her experience also includes reviewing financials in accordance with the requirements of the GFOA, as well as complex areas such as alternative investments, derivatives and interim financial reporting.
- ▶ Shelley also has significant experience performing integrated audits of Securities and Exchange Commission clients including auditing internal controls in accordance with Section 404 of the Sarbanes-Oxley Act. She was heavily involved in the adoption and implementation of Section 404.
- ▶ Shelley has completed required relevant continuing professional education courses and is in compliance with the Governmental Auditing Standards CPE requirements.
- ▶ Shelley is a certified public accountant, is a graduate of West Virginia Wesleyan College and is a member of both the WVSCPA and the AICPA. Shelley is licensed to practice as a certified public accountant in West Virginia.



## **J. Adam Fisher**

Assurance Senior

Charleston, West Virginia

+1 304 357 5824

adam.fisher1@ey.com

**Role:** Adam, along with Shelley and Betty, will lead our daily efforts in the field, including the supervision of assigned staff and execution of procedures in complex areas.

- ▶ Adam has more than 4 years of public accounting experience and has provided services in audit and assurance for governmental, insurance and manufacturing entities. His insurance audit experience includes being the lead senior on the State of West Virginia, Pennsylvania Life Insurance Company and a West Virginia workers compensation insurance carrier.
- ▶ Adam has a variety of experience in the regulatory insurance arena. He was a key member of an examination team performing a statutory financial examination for a property and casualty company on behalf of the Florida Office of Insurance Regulation. He was also a key member of an examination team performing a statutory financial exam for the North Carolina Department of Insurance.
- ▶ Adam was engaged on a targeted market conduct examination for the largest property and casualty company in the nation. This examination was on behalf of the Georgia Department of Insurance. He has also been engaged to provide examination services in conjunction with a targeted market conduct examination of a title insurance rating organization on behalf of the Oregon Department of Consumer and Business Services - Insurance Division. Adam was also the Auditor-in-Charge for worker compensation targeted market conduct examinations for the West Virginia Offices of Insurance Commissioner involving various self-insured employers.
- ▶ He is a graduate of West Virginia University where he received a BS in Finance and a Masters in Professional Accountancy.
- ▶ Adam has completed required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements.
- ▶ Adam is a certified public accountant licensed to practice in West Virginia. Also, he attained his Forensic Accounting and Fraud Investigation Certification in 2007.



**Betty M. Rowe**

Assurance Senior

Charleston, West Virginia

+1 304 357 5985

betty.rowe@ey.com

**Role:** Betty, along with Shelley and Adam, will lead our daily efforts in the field, including the supervision of assigned staff and execution of procedures in complex areas.

- ▶ Betty has more than 10 years of experience in public accounting serving various clients, including government/not-for-profit and manufacturing entities. Additionally, she has experience working with the Department of Defense/Defense Finance and Accounting Service.
- ▶ She has extensive experience performing audits in accordance with GAS and A-133, including the State of West Virginia and West Virginia Board of Risk and Insurance Management, as well as West Virginia Educational Broadcasting Authority, West Virginia Public Defender Services and West Virginia Alcohol Beverage Control Administration. Additionally, she has worked on The Washington Hospital A-133 audit.
- ▶ Betty has also performed audits of internal controls in accordance with Section 404 of the Sarbanes-Oxley Act, 2002.
- ▶ She is a graduate of Marshall University where she received a BBA in Accounting.
- ▶ Betty has completed required relevant continuing professional education courses and is in compliance with the Government Auditing Standards CPE requirements. Betty is a certified public accountant licensed to practice in West Virginia, Ohio and Kentucky, and she is a member of the AICPA, the West Virginia, Ohio and Kentucky Societies of CPAs and the Association of Certified Fraud Examiners.



### **Arthur Cohen**

ACAS, MAAA Financial Services Insurance and Actuarial Advisory Services

Philadelphia, Pennsylvania

+1 215 448 5061

arthur.cohen@ey.com

**Role:** Arthur will be the lead actuary supporting the audit of OIC. He will work closely with the core team including Susan, Shelley, Adam and Betty, as well as, Ian Sterling.

- ▶ Arthur has over 25 years of consulting experience with Ernst & Young and over 40 years of experience in various areas including ratemaking, reserving, legislative evaluation, claims management, litigation, reinsurance, financial reporting, asset/liability management, financial projections and modeling, and product development. He is an executive in the Insurance and Actuarial Advisory Services practice of Ernst & Young LLP's Financial Services Office.
- ▶ Arthur serves as the appointed actuary for several insurers specializing in either workers' compensation or medical malpractice insurance. Arthur provides advice on underwriting, rating, claims management, marketing, and jurisdiction selection, as well as reserving.
- ▶ He has served several state workers' insurance funds, both competitive and monopolistic. Advisory services included the development and evaluation of legislative reforms, in addition to advice on operations.
- ▶ Arthur served the West Virginia Bureau of Employment Programs, the West Virginia Workers' Compensation Commission, and the West Virginia Office of the Insurance Commissioner with regard to the West Virginia Workers' Compensation Funds from 1988 through June 2009. During that period, he provided advice regarding legislative reforms, claims management, rates and ratemaking, including experience rating, individual case reserving and the establishment of aggregate liabilities. During that period, he participated in the audit of the Bureau of Employment Programs and the Total Quality Initiative. At the end of the service period, he supported the transition of the actuarial loss reserving advisory function to Pinnacle Actuarial Resources, Inc.
- ▶ Arthur has assisted the U.S. Department of Labor in the development of reserving models used to determine Federal Employees Compensation Act (FECA) liabilities for federal agencies.
- ▶ Additionally he has assisted the U.S. General Accounting Office in the evaluation of the financial impact of regulatory changes in the Federal Black Lung Benefits Program.
- ▶ Arthur has assisted reinsurers in the evaluation of underwriting and rating practices and procedures.
- ▶ He has supported state departments of insurance with the actuarial aspects of financial examinations, including risk focused examinations.
- ▶ Arthur has assisted individuals and groups in the evaluation of insurance programs with retentions and self-insurance by providing information on the variability of expected results that the client could evaluate based on its own appetite for risk.





**Ian Sterling**

FCAS, MAAA  
Financial Services  
Insurance and Actuarial Advisory Services

Philadelphia, Pennsylvania  
+1 215 448 5868  
ian.sterling@ey.com

**Role:** Ian will work with Arthur in determining the adequacy of the workers compensation claims liability.

- ▶ Ian has almost 10 years of experience with Ernst & Young serving insurance, reinsurance, government, and corporate clients, and he is a manager in the Insurance and Actuarial Advisory Services practice of Ernst & Young LLP's Financial Services Office. Ian's skill set includes loss reserving for all lines of business, with primary focus in workers' compensation and medical malpractice, ratemaking, fair value reserving support, risk transfer testing support, and legislative evaluation support.
- ▶ He has supported state departments of insurance with actuarial aspects of risk financial examinations.
- ▶ Ian has served as project manager on actuarial advisory engagements supporting West Virginia's monopolistic workers' compensation state fund, advising the Company in loss reserving, ratemaking, and legislative reform evaluation, as well as performing data mining and data integrity testing. He served that same entity as the "Old Fund" in runoff, with respect to loss reserving.
- ▶ Ian serves as project manager for a mono-line workers' compensation insurance company actuarial opinion client, advising the Company on their loss reserving, underwriting, and claims management processes.
- ▶ Ian serves on a team within the Insurance and Actuarial Advisory Services practice which provides the evaluation of Federal Black Lung liabilities. This team provides services to audit and non-audit clients, both self-insureds, and insureds
- ▶ He has provided support to a large global insurance company in preparing for fair value regulation, with focus on Solvency II and GAAP Fair Value reserving.
- ▶ Ian has performed data mining and adjustments for large insurance company.
- ▶ He serves as project manager for several medical malpractice insurance companies, performing advisory services in areas, such as loss reserving and ratemaking processes and evaluation of reinsurance contracts through size of loss testing.
- ▶ Ian has assisted in the actuarial appraisal and scenario testing for a large global multi-line insurance Company, consisting of coordinating activities with several different teams.
- ▶ He has provided support to a financial transformation of a global insurance company.
- ▶ Additionally Ian assists several audit teams on reserve evaluation for many different property/casualty lines of business and companies, including reinsurance.
- ▶ Ian assisted the company in evaluating their control processes related to voluntary risk pools
- ▶ He has assisted the Company to produce a model evaluating asbestos reserves.
- ▶ Ian has assisted companies to evaluate legislative reforms.
- ▶ Ian has provided support to several audit teams in risk transfer testing, primarily for start-up companies.

# Appendix B - Certificates

Robert Johnson

Commonwealth of Pennsylvania  
Department of State  
Bureau of Professional and Occupational Affairs  
PO Box 260 Harrisburg PA 17105-2649

10 0422317

License Type  
Certified Public Accountant

License Status  
Active

Initial License Date  
02/08/2006

Expiration Date  
12/31/2013

License Number  
CA048990

ROBERT D JOHNSON  
341 HARBOR COURT  
AVON LAKE OH 44012

*Katherine Tume*  
Commissioner of Professional and Occupational Affairs

*Robert D. Johnson*  
Signature

ALTERATION OF THIS DOCUMENT IS A CRIMINAL OFFENSE UNDER 18 P.S. 3911

ACCOUNTANCY BOARD OF OHIO  
CPA . 43197  
Identification Number

This is to Certify that the following individual is licensed in the state of Ohio:

ROBERT DOUGLAS JOHNSON

Practicing Permit

Audit Number 3788 Expiration Date 12/31/2012

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

The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2012 through June 30, 2013

WV002895  
ROBERT D JOHNSON  
341 HARBOR CT  
AVON LAKE OH 44012

*La Felle*  
Board President

*Robert D. Johnson*  
Executive Director

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

The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2011 through June 30, 2013

WV002895  
ROBERT D JOHNSON  
341 HARBOR CT  
AVON LAKE OH 44012

*La Felle*  
Board President


*Robert D. Johnson*  
Executive Director

Susan Wheeler

susan.wheeler@ey.com

receipt of payment 5/9/2011

Government Finance Officers Association  
203 North LaSalle Street, Suite 2700, Chicago, IL 60601  
(Tel) 312/977-9700 (Fax) 312/977-4905 www.gfoa.org




Expires: 5/31/2012  
B01 - Associate Member

GFOA  
MEMBERSHIP CARD  
GOVERNMENT FINANCE  
OFFICERS ASSOCIATION

Ms. Susan P. Wheeler  
Senior Manager  
Ernst & Young LLP  
Membership #: 300086991

*Jeffrey A. Carter*  
Executive Director

Ma. Susan P. Wheeler  
Ernst & Young LLP  
500 Virginia Street East  
Suite 900  
Charleston, WV 25301




State of West Virginia  
West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3552

The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2012 through June 30, 2013

WV003540  
SUSAN POLACEK WHEELER  
ERNST & YOUNG LLP  
500 VIRGINIA ST E STE 900  
CHARLESTON WV 25301-2125

*Lee Foster*  
Board President

*John H. Hester*  
Executive Director



West Virginia Board of Accountancy  
106 Capitol Street, Suite 100  
Charleston, WV 25301  
(304) 558-3552

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Certified Public Accountant  
for the period beginning  
July 1, 2012 through June 30, 2013

WV003540  
SUSAN POLACEK WHEELER  
ERNST & YOUNG LLP  
500 VIRGINIA ST E STE 900  
CHARLESTON WV 25301-2125

*Lee Foster*  
Board President

*John H. Hester*  
Executive Director

Randy Nelson

State Of New Jersey  
New Jersey Office of the Attorney General  
Division of Consumer Affairs

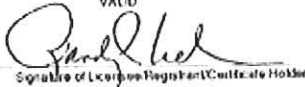
THIS IS TO CERTIFY THAT THE  
Board of Accountancy

HAS REGISTERED

RANDY P. NELSON  
22142 West View  
Wharton NJ 07885

FOR PRACTICE IN NEW JERSEY AS A(N): Certified Public Accountant

11/28/2011 TO 12/31/2014  
VALID

  
Signature of License Registrant/Certificate Holder

20CC00949700  
LICENSE REGISTRATION CERTIFICATION #

  
DIRECTOR

THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER WITH A MULTI-COLORED  
BACKGROUND AND MULTIPLE SECURITY FEATURES. PLEASE VERIFY AUTHENTICITY.

State Of New Jersey  
New Jersey Office of the Attorney General  
Division of Consumer Affairs


THIS IS TO CERTIFY THAT THE  
Board of Accountancy

HAS REGISTERED

RANDY P. NELSON  
22142 West View  
Wharton, NJ 07885

FOR PRACTICE IN NEW JERSEY AS A(N): Public School Accountant

11/28/2011 TO 12/31/2014  
VALID

  
Signature of License Registrant/Certificate Holder

20CS00089600  
LICENSE REGISTRATION CERTIFICATION #

  
DIRECTOR

**John Gianola**



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

*The person indicated below is  
licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2011 through June 30, 2012*

WV000883  
JOHN B. GIANOLA  
ERNST & YOUNG LLP  
500 VIRGINIA ST E STE 900  
CHARLESTON WV 25301-2125

*Harold B. Davis*  
Board President

*J. A. Shadew*  
Executive Director



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

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licensed as a  
Certified Public Accountant  
for the period beginning  
July 1, 2011 through June 30, 2012*

WV000883  
JOHN B. GIANOLA  
ERNST & YOUNG LLP  
500 VIRGINIA ST E STE 900  
CHARLESTON WV 25301-2125

*Harold B. Davis*  
Board President

*J. A. Shadew*  
Executive Director

## John Good

**Licensing Home Page**

Please select a process from the left navigation menu. The list below displays all licenses being applied for or currently held by you.

**Note:** To change Address of Record click "Manage My Account".  
**Exam Candidates:** To lookup your exam scores or request to sit for another section of the CPA Exam please follow the instructions below.

- From the menu, select Manage My Account
- Click the Start button under the Account Management section.
- Under the Eligible Licensee section, click edit next to the Exam Candidate title

Your exam score information should be available. Should you have questions, contact our office at (804) 387-8505

**Re-exam Candidate (RE):** If you have already sat for a section in the current window you may not apply to sit for the same section in this window, you must also wait for your exam scores to be released before applying for the same section.

Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 Name: JOHN R GOOD, Jr Address: 4121 DARIUS DRIVE  
 ENOLA, PA 17025

**Licenses**

Profession	Accountancy	License Number	License Status	Issue Date
Certified Public Accountant		24520	Active	

**GOVERNMENT OF THE DISTRICT OF COLUMBIA** ★ ★ ★

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
 Occupational and Professional Licensing Administration

**Accountancy Board**  
*certifies that*  
**JOHN R. GOOD JR**  
 4121 DARIUS DRIVE  
 ENOLA PA 17025

*has met all the requirements prescribed  
 by law and regulations and is hereby licensed as a(n):*  
**Certified Public Accountant**  
**License Number: CPA900860**  
**Issue Date: 04-14-2005**  
**Expiration Date: 12-31-2012**

*[Signature]*  
 Director, Department of Consumer and Regulatory Affairs

PLEASE CAREFULLY DETACH AT INFORMATION

10 0488229

**Commonwealth of Pennsylvania**  
**Department of State**  
**Bureau of Professional and Occupational Affairs**  
 PO Box 2649 Harrisburg PA 17105-2649

**License Type**  
**Certified Public Accountant**

**License Status**  
**Active**

**Initial License Date**  
**10/12/1993**

**Expiration Date**  
**12/31/2013**

**License Number**  
**CA032189L**

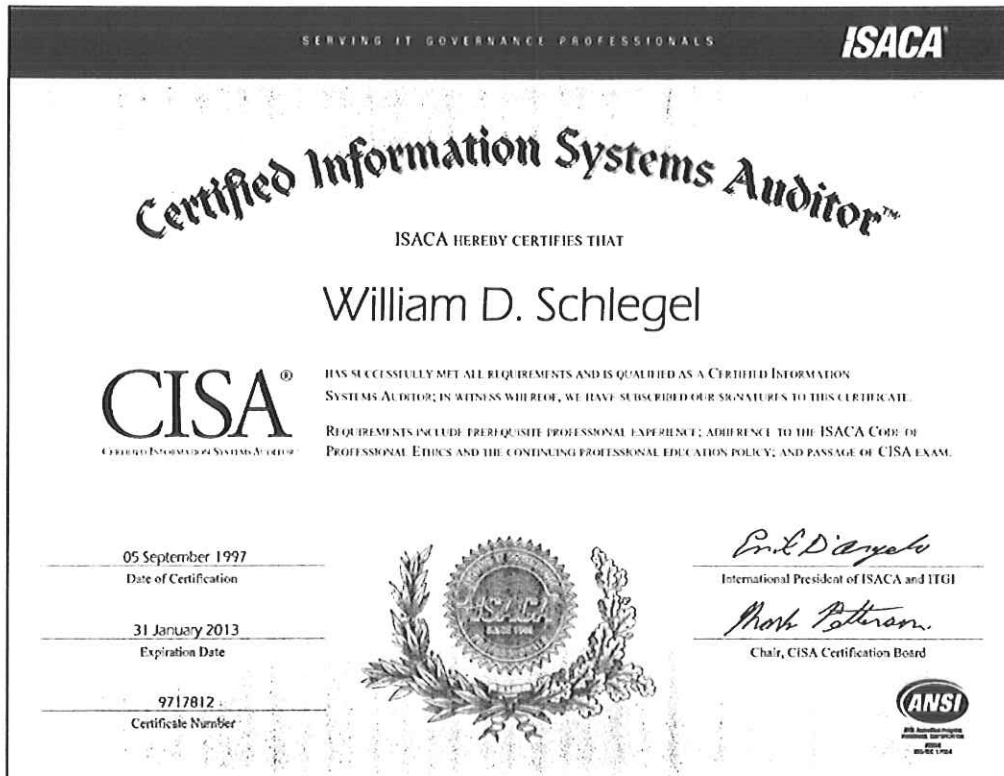
**JOHN RAYMOND GOOD**  
 4121 DARIUS DRIVE  
 ENOLA PA 17025

*[Signature]*  
 Commissioner of Professional and Occupational Affairs



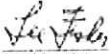
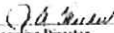
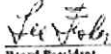

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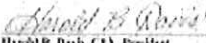
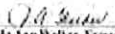
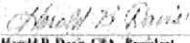

Bill Schlegel



**Shelley Norton**

	<p>State of West Virginia West Virginia Board of Accountancy 106 Capitol Street, Suite 100 Charleston, WV 25301 (304) 558-3557</p>	
	<p><i>The person indicated below is licensed as a Certified Public Accountant for the period beginning July 1, 2012 through June 30, 2013</i></p>	<p><i>The person indicated below is licensed as a Certified Public Accountant for the period beginning July 1, 2012 through June 30, 2013</i></p>
<p>WV004352 SHELLEY LYNN NORTON ERNST &amp; YOUNG LLP 500 VIRGINIA ST E STE 900 CHARLESTON WV 25301-2125</p>		<p>WV004352 SHELLEY LYNN NORTON ERNST &amp; YOUNG LLP 500 VIRGINIA ST E STE 900 CHARLESTON WV 25301-2125</p>
<p> Board President</p>	<p> Executive Director</p>	<p> Board President</p> <p> Executive Director</p>

Adam Fisher

 <p>State of West Virginia West Virginia Board of Accountancy 106 Capitol Street, Suite 100 Charleston, WV 25301 (304) 558-3557 The person indicated below is licensed as a <b>Certified Public Accountant</b> for the period beginning July 1, 2011 through June 30, 2012</p>	 <p>West Virginia Board of Accountancy 106 Capitol Street, Suite 100 Charleston, WV 25301 (304) 558-3557 The person indicated below is licensed as a <b>Certified Public Accountant</b> for the period beginning July 1, 2011 through June 30, 2012</p>
<p><b>WV004762</b> <b>JOSEPH ADAM FISHER</b> <b>22 LEE DR</b> <b>ST ALBANS WV 25177</b></p>	<p><b>WV004761</b> <b>JOSEPH ADAM FISHER</b> <b>22 LEE DR</b> <b>ST ALBANS WV 25177</b></p>
<p> Harold B. Davis, CPA, President</p> <p> Jo Ann Walker, Executive Director</p>	<p> Harold B. Davis, CPA, President</p> <p> Jo Ann Walker, Executive Director</p>

**Betty Rowe**



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  
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(304) 558-3557

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**Certified Public Accountant**  
*for the period beginning*  
*July 1, 2011 through June 30, 2012*

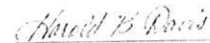
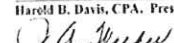
WV004580  
BETTY MARIE ROWE  
ERNST & YOUNG LLP  
500 VIRGINIA ST E STE 900  
CHARLESTON WV 25301

  
Harold B. Davis, CPA, President

  
Jo Ann Walker, Executive Director

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*for the period beginning*  
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WV004580  
BETTY MARIE ROWE  
ERNST & YOUNG LLP  
500 VIRGINIA ST E STE 900  
CHARLESTON WV 25301

  
Harold B. Davis, CPA, President  
  
Jo Ann Walker, Executive Director

## Art Cohen

<b>Arthur I Cohen</b>	
<b>Personal Information</b> Arthur I Cohen Senior Actuarial Advisor Ernst & Young LLP One Commerce Square 2005 Market Street Suite 700 Philadelphia, PA 19103 United States  Tel: (215) 448-5061 Fax: 1(866)249-4449 Email: <a href="mailto:arthur.cohen@ey.com">arthur.cohen@ey.com</a>	<b>Designations</b> ACAS 1980 MAAA 1982  <b>Academic Degrees</b> B.S.  <b>Other Professional Designations</b>  <b>Employment Type</b> Consulting Actuary  <b>Primary Area of Practice</b> Property & Casualty  <b>Other Areas of Practice / Interests</b>  <b>Society of Actuaries Sections</b>

*\*Actuarial verification pulled from the Society of Actuaries Web site, [www.soa.org](http://www.soa.org).*

Ian Sterling

## AMERICAN ACADEMY OF ACTUARIES

*This is to certify that*

**Ian Philip Sterling**

*having met the education and experience requirements  
for admission is hereby enrolled as a*

**MEMBER OF THE AMERICAN ACADEMY OF ACTUARIES**

*in witness whereof this certificate has been issued  
under the seal of the  
American Academy of Actuaries*

September 13, 2007

*Steven D. Schuman*  
PRESIDENT



*John P. Panko*  
SECRETARY TREASURER

## Casualty Actuarial Society

Organized 1914

*Dedicated to the promotion of actuarial science as applied  
to property, casualty and similar risk exposures*

*This certifies that*

**Ian Philip Sterling**

*Having satisfied the requirements prescribed by the  
Board of Directors has been admitted as a*

**Fellow of the Casualty Actuarial Society**

*In witness whereof this diploma has been issued under  
the seal of the Casualty Actuarial Society.*

*November seventeenth, two thousand and eight.*

*Chris G. S. Carter*  
President

*Henrietta Quintilian*  
Vice President - Administration





## Appendix C – Peer Review



KPMG LLP  
757 Third Avenue  
New York, NY 10017

Telephone 212 909 1600  
Fax 212 909 1600  
Internet [www.kpmg.com](http://www.kpmg.com)

### System Review Report

To the Partners of Ernst & Young LLP  
and the National Peer Review Committee of the AICPA Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of Ernst & Young LLP (the firm) applicable to non-SEC issuers, in effect for the year ended June 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/forsummary](http://www.aicpa.org/forsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Ernst & Young LLP, applicable to non-SEC issuers, in effect for the year ended June 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Ernst & Young LLP has received a peer review rating of *pass*.

KPMG LLP

December 06, 2010

KPMG LLP, a Delaware limited liability partnership,  
the U.S. member firm of KPMG Network and Cooperative  
("KPMG International"), a Swiss entity

# Appendix D – Sample required reports

## INDEPENDENT AUDITORS' REPORT

West Virginia Offices of the Insurance Commissioner  
Charleston, West Virginia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the West Virginia Offices of the Insurance Commissioner (OIC) as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the OIC, as listed in the table of contents. These financial statements are the responsibility of the OIC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OIC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of the OIC are intended to present the financial position and the changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, business-type activities, and each major fund of the State of West Virginia that is attributable to the transactions of the OIC. They do not purport to, and do not, present fairly the financial position of the State of West Virginia as of June 30, 2012, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the OIC at June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages X through X, the unaudited supplemental claims information on pages X through X and the budgetary comparison schedule on page X are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Firm Name  
Charleston, West Virginia

October --, 2012

**INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION**

West Virginia Offices of the Insurance Commissioner  
Charleston, West Virginia

We have audited and reported separately herein on the basic financial statements of the West Virginia Offices of the Insurance Commissioner (OIC) as of and for the year ended June 30, 2012. Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the OIC. The information on pages XX through XX is presented for purposes of additional analysis of the financial statements. The Workers' Compensation information on pages XX through XX has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The budgetary comparison schedules on pages XX through XX have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

Firm Name Here  
Charleston, West Virginia

October --, 2012

# **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements in Accordance With *Government Auditing Standards***

## **State of West Virginia Offices of the Insurance Commissioner**

We have audited the basic financial statements of the State of West Virginia Offices of the Insurance Commissioner (OIC) as of and for the year ended June 30, 2012, and have issued our report thereon dated October --, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

Management of OIC is responsible for internal control over financial reporting. In planning and performing our audit, we considered OIC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OIC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of OIC's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether OIC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

October --, 2012

October --, 2012

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

In connection with your audits of the State of West Virginia Offices of the Insurance Commissioner (OIC) as of June 30, 2012 and for the year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the OIC, and the respective changes in financial position and, where applicable, cash flow thereof in conformity with US generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

***Management's responsibilities***

We recognize that, as members of management of OIC, we are responsible for the fair presentation of its financial statements. We believe the statements of financial position, changes in financial position section and cash flows are fairly presented in conformity with US generally accepted accounting principles applied on a basis consistent with that of the preceding periods. We also recognize that, as members of management of OIC, we are responsible for establishing and maintaining effective internal control.

The financial statements properly classify all funds and activities. Net asset components and fund balance reserves and designations are properly classified and, if applicable, approved. Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal, as applicable. Required supplementary information is measured and presented within prescribed guidelines (MD&A, public entity risk pool disclosures).

We recognize that we are responsible for OIC's compliance with the laws, regulations, grant agreements, and contracts that are applicable to it. We have identified and disclosed to your representatives all laws and regulations that have a direct and material effect on the determination of financial statement amounts.

We are not aware of any violations (and possible violations) of laws, regulations, and provisions of contract and grant agreements with effects that should be considered for disclosure in the financial statements or as a basis for recording a lost contingency. We have followed applicable laws and regulations in adopting, approving, and amending budgets, deposits and investments, including advance deposit requirements. We have made available to your representatives all financial records and related data. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

We have made available to your representatives all financial records and related data.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

### ***Uncorrected misstatements***

There are no uncorrected misstatements (including the effects of correcting or reversing prior year uncorrected misstatements) relating to the current year financial statements.

### ***Internal control***

There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the financial statements.

We are not aware of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting.

### ***Minutes and contracts***

The dates of meetings of shareholders, directors, committees of directors and important management committees are as follows: MANAGEMENT TO PROVIDE

We have made available to you all minutes of the meetings of shareholders, directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

We also have made available to you all significant contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

### ***Ownership and pledging of assets***

OIC has satisfactory title to all assets appearing in the balance sheet. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which OIC has satisfactory title appear in the balance sheet.

### ***Advance deposit with insurance company or trustee***

All claims identified in prior years as being on the detail of claims paid by an insurance company, which do not represent claims covered by the retrospective rating plans, have been excluded from the section of the retrospective rating report that summarizes claims paid during the current year. Thus, the summary of claims paid by an insurance company only represents claims actually paid through the retrospective rating plans and no adjustments for such items need to be made to claims paid during the determination of advanced deposits held with an insurance company or trustee.

### ***Receivables and revenues***

Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the balance sheet dates, goods shipped on consignment, or other types of arrangements not constituting sales. All revenue recognized as of the balance sheet date(s) has been realized (or is realizable) and earned. Revenue has not been recognized before (1) persuasive evidence of an arrangement exists, (2) goods have been delivered or services rendered, (3) consideration to be received is fixed or determinable and (4) collectability is reasonably assured.

Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to the balance sheet dates in respect of sales and services rendered prior to those dates and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at those dates.

### ***Investments***

Investments are properly valued. To our knowledge, none of OIC's investments has permanently declined in value to an amount less than the carrying value in the financial statements. Risk disclosures associated with deposits and investment securities are presented in accordance with GASB requirements.

OIC's cash equivalent/investments are held in pools that are managed by the Board of Treasury Investments (BTI) and the Investment Management Board (IMB), the management of which is not under OIC's control. Such amounts are uncategorized investments under GASB 3 as amended by GASB 40 risk classification. Investments are reported by the BTI and IMB at fair value and are accounted for OIC accordingly, with changes in fair value included in investment income. The



earnings from these pooled investments are distributed to investment pool participants based on their pro rata participation in the pools. The financial statements reflect the required GASB 40 deposit and risk disclosures.

***Estimated Liability for unpaid claims and claims adjustment expenses***

The estimated liability for unpaid claims and claims adjustment expenses represents management's best estimate for each line of business for the ultimate net cost of all reported and unreported claims and claims adjustments expense incurred and unpaid through June 30, 2012, estimated based on case basis estimates of claims reported prior to June 30, 2012, estimated based on actuarial projections of historical loss development of claims incurred but not reported, and estimates of expenses for investigation and adjustment of all incurred and unadjusted losses, including estimates of expected salvage and subrogation receipts from such losses. Given the inherent degree of variability in any such estimates, the liabilities reported at June 30, 2012 are a reasonable best estimate of OIC's ultimate losses to be incurred to discharge OIC's obligations. The liabilities for claims and claims adjustment expenses are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations. We have made available to you all documentation and analyses used to develop management's best estimate.

The liability for unpaid claims and claims adjustment expenses was based on the best data available to us; however, because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, these estimates are subject to a significant degree of variability. These estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations. Although we believe the estimates of the liability for unpaid claims and claim adjustment expenses at XX, are reasonable in the circumstances, it is possible that OIC's actual incurred claims and claims adjustment expenses will not conform to the assumptions inherent in the determination of the liability; accordingly, the ultimate settlement of claims and the related claims adjustment expenses may vary significantly from the estimates included in OIC's financial statements. Also, we believe the footnotes describe this uncertainty.

We agree with the findings of specialists in evaluating the liability for unpaid claims and claims adjustment expense and premium deficiency analysis and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists. All significant matters utilized in the actuarial estimation process by our consulting actuaries are determined or approved by management and we are in a position to and have made an informed judgment on the results of the valuation.

***Related party transactions***

Transactions with related parties, as defined in GASB 56 and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees, have been properly recorded and/or disclosed in the financial statements.

***Arrangements with financial institutions***

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

***Contingent liabilities***

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed in accordance with FASB 5 (other than those disclosed in the financial statements).

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by FASB 5, *Contingencies* nor are there any accruals for loss contingencies included in the balance sheets or gain contingencies reflected in earnings that are not in conformity with the provisions of FASB 5.

***Oral or written guarantees***

There are no oral or written guarantees, including guarantees of the debt of others.

***Purchase commitments***

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at June 30, 2012 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

***Fraud***

We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in OIC's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have disclosed to you all allegations of financial improprieties, including fraud or suspected fraud, coming to our attention (regardless of the source or form and including, without limitation, allegations by "whistle-blowers") where such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of OIC.

***Independence***

We are not aware of any capital lease, material cooperative arrangement or other business relationship between OIC and Ernst & Young LLP or any other member firm of the global Ernst & Young organization

We are not aware of any reason that Ernst & Young LLP would not be considered to be independent for purposes of OIC's audit.

***Conflicts of interest***

There are no instances where any officer or employee of OIC has an interest in a company with which OIC does business that would be considered a "conflict of interest." Such an interest would be contrary to OIC's policy.

***Supplementary information***

The supplementary information on Claims Development Information and Reconciliation of Claims Liability Type has been prepared and presented in conformity with guidelines established by the Governmental Accounting Standards Board in its Statement No. 30.

***Subsequent events***

Subsequent to June 30, 2012, no events or transactions have occurred or are pending that would have a material effect on the financial statements at that date or for the period then ended, or that are of such significance in relation to OIC's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, changes in financial position or cash flows of OIC.

We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States as established by the American Institute of Certified Public Accountants and was therefore, designed primarily for the purpose of expressing an opinion on the financial statements of OIC taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

## Appendix E - Addendum acknowledgement



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

INS12015

PAGE

1

ADDRESS CORRESPONDENCE TO ATTENTION OF:

SHELLY MURRAY  
304-558-8801

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\*709023605 03 304-343-8971  
ERNST & YOUNG LLP  
900 UNITED CENTER  
500 VIRGINIA ST EAST  
CHARLESTON WV 25301

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INSURANCE COMMISSION

1124 SMITH STREET  
CHARLESTON, WV  
25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS		
04/26/2012						
BID OPENING DATE: 05/30/2012		BID OPENING TIME 01:30PM				
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
REQUEST FOR PROPOSAL						
THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA INSURANCE COMMISSION, IS SOLICITING PROPOSALS TO PROVIDE AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2012 PER THE ATTACHED SPECIFICATIONS.						
TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WEST VIRGINIA PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN IN THE BODY OF THIS RFP, VIA FAX AT 304-558-4115, OR VIA E-MAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 05/11/2012 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.						
0001	1	LS		946-20		
AUDITING SERVICES						
EXHIBIT 3						
LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON 07/01/2012 AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.						
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE <i>John B. Gano</i>		TELEPHONE +1 304 357 5977		DATE May 30, 2012		
TITLE Office Managing Partner		FEIN 34-656-5596-001		ADDRESS CHANGES TO BE NOTED ABOVE		

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

## GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
  2. The State may accept or reject in part, or in whole, any bid.
  3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
  4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
  5. Payment may only be made after the delivery and acceptance of goods or services.
  6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
  7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
  8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
  9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
  10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
  11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
  12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
  13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.html](http://www.state.wv.us/admin/purchase/vrc/hipaa.html) and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
  14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
  15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
  16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.
- I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or Fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

### INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).





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
INS12015

PAGE
2

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

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\*709023605 03 304-343-8971  
ERNST & YOUNG LLP  
900 UNITED CENTER  
500 VIRGINIA ST EAST  
CHARLESTON WV 25301

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INSURANCE COMMISSION

1124 SMITH STREET  
CHARLESTON, WV  
25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/26/2012				
BID OPENING DATE: 05/30/2012		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT BY THE STATE OF WEST VIRGINIA, ITS AGENCIES, OR POLITICAL SUBDIVISIONS, THE TERMS, CONDITIONS, AND PRICING SET FORTH HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.						
RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.						
CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICE SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.						
OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)						
BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.						
THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>John B. Lanza</i>	TELEPHONE 41 304 357 5977	DATE May 30, 2012
TITLE Office Managing Partner	FEIN 34-656-5596-001	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

INS12015

PAGE

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ADDRESS CORRESPONDENCE TO ATTENTION OF:

SHELLY MURRAY  
304-558-8801

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\*709023605 03 304-343-8971  
ERNST & YOUNG LLP  
900 UNITED CENTER  
500 VIRGINIA ST EAST  
CHARLESTON WV 25301

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INSURANCE COMMISSION

1124 SMITH STREET  
CHARLESTON, WV  
25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS		
04/26/2012						
BID OPENING DATE: 05/30/2012		BID OPENING TIME 01:30PM				
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: SHELLY MURRAY</p> <p>RFQ. NO.: INS12015</p> <p>BID OPENING DATE: 05/30/2012 (TECHNICAL)</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY</p>						
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE <i>John B. Smith</i>		TELEPHONE +1 304 357 5977		DATE May 30, 2012		
TITLE Office Managing Partner		FEIN 34-656-5596-001		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

INS12015

PAGE

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ADDRESS CORRESPONDENCE TO ATTENTION OF:

SHELLY MURRAY  
304-558-8801

\*709023605 03 304-343-8971  
ERNST & YOUNG LLP  
900 UNITED CENTER  
500 VIRGINIA ST EAST  
CHARLESTON WV 25301

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INSURANCE COMMISSION

1124 SMITH STREET  
CHARLESTON, WV  
25305-0540 304-558-3707

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DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS		
04/26/2012						
BID OPENING DATE: 05/30/2012		BID OPENING TIME 01:30PM				
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
TO CONTACT YOU REGARDING YOUR BID: +1 304 357 5994						
CONTACT PERSON (PLEASE PRINT CLEARLY): Susan Wheeler						
ANY INDIVIDUAL SIGNING THIS BID IS CERTIFYING THAT: (1) HE OR SHE IS AUTHORIZED BY THE BIDDER TO EXECUTE THE BID OR ANY DOCUMENTS RELATED THERETO ON BEHALF OF THE BIDDER, (2) THAT HE OR SHE IS AUTHORIZED TO BIND THE BIDDER IN A CONTRACTUAL RELATIONSHIP, AND (3) THAT THE BIDDER HAS PROPERLY REGISTERED WITH ANY STATE AGENCIES THAT MAY REQUIRE REGISTRATION.						
***** THIS IS THE END OF RFQ INS12015 ***** TOTAL:						
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE John B. Licola		TELEPHONE +1 304 357 5977		DATE May 30, 2012		
TITLE Office Managing Partner		FEIN 34-656-5596-001		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

INS12015

PAGE

1

ADDRESS CORRESPONDENCE TO ATTENTION OF

SHELLY MURRAY  
304-558-8801

\*709023605 03 304-343-8971  
ERNST & YOUNG LLP  
900 UNITED CENTER  
500 VIRGINIA ST EAST  
CHARLESTON WV 25301

INSURANCE COMMISSION

1124 SMITH STREET  
CHARLESTON, WV  
25305-0540 304-558-3707

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DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
04/30/2012				

BID OPENING DATE:

05/30/2012

BID OPENING TIME

01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 1 -----						
THIS ADDENDUM IS ISSUED TO CLARIFY THE DEADLINE FOR SUBMISSION OF TECHNICAL QUESTIONS IS THE CLOSE OF BUSINESS ON 05/11/2012.						
0001	1	LS		946-20		
AUDITING SERVICES						
EXHIBIT 10						
REQUISITION NO.: INS12015						
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:						
NO. 1 .....						
NO. 2 .....						
NO. 3 .....						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>John B. Smith</i>	+1 304 357 5977	May 30, 2012
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Office Managing Partner	34-656-5596-001	

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

RFO NUMBER
INS12015

PAGE
2

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

**VENDOR**

\*709023605 03 304-343-8971  
ERNST & YOUNG LLP  
900 UNITED CENTER  
500 VIRGINIA ST EAST  
CHARLESTON WV 25301

**SHIP TO**

INSURANCE COMMISSION  
  
1124 SMITH STREET  
CHARLESTON, WV  
25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/30/2012				
BID OPENING DATE: 05/30/2012		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
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.						
<div>..... SIGNATURE Ernst &amp; Young LLP COMPANY May 30, 2012 DATE</div>						
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.						
----- END OF ADDENDUM NO. 1 -----						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE	TELEPHONE	DATE
<i>John B. Sciro</i>	+1 304 357 5977	May 30, 2012
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Office Managing Partner	34-656-5596-001	

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



State of West Virginia  
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304-558-8801

\*709023605 03 304-343-8971  
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900 UNITED CENTER  
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CHARLESTON WV 25301

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CHARLESTON, WV  
25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/16/2012				
BID OPENING DATE: 05/30/2012		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 2 -----						
THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS RECEIVED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 05/11/2012 THAT ALSO INCLUDES A CD ATTACHMENT.						
0001	1	LS		946-20		
AUDITING SERVICES						
EXHIBIT 10						
REQUISITION NO.: INS12015						
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:						
NO. 1 .....						
NO. 2 .....						
NO. 3 .....						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>[Signature]</i>	+1 304 357 5977	May 30, 2012
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Office Managing Partner	34-656-5596-001	

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





State of West Virginia  
Department of Administration  
Purchasing Division  
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## Request for Quotation

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\*709023605 03 304-343-8971

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500 VIRGINIA ST EAST  
CHARLESTON WV 25301

INSURANCE COMMISSION

1124 SMITH STREET  
CHARLESTON, WV  
25305-0540 304-558-3707

VENDOR

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/16/2012				
BID OPENING DATE: 05/30/2012		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
	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.						
				..... SIGNATURE Ernst & Young LLP ..... COMPANY ..... May 30, 2012 ..... DATE		
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.						
-----		END OF ADDENDUM NO. 2 -----				

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
..... Office Managing Partner	+1 304 357 5977	May 30, 2012
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
	34-656-5596-001	

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



## Appendix F – Purchasing affidavit

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.

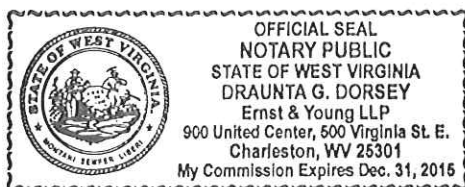
"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality 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 exceeds 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: Ernst & Young LLPAuthorized Signature: [Signature] Date: May 30, 2012State of West VirginiaCounty of Kanawha, to-wit: John GianolaTaken, subscribed, and sworn to before me this 30 day of May, 2012.My Commission expires December 31, 2015.

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]

## Appendix G - Resident vendor preference

**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:**

- \_\_\_\_ 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,
- \_\_\_\_ 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,
- \_\_\_\_ 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:**

- \_\_\_\_ 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:**

- \_\_\_\_ 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:**

- \_\_\_\_ 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:**

- \_\_\_\_ 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:**

- \_\_\_\_ 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: Ernst & Young LLP

Signed: John B. Dianola

Date: 5/30/2012

Title: Partner

# Appendix H -Letter of Good Standing

Below is our most recent Letter of Good Standing. We are not aware of any circumstances that would impact this letter.



STATE OF WEST VIRGINIA  
State Tax Department, Excise Tax Unit  
1001 Lee St. East  
Charleston, WV 25301  
Earl Ray Tomblin, Governor

Apr 24 2012 11:51am



Craig A. Griffith, Tax Commissioner

FIRM PAYROLL  
ERNST & YOUNG U S LLP  
125 CHUBB AVE FL 5A  
LYNDHURST NJ 07071-3504

Letter Id: L2074341760  
Issued: 04/24/2012

## West Virginia State Tax Department Statement of Good Standing

EFFECTIVE DATE: April 24, 2012

A review of tax accounts indicates that the above named taxpayer is in good standing as of the effective date of this document.

The issuance of this Statement of Good Standing shall not bar any audits, investigations, assessments, refund or credits with respect to the taxpayer named above and is based only on a review of the tax returns and not on a physical audit of records.

Sincerely,

Diana L. Webb,  
Excise Tax Unit  
Tax Account Administration Division

## Appendix I – Team CPE history

The tables below represent CPE credits each team members has accumulated from January 1, 2010 through December 31, 2011.

<b>Robert Johnson, CPA</b> Coordinating Partner, Ernst & Young			
End date	Title	Vendor	Total
<b>2010</b>			
11-Feb-10	BCM Monthly Call Feb 11th	EYUS Local	1.00
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	0.50
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
7-Apr-10	Ernst & Young Talent Hub Engagement Team Guidance	EYUS National	0.50
7-Apr-10	Ernst & Young Talent Hub Engagement Team Guidance	EYUS National	1.00
21-Apr-10	Health Care Reform - What You and Your Insurer Clients Should Know	EYUS National	1.50
22-Apr-10	Clarified GAM and GAMx Update for US Assurance Executives	EYUS Local	2.00
22-Apr-10	GASB Update	EYUS Local	1.50
26-Apr-10	Leadership Matters	EYUS National	9.50
27-Apr-10	Personal Financial Fitness in Turbulent Times	EYUS National	4.50
17-May-10	EY Building Enduring Client Relationships Workshop 1	EYUS National	6.50
26-May-10	EBP 2010 Accounting and Auditing Update	EYUS National	2.00
8-Jun-10	East Central PPEDD 2010 Meeting	EYUS Local	3.00
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	0.50
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	1.00
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	0.50
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	0.50
11-Jun-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
11-Jun-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
22-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	1.00
22-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	0.50
5-Aug-10	IILC Team Challenge Certification Program 2010	EYUS Local	21.00
25-Aug-10	Respect at Work: 2010 Refresher	EYUS National	1.50
8-Sep-10	The New 2010 OMB Circular A-133 Compliance Supplement	EYUS National	2.00
9-Sep-10	EY Building Enduring Client Relationships - Workshop 2 Creating a Community of Practice	EYUS National	6.50
15-Sep-10	Bally Undertakings	EYUS National	1.50
23-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
23-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
21-Oct-10	FSO Dodd Frank Lunch & Learn October 21, 2010	EYUS National	1.00
10-Nov-10	Pension and Other Postretirement Benefits - Year-end Reminders	EYUS National	2.00
11-Nov-10	BCM Call Nov 11th	EYUS Local	0.50
11-Nov-10	November 2011 Summary of third quarter results for the insurance industry	EYUS National	0.50
12-Nov-10	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
15-Nov-10	Coordinating and Executing the Audit of Income Tax Accounts	EYUS National	4.00



**Robert Johnson, CPA**

Coordinating Partner, Ernst &amp; Young

End date	Title	Vendor	Total
23-Nov-10	BCM Sametime Call Session Nov 23rd	EYUS Local	2.00
30-Nov-10	Independence implications of the Dodd-Frank Reform and the Amendments to the SEC's Custody Act	EYUS National	1.00
1-Dec-10	Strategic Insights & Risk Perspectives - An insurance industry roundtable	EYUS Local	0.50
1-Dec-10	Strategic Insights & Risk Perspectives - An insurance industry roundtable	EYUS Local	3.00
9-Dec-10	BCM Sametime Session/Call Dec 9th	EYUS Local	2.00
17-Dec-10	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.50
20-Dec-10	Developing Sustainable Client Relationships - Session 3	EYUS National	2.50
20-Dec-10	Developing Sustainable Client Relationships - Session 4	EYUS National	3.50
			<b>102.00</b>
<b>2011</b>			
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	1.50
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	0.50
10-Mar-11	BCM Sametime Session/Call March 10th 2011	EYUS Local	0.50
10-Mar-11	BCM Sametime Session/Call March 10th 2011	EYUS Local	0.50
16-Mar-11	Ernst & Young's Q1 2011 Financial Reporting Update	EYUS National	1.50
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	1.50
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	0.50
5-Apr-11	Overview of Insurance Contracts (ED) Presentation Model and Disclosures	EYUS National	1.00
6-Apr-11	EBP 2011 Regulatory Update by the Department of Labor	EYUS National	1.50
19-Apr-11	GASB Update	EYUS Area	2.00
5-May-11	News you can use May 2011	EYUS Area	1.50
2-Jun-11	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	10.00
2-Jun-11	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	7.00
7-Jun-11	Assurance PPEDD Breakout Meeting	EYUS Local	2.00
7-Jun-11	2011 East Central PPEDD Retreat	EYUS Local	2.00
7-Jun-11	2011 East Central PPEDD Retreat	EYUS Local	1.50
8-Jun-11	EBP 2011 Accounting & Auditing Update	EYUS National	1.50
21-Jun-11	2011 BCM Current Matters	EYUS Area	11.50
21-Jun-11	2011 BCM Current Matters	EYUS Area	3.50
14-Jul-11	BCM Sametime Session / Conf Call July 14th	EYUS Local	0.50
14-Jul-11	BCM Sametime Session / Conf Call July 14th	EYUS Local	0.50
5-Aug-11	IILC Team Challenge 2011	EYUS National	19.50
1-Sep-11	Credit Loss Evaluation	EYUS National	24.00
14-Sep-11	2011 AICPA National Conference on Banks and Savings Institutions	AICPA	1.00
14-Sep-11	2011 AICPA National Conference on Banks and Savings Institutions	AICPA	2.00
14-Sep-11	2011 AICPA National Conference on Banks and Savings Institutions	AICPA	9.00
14-Sep-11	2011 AICPA National Conference on Banks and Savings Institutions	AICPA	1.50
16-Sep-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	1.00
16-Sep-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	2.00
16-Sep-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	10.00

**Robert Johnson, CPA**

Coordinating Partner, Ernst & Young

End date	Title	Vendor	Total
23-Sep-11	Advanced Operations and Regulations of Brokers and Dealers in Securities	EYUS National	12.50
13-Oct-11	BCM Sametime Session/Conf Call October 13th, 2011	EYUS Local	0.50
17-Oct-11	Tax reform: a private company perspective	EYUS National	1.00
10-Nov-11	BCM Sametime Session Nov 10th	EYUS Local	2.00
15-Nov-11	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
16-Nov-11	Auditing the Valuation of Investments	EYUS Area	1.00
29-Nov-11	The New 2011 Government Auditing Standards: What You Should Know Now	EYUS National	1.50
29-Nov-11	Strategic Insights & Risk Perspectives - An Insurance Industry Roundtable	EYUS Local	0.50
29-Nov-11	Strategic Insights & Risk Perspectives - An Insurance Industry Roundtable	EYUS Local	0.50
29-Nov-11	Strategic Insights & Risk Perspectives - An Insurance Industry Roundtable	EYUS Local	2.00
29-Nov-11	Strategic Insights & Risk Perspectives - An Insurance Industry Roundtable	EYUS Local	0.50
3-Dec-11	2011 Year End Assurance Update	EY Global	0.50
3-Dec-11	2011 Year End Assurance Update	EY Global	3.00
3-Dec-11	2011 Year End Assurance Update	EY Global	4.00
8-Dec-11	BCM Sametime Session December 8th 2011	EYUS Local	0.50
8-Dec-11	BCM Sametime Session December 8th 2011	EYUS Local	0.50
12-Dec-11	Alternative Minimum Tax: Corporate	MicroMash	2.00
18-Dec-11	EBP Tax Status Procedures and Compliance Considerations	EYUS National	2.00
19-Dec-11	Business of the Banking and Capital Markets Industry: Taxation Matters	EY Global	2.00
19-Dec-11	Business of the Banking and Capital Markets Industry: Taxation Matters	EY Global	0.50
30-Dec-11	Human Capital Stock Based Compensation	EY Global	1.50
			163.00
<b>Grand total</b>			<b>265.00</b>

**Susan Wheeler, CPA**

Engagement Partner, Ernst &amp; Young

End date	Title	Vendor	Total
<b>2010</b>			
7-Jan-10	NCSA A&A 2009 Q4 Update Call	EYUS Local	1.00
23-Mar-2010	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
23-Mar-2010	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
07-Apr-2010	Ernst & Young Talent Hub Engagement Team Guidance	EYUS National	0.50
07-Apr-2010	Ernst & Young Talent Hub Engagement Team Guidance	EYUS National	1.50
16-Apr-2010	Clarified GAM and GAMx Update for US Assurance Executives	EYUS Local	2.00
22-Apr-2010	GASB Update	EYUS Local	2.00
26-Apr-2010	New A-133 Sampling Guidance	EYUS National	2.00
03-May-2010	OMB Circular A-133 Planning and Major Program Determination Techniques	EYUS National	2.00
03-Jun-2010	American Recovery and Reinvestment Act and 2010 OMB Circular A-133 Compliance Supplement Update	EYUS National	2.00
04-Jun-2010	GASB 53 Updates	EYUS Local	1.00
17-Jun-2010	FASB Update: An Overview	West Virginia Society of CPAs	1.00
17-Jun-2010	AICPA Audit and Assurance Standards Update Continuation	West Virginia Society of CPAs	1.00
17-Jun-2010	What is Happening In Norwalk (and London)?	West Virginia Society of CPAs	3.00
17-Jun-2010	AICPA Audit and Assurance Standards Update	West Virginia Society of CPAs	1.00
18-Jun-2010	WVSCPA's Federal Tax Update	West Virginia Society of CPAs	3.00
19-Jun-2010	Update on the Profession	West Virginia Society of CPAs	2.00
22-Jun-2010	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	1.50
22-Jun-2010	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	0.50
09-Aug-2010	Leading in Challenging Times	National Association of State Auditors, C&T	1.00
09-Aug-2010	The Changing World of Audit Standards	National Association of State Auditors, C&T	1.50
09-Aug-2010	GASB Update: Technical Agenda & Practical Tips	National Association of State Auditors, C&T	1.00
10-Aug-2010	Anticipating & Meeting Accountability Challenges	National Association of State Auditors, C&T	1.00
11-Aug-2010	New Compliance Auditing and Other New Auditing Standards	EYUS National	2.00
28-Aug-2010	Respect at Work: 2010 Refresher	EYUS National	1.50
15-Sep-2010	Bally Undertakings	EYUS National	1.50
16-Sep-2010	EYU Experiences for Assurance Launch	EYUS National	1.00
17-Sep-2010	Ernst & Young's Q3 2010 Financial Reporting Update	EYUS National	1.50
18-Sep-2010	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
21-Sep-2010	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
21-Sep-2010	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
07-Oct-2010	Exposure draft to the 2010 Government Auditing Standards	EYUS Local	1.00
09-Nov-2010	Global IFRS Executive Update 2010: IASB IFRIC Update November	EY Global	1.00
18-Nov-2010	Government Accounting Standards Board Update	EYUS Area	2.00
03-Dec-2010	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
03-Dec-2010	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50

**Susan Wheeler, CPA**

Engagement Partner, Ernst & Young

End date	Title	Vendor	Total
03-Dec-2010	Coordinating and Executing the Audit of Income Tax Accounts	EYUS National	4.00
12-Dec-2010	International GAAP - Introduction to IFRS and IASB - IFRS	EY Global	1.00
13-Dec-2010	US GAAP v. IFRS: The Bridge: Long-Lived Assets and Inventory	EYUS National	1.00
14-Dec-2010	US GAAP vs IFRS: The Bridge	EYUS Local	19.00
16-Dec-2010	US GAAP v. IFRS: The Bridge: Financial Reporting Overview	EYUS National	1.00
17-Dec-2010	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.50
			<b>79.50</b>
<b>2011</b>			
04-Jan-2011	2010 Assurance Quarterly Update - Q4	EYUS National	1.50
04-Jan-2011	2010 Assurance Quarterly Update - Q4	EYUS National	0.50
05-Jan-2011	News you can use	EYUS Area	1.50
22-Feb-2011	Global IFRS Executive Update 2011: Financial Instruments: New IFRS Dev...	EY Global	1.00
16-Mar-2011	Ernst & Young's Q1 2011 Financial Reporting Update	EYUS National	1.50
24-Mar-2011	The National Association of State Auditors, Comptrollers and Treasurers	Natl Assc. of State Auditors Comp. & Treas. NASACT	5.00
24-Mar-2011	The National Association of State Auditors, Comptrollers and Treasurers	Natl Assc. of State Auditors Comp. & Treas. NASACT	2.00
24-Mar-2011	The National Association of State Auditors, Comptrollers and Treasurers	Natl Assc. of State Auditors Comp. & Treas. NASACT	2.00
24-Mar-2011	The National Association of State Auditors, Comptrollers and Treasurers	Natl Assc. of State Auditors Comp. & Treas. NASACT	1.00
05-Apr-2011	2011 Assurance Quarterly Update - Q1	EYUS National	1.50
05-Apr-2011	2011 Assurance Quarterly Update - Q1	EYUS National	0.50
06-Apr-2011	EBP 2011 Regulatory Update by the Department of Labor	EYUS National	1.50
27-Apr-2011	2011 AQR Reviewer Training	EYUS Area	3.50
12-May-2011	EBP 2011 Accounting & Auditing Update	EYUS National	2.00
25-May-2011	EBP 2011 Audits: What You Need to Know	EYUS National	2.50
14-Jun-2011	Global IFRS Executive Update 2011: IASB and IFRIC Update June	EY Global	1.00
21-Jun-2011	Global IFRS Executive Update 2011: IFRS 10 Consolidated Financial Stat...	EY Global	1.00
11-Jul-2011	An Overview of the 2011 OMB Circular A - 133 Compliance	EYUS National	2.00
15-Jul-2011	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	10.00
15-Jul-2011	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	7.00
26-Jul-2011	Global IFRS Executive Update 2011: IFRS 13 Fair Value Measurement	EY Global	1.00
24-Aug-2011	EBP Financial Statement Presentation and Reporting	EY Global	2.00
26-Sep-2011	News you can use September 2011	EYUS Area	1.00
30-Sep-2011	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	1.00
30-Sep-2011	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	4.00
30-Sep-2011	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	11.50
10-Oct-2011	An Overview of GASB's New and Upcoming Standards	EYUS National	2.00
25-Oct-2011	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
15-Nov-2011	Double-exposure: the revised revenue recognition proposal	EYUS National	1.50
17-Nov-2011	CRM/InterAction - Opportunity Management	EYUS Area	1.50

**Susan Wheeler, CPA**

Engagement Partner, Ernst &amp; Young

End date	Title	Vendor	Total
29-Nov-2011	The New 2011 Government Auditing Standards: What You Should Know Now	EYUS National	1.50
13-Dec-2011	Global IFRS Executive Update 2011: IFRS 9 Financial Instruments - Stat...	EY Global	1.00
			78.50
<b>Grand total</b>			<b>158.00</b>



**Randy Nelson, CPA**

Engagement Quality Review Executive Director, Ernst & Young

End date	Title	Vendor	Total
<b>2010</b>			
8-Mar-10	EY Employee Benefit Plans (EBP) Significant Accounting and Auditing Issues	EYUS National	1.00
8-Mar-10	EY Employee Benefit Plans (EBP) Significant Accounting and Auditing Issues	EYUS National	1.00
26-Mar-10	NYS GFOA conference	New York State Government Finance Officers' Association	5.00
26-May-10	EBP 2010 Accounting and Auditing Update	EYUS National	2.00
3-Jun-10	American Recovery and Reinvestment Act and 2010 OMB Circular A-133 Compliance Supplement Update	EYUS National	2.00
4-Jun-10	GASB 53 Updates	EYUS Local	1.00
9-Jun-10	GFOA 104th Annual Conference The Finance Officer's Role in Doing More with Less	Government Finance Officer Association	10.00
11-Jun-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
11-Jun-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
25-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	1.50
25-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	0.50
21-Jul-10	Respect at Work: 2010 Refresher	EYUS National	1.50
31-Aug-10	2010 Accounting & Auditing Quarterly Update - Q1	EYUS National	1.00
31-Aug-10	2010 Accounting & Auditing Quarterly Update - Q1	EYUS National	1.50
15-Sep-10	Bally Undertakings	EYUS National	1.50
24-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
24-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
30-Sep-10	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
16-Nov-10	NJ Advisory Solutions Meeting	EYUS Local	3.50
19-Nov-10	Coordinating and Executing the Audit of Income Tax Accounts	EYUS National	4.00
8-Dec-10	20th Annual Health Sciences Tax Conference	EYUS National	15.50
10-Dec-10	Leadership Matters	EYUS National	9.00
13-Dec-10	2010 Year End Client and Alumni Accounting and Reporting Update	EYUS Area	3.50
17-Dec-10	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.50
			<b>73.50</b>
<b>2011</b>			
6-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	1.50
6-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	0.50
20-Jan-11	New Jersey Economic Development Authority- Audit Committee Roles and R...	EYUS Local	3.00
20-Jan-11	New Jersey Economic Development Authority- Audit Committee Roles and R...	EYUS Local	1.00
3-Feb-11	New Jersey Economic Development Authority (session 2)- Audit Committee ...	EYUS Local	1.00
3-Feb-11	New Jersey Economic Development Authority (session 2)- Audit Committee ...	EYUS Local	1.00
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	1.50
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	0.50
6-Apr-11	EBP 2011 Regulatory Update by the Department of Labor	EYUS National	1.50



**Randy Nelson, CPA**

Engagement Quality Review Executive Director, Ernst &amp; Young

8-Apr-11	NYS GFOA Conference	New York State Government Finance Officers' Asso.	6.00
19-Apr-11	GASB Update	EYUS Area	2.00
27-Apr-11	State and local government audit and accounting issues review	EYUS Area	2.00
2-May-11	EBP Health and Welfare Plan Audits	EY Global	1.00
25-May-11	GFOA 105th National Conference - Navigating the New Normal in Government Finance	Government Finance Officer Association	14.00
2-Jun-11	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	10.00
2-Jun-11	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	7.00
8-Jun-11	EBP 2011 Accounting & Auditing Update	EYUS National	2.00
16-Jun-11	Ernst & Young LLP's Q2 2011 financial reporting update	EYUS National	1.50
11-Jul-11	An Overview of the 2011 OMB Circular A - 133 Compliance	EYUS National	2.00
12-Jul-11	EBP 2011 Audits: What You Need to Know	EYUS National	2.50
7-Sep-11	An In-Depth Look at the GASB's Pension Proposals	Financial Accounting Standards Board (FASB)	3.00
8-Sep-11	Ernst & Young LLP's Q3 2011 financial reporting update	EYUS National	1.50
6-Oct-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	1.00
6-Oct-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	4.00
6-Oct-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	11.50
19-Oct-11	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
18-Nov-11	2011 Government Accounting & Auditing Update	EYUS Local	1.00
18-Nov-11	2011 Government Accounting & Auditing Update	EYUS Local	1.50
18-Nov-11	2011 Government Accounting & Auditing Update	EYUS Local	1.50
29-Nov-11	The New 2011 Government Auditing Standards: What You Should Know Now	EYUS National	1.50
16-Dec-11	Ernst & Young LLP's Q4 2011 financial reporting update	EYUS National	1.50
			91.50
<b>Grand total</b>			<b>165.00</b>

**John Gianola, CPA**

Charleston Office Managing Partner, Ernst & Young

End date	Title	Vendor	Total
<b>2010</b>			
14-Jan-10	BCM Monthly Call Jan 14th	EYUS Local	0.50
11-Feb-10	BCM Monthly Call Feb 11th	EYUS Local	1.00
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	0.50
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
6-Apr-10	EBP 2010 Regulatory Update by the Department of Labor	EYUS National	1.00
7-Apr-10	Ernst & Young Talent Hub Engagement Team Guidance	EYUS National	0.50
7-Apr-10	Ernst & Young Talent Hub Engagement Team Guidance	EYUS National	1.50
13-Apr-10	Global IFRS Executive Update 2010: Intangible Assets and Related Issues	EYUS National	1.00
16-Apr-10	Clarified GAM and GAMx Update for US Assurance Executives	EYUS Local	2.00
22-Apr-10	GASB Update	EYUS Local	1.00
26-Apr-10	New A-133 Sampling Guidance	EYUS National	1.50
3-May-10	OMB Circular A-133 Planning and Major Program Determination Techniques	EYUS National	2.00
13-May-10	BCM Call May 13th	EYUS Local	1.00
26-May-10	EBP 2010 Accounting and Auditing Update	EYUS National	2.00
8-Jun-10	East Central PPEDD 2010 Meeting	EYUS Local	11.50
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	0.50
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	1.00
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	0.50
8-Jun-10	PPEDD Assurance Breakout Meeting - Coming together and winning together in assurance	EYUS Local	0.50
15-Jun-10	Advanced IDI Current Matters Program (BCM)	EYUS National	7.00
22-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	1.50
22-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	0.50
15-Jul-10	Governmental Accounting and Auditing Update	West Virginia Society of CPAs	4.00
15-Jul-10	Governmental Accounting and Auditing Update	West Virginia Society of CPAs	4.00
19-Aug-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
19-Aug-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
26-Aug-10	Respect at Work: 2010 Refresher	EYUS National	1.50
9-Sep-10	BCM Call Sept 9th	EYUS Local	0.50
9-Sep-10	BCM Call Sept 9th	EYUS Local	0.50
15-Sep-10	2010 AICPA National Conference on Banks and Savings Institutions	AICPA	1.00
15-Sep-10	2010 AICPA National Conference on Banks and Savings Institutions	AICPA	5.50
15-Sep-10	2010 AICPA National Conference on Banks and Savings Institutions	AICPA	15.00
15-Sep-10	2010 AICPA National Conference on Banks and Savings Institutions	AICPA	1.50
17-Sep-10	Ernst & Young's Q3 2010 Financial Reporting Update	EYUS National	1.50
21-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
21-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
1-Oct-10	Employee Benefit Plans II: Auditing Considerations	MicroMash	9.00
7-Oct-10	Exposure draft to the 2010 Government Auditing Standards	EYUS Local	1.00
7-Oct-10	Ten things to do with your return of capital	EYUS National	1.50
11-Nov-10	BCM Call Nov 11th	EYUS Local	0.50

**John Gianola, CPA**

Charleston Office Managing Partner, Ernst &amp; Young

End date	Title	Vendor	Total
12-Nov-10	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
23-Nov-10	BCM Sametime Call Session Nov 23rd	EYUS Local	2.00
30-Nov-10	Are you prepared for the future of banking? Insights and implications of the Seoul G20 Summit	EYUS National	1.00
3-Dec-10	Coordinating and Executing the Audit of Income Tax Accounts	EYUS National	9.00
8-Dec-10	Bally Undertakings	EYUS National	2.00
17-Dec-10	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.50
			<b>109.00</b>
<b>2011</b>			
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	1.50
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	0.50
12-Feb-11	Proposed FASB/IASB Impairment Call Sametime Session	EYUS Local	1.00
22-Feb-11	Global IFRS Executive Update 2011: Financial Instruments; New IFRS Dev...	EY Global	1.00
16-Mar-11	Ernst & Young's Q1 2011 Financial Reporting Update	EYUS National	1.50
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	1.50
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	0.50
6-Apr-11	EBP 2011 Regulatory Update by the Department of Labor	EYUS National	1.50
19-Apr-11	GASB Update	EYUS Area	2.00
27-Apr-11	State and local government audit and accounting issues review	EYUS Area	2.00
10-May-11	EBP 2011 Tax Qualification Reviewer Training	EYUS National	1.50
12-May-11	EBP 2011 Accounting & Auditing Update	EYUS National	2.00
7-Jun-11	Assurance PPEDD Breakout Meeting	EYUS Local	2.00
7-Jun-11	2011 East Central PPEDD Retreat	EYUS Local	2.00
7-Jun-11	2011 East Central PPEDD Retreat	EYUS Local	1.50
9-Jun-11	2011 Government Auditing Standards, Compliance Audit and OMB Circular ...	EY Global	8.00
14-Jun-11	Global IFRS Executive Update 2011: IASB and IFRIC Update June	EY Global	1.00
23-Jun-11	Crisis Response Team Training	EYUS National	2.50
12-Jul-11	EBP 2011 Audits: What You Need to Know	EYUS National	2.50
15-Jul-11	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	10.00
15-Jul-11	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	7.00
26-Jul-11	Global IFRS Executive Update 2011: IFRS 13 Fair Value Measurement	EY Global	1.00
11-Aug-11	Charleston Town Hall Meeting	EYUS Local	1.00
8-Sep-11	Ernst & Young LLP's Q3 2011 financial reporting update	EYUS National	1.50
21-Sep-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	1.00
21-Sep-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	4.00
21-Sep-11	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	11.50
15-Nov-11	Double-exposure: the revised revenue recognition proposal	EYUS National	1.50
16-Nov-11	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
29-Nov-11	The New 2011 Government Auditing Standards: What You Should Know Now	EYUS National	1.50
13-Dec-11	2011 Americas Partner Meeting	EYUS Area	3.50

**John Gianola, CPA**

Charleston Office Managing Partner, Ernst & Young

End date	Title	Vendor	Total
13-Dec-11	2011 Americas Partner Meeting	EYUS Area	2.50
13-Dec-11	2011 Americas Partner Meeting	EYUS Area	3.00
13-Dec-11	2011 Americas Partner Meeting	EYUS Area	1.50
16-Dec-11	Ernst & Young LLP's Q4 2011 financial reporting update	EYUS National	1.50
			90.00
<b>Grand total</b>			<b>199.00</b>

**John Good, CPA**

National Public Sector Executive Director, Ernst &amp; Young

End date	Title	Vendor	Total
<b>2010</b>			
1-Mar-10	Single Audit and Recovery Act	Commonwealth of Penn. Dept. of Auditor General	5.00
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
26-Mar-10	NASAC Annual Conference	Natl Assc. of State Auditors Comp. & Treas. NASACT	8.00
12-Apr-10	Clarified GAM and GAMx Update for US Assurance Executives	EYUS Local	2.00
14-Apr-10	GASB Update	National Association of State Auditors, C&T	2.00
22-Apr-10	GASB Update	EYUS Local	4.00
26-Apr-10	New A-133 Sampling Guidance	EYUS National	2.00
3-May-10	OMB Circular A-133 Planning and Major Program Determination Techniques	EYUS National	2.00
6-May-10	Public Sector / Not for Profit Seminar	EYUS Local	1.00
6-May-10	Public Sector / Not for Profit Seminar	EYUS Local	1.50
6-May-10	Public Sector / Not for Profit Seminar	EYUS Local	8.00
7-May-10	Public Sector / Not for Profit Seminar	EYUS Local	3.50
7-May-10	Public Sector / Not for Profit Seminar	EYUS Local	3.00
7-May-10	Public Sector / Not for Profit Seminar	EYUS Local	1.00
7-May-10	Public Sector / Not for Profit Seminar	EYUS Local	8.00
20-May-10	OMB Circular A-133 Internal Control and Compliance Testing and Reporting Techniques	EYUS National	2.00
3-Jun-10	American Recovery and Reinvestment Act and 2010 OMB Circular A-133 Compliance Supplement Update	EYUS National	2.00
4-Jun-10	GASB 53 Updates	EYUS Local	3.00
9-Jun-10	Government Finance Officers Associations (GFOA) 104th Annual Conference	Government Finance Officer Association	2.00
9-Jun-10	Government Finance Officers Associations (GFOA) 104th Annual Conference	Government Finance Officer Association	1.00
9-Jun-10	Government Finance Officers Associations (GFOA) 104th Annual Conference	Government Finance Officer Association	8.00
9-Jun-10	Government Finance Officers Associations (GFOA) 104th Annual Conference	Government Finance Officer Association	1.00
21-Jun-10	OMB Circular A-133 Planning and Major Program Determination Techniques	EYUS National	6.00
21-Jun-10	New A-133 Sampling Guidance	EYUS National	6.00
21-Jun-10	OMB Circular A-133 Internal Control and Compliance Testing and Reporting Techniques	EYUS National	6.00
21-Jun-10	American Recovery and Reinvestment Act and 2010 OMB Circular A-133 Compliance Supplement Update	EYUS National	6.00
22-Jun-10	Annual OMB Circular A-133 Training	EYUS Local	4.50
25-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	1.50
25-Jun-10	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	0.50
20-Jul-10	Respect at Work: 2010 Refresher	EYUS National	1.50
11-Aug-10	NASACT Annual Conference	Natl Assc. of State Auditors Comp. & Treas. NASACT	3.50
11-Aug-10	NASACT Annual Conference	Natl Assc. of State Auditors Comp. & Treas. NASACT	1.00



## John Good, CPA

National Public Sector Executive Director, Ernst & Young

End date	Title	Vendor	Total
11-Aug-10	NASACT Annual Conference	Natl Assc. of State Auditors Comp. & Treas. NASACT	1.00
11-Aug-10	NASACT Annual Conference	Natl Assc. of State Auditors Comp. & Treas. NASACT	5.00
11-Aug-10	New Compliance Auditing and Other New Auditing Standards	EYUS National	6.00
19-Aug-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
19-Aug-10	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
8-Sep-10	The New 2010 OMB Circular A-133 Compliance Supplement	EYUS National	4.00
15-Sep-10	Independence and related ethics 2010 update; manager - partner: US (IND510US)	EYUS National	2.00
15-Sep-10	Bally Undertakings	EYUS National	1.50
21-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
21-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
30-Sep-10	Mayo Clinic Quarterly Update September 2010	EYUS National	1.00
30-Sep-10	Mayo Clinic Quarterly Update September 2010	EYUS National	2.00
7-Oct-10	Exposure draft to the 2010 Government Auditing Standards	EYUS Local	1.50
29-Oct-10	Ethics and Standards of Conduct for Virginia CPAs	Positive Systems Inc - PassOnline	2.00
4-Nov-10	Annual Governmental GAAP Update	Government Finance Officer Association	4.00
9-Nov-10	For Profit Education Training	EYUS Local	3.00
18-Nov-10	Government Accounting Standards Board Update	EYUS Area	4.00
9-Dec-10	BCM Sametime Session/Call Dec 9th	EYUS Local	6.00
17-Dec-10	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.50
			<b>158.00</b>
<b>2011</b>			
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	1.50
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	0.50
12-Mar-11	Introduction to the Government and Public Sector	EY Global	1.50
19-Apr-11	GASB Update	EYUS Area	2.00
27-Apr-11	State and local government audit and accounting issues review	EYUS Area	2.00
14-May-11	2011 Assurance Quarterly Update - Q1 WBL	EY Global	1.00
14-May-11	2011 Assurance Quarterly Update - Q1 WBL	EY Global	1.00
18-May-11	Department of Energy Compliance Audit Conference Call	EYUS Local	6.00
6-Jun-11	Department of Energy Compliance Audit Conference Call - Part II	EYUS Local	6.00
11-Jul-11	An Overview of the 2011 OMB Circular A - 133 Compliance	EYUS National	4.00
7-Sep-11	An In-Depth Look at the GASB's Pension Proposals	Financial Accounting Standards Board (FASB)	2.50
8-Sep-11	Ethics for Virginia CPAs	Positive Systems Inc - PassOnline	2.00
15-Sep-11	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
27-Sep-11	For-Profit Education Industry Annual Training 2011	EYUS National	1.50
27-Sep-11	For-Profit Education Industry Annual Training	EYUS Area	6.00
27-Sep-11	For-Profit Education Industry Annual Training	EYUS Area	18.00
28-Sep-11	Professional Practice Meeting 9/28/11	EYUS Local	4.00
30-Sep-11	Financial Planning 001 Introduction	EYUS National	4.00
4-Oct-11	Thought Center Webcast Electric transmission and distribution repairs:...	EYUS National	1.50



**John Good, CPA**

National Public Sector Executive Director, Ernst &amp; Young

End date	Title	Vendor	Total
10-Oct-11	An Overview of GASB's New and Upcoming Standards	EYUS National	4.00
14-Oct-11	Financial Planning 003 Estate Planning	EYUS National	3.00
10-Nov-11	BCM Sametime Session Nov 10th	EYUS Local	4.00
29-Nov-11	The New 2011 Government Auditing Standards: What You Should Know Now	EYUS National	1.50
			79.50
<b>Grand total</b>			<b>237.50</b>

**Bill Schlegel, CISA, CRP**

Information Technology Risk Advisory Executive Director, Ernst & Young

End date	Title	Vendor	Total
<b>2010</b>			
12-Feb-10	Introduction to the Software Industry 2009	EYUS National	1.50
22-Feb-10	Addressing Fraud Risks Throughout the Audit	EYUS National	1.00
24-Feb-10	Attestation Standards (A CAA Program Required Course)	EYUS Area	3.00
18-Mar-10	Achieving your potential: The Advisory ITRA strategy and EYU	EYUS National	1.50
22-Mar-10	Growing Advisory Sales Pipeline in Channel 1	EYUS Local	1.50
22-Mar-10	Growing Advisory Sales Pipeline in Channel 1	EYUS Local	1.00
22-Mar-10	Growing Advisory Sales Pipeline in Channel 1	EYUS Local	3.50
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
28-Apr-10	Effective Client Encounters	Miller Heiman	6.00
28-Apr-10	Effective Client Encounters	Miller Heiman	2.00
29-Apr-10	2010 ITRA AQR Reviewer Training	EYUS Local	2.00
8-Jun-10	East Central PPEDD 2010 Meeting	EYUS Local	11.50
8-Jun-10	2010 ECSA PPED Retreat - Advisory	EYUS Local	2.00
15-Jun-10	Replacing SAS 70: is your organization prepared?	EYUS National	1.00
18-Jun-10	SOR Workshop - Enhancing Engagement Efficiency and Planning for the New Standards	EYUS National	8.50
21-Jul-10	Strategic Opportunity Management	Miller Heiman	9.00
26-Jul-10	Respect at Work: 2010 Refresher	EYUS National	1.50
30-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
30-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
19-Oct-10	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
30-Nov-10	Delivering Difficult Messages	EYUS Local	1.00
02-Dec-10	The Minto Pyramid Principle	EYUS National	12.50
08-Dec-10	Security and Compliance in the Cloud	ISACA	4.00
17-Dec-10	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.50
			<b>81.50</b>
<b>2011</b>			
05-Jan-11	News you can use	EYUS Area	1.50
31-Jan-11	Advisory in Concert General Session Orlando January 31, 2011	EYUS National	4.00
31-Jan-11	Achieving Pursuit Excellence and Growth	EYUS National	2.00
31-Jan-11	Information Security: Securing the Borderless Organization - Confidenc...	EYUS National	2.00
01-Feb-11	How Leaders Can Get More Done and Have a Life	EYUS National	4.00
02-Feb-11	AACE Immersion	EYUS National	4.50
02-Feb-11	ITRA sub-service line meeting	EYUS National	2.00
02-Feb-11	Advisory in Concert General Session Orlando February 2, 2011	EYUS National	1.50
14-Apr-11	Service organization controls: update on SOC 1, understanding SOC 2 an...	EYUS National	1.50
05-May-11	News you can use May 2011	EYUS Area	1.50
09-May-11	Leadership Matters	EYUS National	9.00
07-Jun-11	Advisory service line breakout session	EYUS Local	2.00
20-Jun-11	GCO Engagement Agreement and Contractual Matters	EYUS Area	2.00
11-Jul-11	Financial Audit IT Integration Training Program	EYUS Local	4.50
04-Aug-11	SOCR Executive Workshop: SOC 1, SOC 2 and SOC 3 - PILOT	EY Global	8.00

**Bill Schlegel, CISA, CRP**

Information Technology Risk Advisory Executive Director, Ernst &amp; Young

26-Aug-11	ITRA Services Update	EYUS Local	1.00
26-Aug-11	ITRA Services Update	EYUS Local	4.00
22-Sep-11	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
26-Sep-11	News you can use September 2011	EYUS Area	1.00
02-Nov-11	Business into the cloud requires information security out of the fog	EYUS National	1.50
17-Nov-11	CRM/InterAction - Opportunity Management	EYUS Area	1.00
02-Dec-11	2011 Accounting and Tax Conference Pittsburgh	EYUS Local	1.00
02-Dec-11	2011 Accounting and Tax Conference Pittsburgh	EYUS Local	2.00
02-Dec-11	2011 Accounting and Tax Conference Pittsburgh	EYUS Local	1.00
			64.50
<b>Grand total</b>			<b>146.00</b>

**Shelley Norton, CPA**

Senior Manager, Ernst & Young

End date	Title	Vendor	Total
<b>2010</b>			
07-Jan-2010	NCSA A&A 2009 Q4 Update Call	EYUS Local	1.50
23-Mar-2010	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
23-Mar-2010	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
12-Apr-2010	Clarified GAM and GAMx Update for US Assurance Executives	EYUS Local	2.00
22-Apr-2010	GASB Update	EYUS Local	1.50
26-Apr-2010	New A-133 Sampling Guidance	EYUS National	2.00
20-May-2010	OMB Circular A-133 Internal Control and Compliance Testing and Reporting Techniques	EYUS National	2.00
03-Jun-2010	American Recovery and Reinvestment Act and 2010 OMB Circular A-133 Compliance Supplement Update	EYUS National	2.00
15-Jun-2010	Advanced IDI Current Matters Program (BCM)	EYUS National	7.00
21-Jun-2010	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	1.50
21-Jun-2010	2010 Quarterly Accounting and Auditing Update - Q2	EYUS National	0.50
08-Jul-2010	Monthly BCM July 8th	EYUS Local	0.50
08-Jul-2010	Monthly BCM July 8th	EYUS Local	0.50
15-Jul-2010	BD Practice Wide Call July 15th	EYUS Local	1.00
30-Jul-2010	Respect at Work: 2010 Refresher	EYUS National	1.50
10-Aug-2010	NASACT Annual Conference 2010	Natl Assoc. of State Auditors Comp. & Treas. NASACT	1.00
10-Aug-2010	NASACT Annual Conference 2010	Natl Assoc. of State Auditors Comp. & Treas. NASACT	1.00
10-Aug-2010	NASACT Annual Conference 2010	Natl Assoc. of State Auditors Comp. & Treas. NASACT	5.00
10-Aug-2010	NASACT Annual Conference 2010	Natl Assoc. of State Auditors Comp. & Treas. NASACT	1.00
11-Aug-2010	Economic Summit: Survival Post ARRA	Natl Assoc. of State Auditors Comp. & Treas. NASACT	3.50
11-Aug-2010	New Compliance Auditing and Other New Auditing Standards	EYUS National	2.00
08-Sep-2010	The New 2010 OMB Circular A-133 Compliance Supplement	EYUS National	2.00
09-Sep-2010	BCM Call Sept 9th	EYUS Local	0.50
09-Sep-2010	BCM Call Sept 9th	EYUS Local	0.50
15-Sep-2010	Bally Undertakings	EYUS National	1.50
16-Sep-2010	EYU Experiences for Assurance Launch	EYUS National	1.00
21-Sep-2010	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
21-Sep-2010	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
07-Oct-2010	Exposure draft to the 2010 Government Auditing Standards	EYUS Local	1.50
02-Nov-2010	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
11-Nov-2010	BCM Call Nov 11th	EYUS Local	0.50
11-Nov-2010	BCM Call Nov 11th	EYUS Local	0.50
18-Nov-2010	Government Accounting Standards Board Update	EYUS Area	2.00
23-Nov-2010	BCM Sametime Call Session Nov 23rd	EYUS Local	2.00
03-Dec-2010	Professional Skepticism - Your Mindset and Your Behavior	EYUS National	3.50
03-Dec-2010	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50

**Shelley Norton, CPA**

Senior Manager, Ernst &amp; Young

03-Dec-2010	EY Accounting & Auditing Consultation Process Spring 2010	EYUS National	1.50
03-Dec-2010	Coordinating and Executing the Audit of Income Tax Accounts	EYUS National	4.00
17-Dec-2010	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.50
			67.00
<b>2011</b>			
04-Jan-2011	2010 Assurance Quarterly Update - Q4	EYUS National	1.50
04-Jan-2011	2010 Assurance Quarterly Update - Q4	EYUS National	0.50
12-Feb-2011	Proposed FASB/IASB Impairment Call Sametime Session	EYUS Local	1.00
10-Mar-2011	BCM Sametime Session/Call March 10th 2011	EYUS Local	0.50
10-Mar-2011	BCM Sametime Session/Call March 10th 2011	EYUS Local	0.50
16-Mar-2011	Ernst & Young's Q1 2011 Financial Reporting Update	EYUS National	1.50
05-Apr-2011	2011 Assurance Quarterly Update - Q1	EYUS National	1.50
05-Apr-2011	2011 Assurance Quarterly Update - Q1	EYUS National	0.50
06-Apr-2011	EBP 2011 Regulatory Update by the Department of Labor	EYUS National	1.50
19-Apr-2011	GASB Update	EYUS Area	2.00
27-Apr-2011	State and local government audit and accounting issues review	EYUS Area	1.00
12-May-2011	EBP 2011 Accounting & Auditing Update	EYUS National	2.00
25-May-2011	EBP 2011 Audits: What You Need to Know	EYUS National	2.50
09-Jun-2011	2011 Government Auditing Standards, Compliance Audit and OMB Circular ...	EY Global	9.00
16-Jun-2011	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	10.00
16-Jun-2011	Assurance Executive Event Spring 2011 - US Partners and Senior Managers	EYUS Area	7.00
21-Jun-2011	2011 BCM Current Matters	EYUS Area	11.50
21-Jun-2011	2011 BCM Current Matters	EYUS Area	3.50
11-Aug-2011	Charleston Town Hall Meeting	EYUS Local	3.00
08-Sep-2011	BCM September 8th Sametime Conf Call	EYUS Local	0.50
08-Sep-2011	BCM September 8th Sametime Conf Call	EYUS Local	0.50
08-Sep-2011	Ernst & Young LLP's Q3 2011 financial reporting update	EYUS National	1.50
16-Sep-2011	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	1.00
16-Sep-2011	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	4.00
16-Sep-2011	Assurance Executive Event Fall 2011 - US Partners and Senior Managers	EY Global	11.50
26-Sep-2011	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
10-Oct-2011	An Overview of GASB's New and Upcoming Standards	EYUS National	2.00
10-Nov-2011	BCM Sametime Session Nov 10th	EYUS Local	2.00
16-Nov-2011	Auditing the Valuation of Investments	EYUS Area	1.00
29-Nov-2011	The New 2011 Government Auditing Standards: What You Should Know Now	EYUS National	1.00
08-Dec-2011	BCM Sametime Session December 8th 2011	EYUS Local	0.50
08-Dec-2011	BCM Sametime Session December 8th 2011	EYUS Local	0.50
16-Dec-2011	Ernst & Young LLP's Q4 2011 financial reporting update	EYUS National	1.50
			90.00
<b>Grand total</b>			<b>157.00</b>

<b>Adam Fisher, CPA</b> Assurance Senior, Ernst & Young			
End date	Title	Vendor	Total
<b>2010</b>			
4-Oct-10	Excellence in Assurance	Dixon Hughes PLLC	8.00
17-Nov-10	Audit Watch Best Practices Seminar	Dixon Hughes PLLC	12.00
17-Nov-10	Audit Watch Reengineering Session	Dixon Hughes PLLC	4.00
3-Dec-10	Annual Update for P&C and Life Insurance Companies	Dixon Hughes PLLC	8.00
16-Dec-10	Annual Statement Preparation for Property and Casualty Companies	Booke Seminars	28.00
			<b>60.00</b>
<b>2011</b>			
25-Oct-11	Web Based Learning: Engagement Economics and You	EYUS Local	3.00
26-Oct-11	Class: Welcome to EY Experienced Hire McLean 217	EYUS National	16.00
29-Oct-11	Web Based Learning: Independence Policy - US - Overview (IND201USENG)	EYUS Local	2.00
6-Nov-11	Web Based Learning: Introduction to Counseling at EY	EYUS Local	1.50
6-Nov-11	Web Based Learning: Respect at Work for New Hires	EYUS Local	1.00
6-Nov-11	Web Based Learning: Safeguarding Confidential Employee, Client and Firm Data	EYUS Local	0.75
13-Nov-11	Web Based Learning: Living Our Values: The EY Global Code of Conduct	EYUS Local	1.00
16-Nov-11	Web Based Learning: Materiality and Tolerable Error Concepts: Basics	EYUS Local	1.00
18-Nov-11	Class: Experienced Hire Staff and Senior Atlanta 002	EYUS National	43.00
29-Nov-11	Class: The New 2011 Government Auditing Standards: What You Should Know Now 001	EYUS Local	1.50
16-Dec-11	Class: Ernst & Young LLP's Q4 2011 financial reporting update	EYUS Local	1.50
			<b>72.25</b>
<b>Grand total</b>			<b>132.25</b>



**Betty Rowe, CPA**

Assurance Senior, Ernst &amp; Young

End date	Title	Vendor	Total
<b>2010</b>			
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	0.50
23-Mar-10	2010 Accounting and Auditing Quarterly Update - Q1	EYUS National	1.00
22-Apr-10	Clarified GAM and GAMx Update for US Assurance Seniors	EYUS Local	1.50
26-Apr-10	New A-133 Sampling Guidance	EYUS National	2.00
3-May-10	OMB Circular A-133 Planning and Major Program Determination Techniques	EYUS National	2.00
20-May-10	OMB Circular A-133 Internal Control and Compliance Testing and Reporting Techniques	EYUS National	2.00
25-May-10	Global IFRS Executive Update 2010: The Lessons Learned for Year-End Reporting	EYUS National	1.00
26-May-10	EBP 2010 Accounting and Auditing Update	EYUS National	2.00
3-Jun-10	American Recovery and Reinvestment Act and 2010 OMB Circular A-133 Compliance Supplement Update	EYUS National	2.00
8-Jun-10	Global IFRS Executive Update 2010: IASB IFRIC Update June	EYUS National	1.00
9-Jun-10	Financial instruments - a changing landscape	EYUS National	1.00
15-Jun-10	Replacing SAS 70: is your organization prepared?	EYUS National	1.00
11-Aug-10	New Compliance Auditing and Other New Auditing Standards	EYUS National	2.00
8-Sep-10	The New 2010 OMB Circular A-133 Compliance Supplement	EYUS National	1.00
15-Sep-10	Bally Undertakings	EYUS National	1.50
15-Sep-10	2010 Accounting & Auditing Quarterly Update - Q2	EYUS National	1.50
15-Sep-10	2010 Accounting & Auditing Quarterly Update - Q2	EYUS National	0.50
16-Sep-10	EYU Experiences for Assurance Launch	EYUS National	1.00
17-Sep-10	Ernst & Young's Q3 2010 Financial Reporting Update	EYUS National	1.50
18-Sep-10	International GAAP - Introduction to IFRS and IASB - IFRS	EY Global	1.00
18-Sep-10	US GAAP v. IFRS: The Bridge: Financial Reporting Overview	EYUS National	1.00
21-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
21-Sep-10	2010 Accounting and Auditing Quarterly Update - Q3	EYUS National	1.00
23-Sep-10	US GAAP vs IFRS: The Bridge	EYUS National	19.00
29-Sep-10	Auditing 601 New Manager Technical	EYUS National	0.50
29-Sep-10	Auditing 601 New Manager Technical	EYUS National	14.50
7-Oct-10	Exposure draft to the 2010 Government Auditing Standards	EYUS Local	1.50
10-Nov-10	Independence and related ethics 2010 update: staff and senior: US (IND310US)	EYUS National	1.00
16-Nov-10	Independent Assurance on Sustainability Information	EY Global	1.00
3-Dec-10	Professional Skepticism - Your Mindset and Your Behavior	EYUS National	2.00
17-Dec-10	Ernst & Young's Q4 2010 financial reporting update	EYUS National	1.00
29-Dec-10	US GAAP v. IFRS: The Bridge: Long-Lived Assets and Inventory	EYUS National	1.00
			<b>71.50</b>
<b>2011</b>			
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	1.50
4-Jan-11	2010 Assurance Quarterly Update - Q4	EYUS National	0.50
22-Feb-11	Global IFRS Executive Update 2011: Financial Instruments: New IFRS Dev...	EY Global	1.00
16-Mar-11	Ernst & Young's Q1 2011 Financial Reporting Update	EYUS National	1.50
21-Mar-11	Global mining and metals: 2010 trends, 2011 outlook	EYUS National	1.00
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	1.50
5-Apr-11	2011 Assurance Quarterly Update - Q1	EYUS National	0.50

<b>Betty Rowe, CPA</b>			
Assurance Senior, Ernst & Young			
10-May-11	Global IFRS Executive Update 2011: IFRIC 12 Service Concession Arrange...	EY Global	1.00
9-Jun-11	2011 Government Auditing Standards, Compliance Audit and OMB Circular ...	EY Global	8.00
14-Jun-11	Global IFRS Executive Update 2011: IASB and IFRIC Update June	EY Global	1.00
16-Jun-11	Ernst & Young LLP's Q2 2011 financial reporting update	EYUS National	1.50
11-Jul-11	An Overview of the 2011 OMB Circular A - 133 Compliance	EYUS National	2.00
14-Jul-11	Global IFRS Executive Update 2011: IFRS 11 Joint Arrangements	EY Global	1.00
19-Jul-11	Fair value measurement: changes to US GAAP	EYUS National	1.00
11-Aug-11	Charleston Town Hall Meeting	EYUS Local	1.00
6-Sep-11	Respect at Work: Refresher	EYUS National	1.50
8-Sep-11	Ernst & Young LLP's Q3 2011 financial reporting update	EYUS National	1.50
21-Sep-11	Thought Center Webcast Accounting for income taxes September 2011	EYUS National	1.00
9-Nov-11	Accounting for Pension and Other Postretirement Benefits: Year-End Rem...	EYUS National	1.50
15-Nov-11	IFRS 10 Consolidated Financial Statements	EY Global	1.00
15-Nov-11	Double-exposure: the revised revenue recognition proposal	EYUS National	1.50
15-Nov-11	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
16-Nov-11	Auditing the Valuation of Investments	EYUS Area	1.00
29-Nov-11	The New 2011 Government Auditing Standards: What You Should Know Now	EYUS National	1.50
29-Nov-11	Global IFRS Executive Update 2011: A Revised Proposal for Revenue Reco...	EY Global	1.00
13-Dec-11	Global IFRS Executive Update 2011: IFRS 9 Financial Instruments - Stat...	EY Global	1.00
16-Dec-11	Thought Center Webcast Accounting for income taxes December 2011	EYUS National	1.00
16-Dec-11	Ernst & Young LLP's Q4 2011 financial reporting update	EYUS National	1.50
			41.00
<b>Grand total</b>			<b>112.50</b>

**Arthur Cohen**

Lead actuary, Ernst &amp; Young

End date	Title	Vendor	Total
<b>2010</b>			
20-Apr-2010	FASB/IASB Exposure Draft Update	EYUS Local	1.00
21-May-2010	Summary of 1st Quarter Results for the Insurance Industry May 21 2010	EYUS Local	1.00
08-Jun-2010	FASB/IASB Exposure Draft Update - June 8 2010	EYUS Local	1.00
09-Jun-2010	2010 CAMAR Spring Meeting	Casualty Actuarial Society	2.00
09-Jun-2010	2010 CAMAR Spring Meeting	Casualty Actuarial Society	4.00
15-Jun-2010	IAAS Quality Update Webcast	EYUS Local	2.00
02-Aug-2010	FSO Advisory IAAS Learning Day	EYUS Local	5.50
02-Aug-2010	FSO Advisory IAAS Learning Day	EYUS Local	5.50
18-Aug-2010	The Dodd-Frank Act and its Implication on Insurers	EYUS Local	1.00
18-Aug-2010	Respect at Work: 2010 Refresher	EYUS National	1.50
21-Sep-2010	2010 Casualty. Loss. Reserve. Seminar	Casualty Actuarial Society	8.00
21-Sep-2010	2010 Casualty. Loss. Reserve. Seminar	Casualty Actuarial Society	4.50
05-Oct-2010	CAS Government in Insurance	Casualty Actuarial Society	11.50
05-Oct-2010	CAS Government in Insurance	Casualty Actuarial Society	1.50
15-Oct-2010	Annual Fall 2010 CLE Seminar	Montgomery County Bar Association	3.50
11-Nov-2010	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
23-Nov-2010	FSO Advisory Quality Assurance Program and Quality & Risk Management Mandatory Update	EYUS Local	2.00
06-Dec-2010	IAAS Quality Update Webcast 12/6/10	EYUS Area	2.00
20-Dec-2010	Lunch & Learn Webcast: Intermediate Engagement Agreement and RFP Topics	EYUS Area	1.00
			<b>60.50</b>
<b>2011</b>			
13-May-2011	GCO - Led Contracts, Engagement Agreements and Other Contractual Matters	EYUS Local	3.00
31-May-2011	AAA Webinar: P/C Risk Based Capital: State and International Solvency Regulation	American Academy of Actuaries	2.50
02-Jun-2011	Leadership Matters	EYUS National	9.00
13-Jun-2011	IAAS EQR Debrief Webcast	EYUS Local	1.00
21-Jun-2011	FSO Advisory Knowledge Management Training for PPEDs and Senior Managers	EYUS National	1.00
28-Jul-2011	IAAS Learning Day	EYUS Local	12.00
16-Sep-2011	Casualty Loss Reserve Seminar - Art Cohen	Casualty Actuarial Society	15.50
16-Sep-2011	Casualty Loss Reserve Seminar - Art Cohen	Casualty Actuarial Society	1.50
21-Sep-2011	Code of Professional Conduct Webinar	American Academy of Actuaries	1.50
13-Oct-2011	2011 CAMAR Fall Meeting - Art Cohen	Casualty Actuaries of Mid-Atlantic Region (CAMAR)	3.00
13-Oct-2011	2011 CAMAR Fall Meeting - Art Cohen	Casualty Actuaries of Mid-Atlantic Region (CAMAR)	1.00
13-Oct-2011	2011 CAMAR Fall Meeting - Art Cohen	Casualty Actuaries of Mid-Atlantic Region (CAMAR)	2.50
14-Oct-2011	Annual Fall 2011 CLE Seminar - Art Cohen	Montgomery County Bar Association	3.50
28-Oct-2011	Actuarial Standard of Practice No. 41 Part 1	EY Global	1.00

<b>Arthur Cohen</b>			
Lead actuary, Ernst & Young			
04-Nov-2011	Actuarial Standards of Practice No.41 Part 2	EY Global	1.00
12-Nov-2011	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
12-Dec-2011	IAAS Property/Casualty Webcast 12-12-11	EYUS Local	2.00
			63.00
<b>Grand total</b>			<b>123.50</b>

**Ian Sterling**

Insurance and actuarial adviser, Ernst &amp; Young

End date	Title	Vendor	Total
<b>2010</b>			
08-Jun-2010	FASB/IASB Exposure Draft Update - June 8 2010	EYUS Local	0.50
09-Jun-2010	2010 CAMAR Spring Meeting	Casualty Actuarial Society	2.00
09-Jun-2010	2010 CAMAR Spring Meeting	Casualty Actuarial Society	4.00
15-Jun-2010	IAAS Quality Update Webcast	EYUS Local	2.00
17-Jun-2010	You've got Qualification Standards questions? The Academy has answers -Sterling	American Academy of Actuaries	1.50
02-Aug-2010	FSO Advisory IAAS Learning Day	EYUS Local	5.50
02-Aug-2010	FSO Advisory IAAS Learning Day	EYUS Local	5.50
24-Aug-2010	Respect at Work: 2010 Refresher	EYUS National	1.50
21-Sep-2010	2010 Casualty Loss Reserve Seminar	Casualty Actuarial Society	8.50
15-Oct-2010	Worker's Compensation Committee Annual Fall Seminar	The Chartwell Law Offices LLP	3.50
22-Oct-2010	Independence and related ethics 2010 update: manager - partner: US (IND510US)	EYUS National	2.00
06-Dec-2010	IAAS Quality Update Webcast 12/6/10	EYUS Area	2.00
			<b>38.50</b>
<b>2011</b>			
05-Apr-2011	Overview of Insurance Contracts (ED) Presentation Model and Disclosures	EYUS National	1.00
26-May-2011	CAMAR 2011 Spring Meeting	Casualty Actuarial Society	3.50
26-May-2011	CAMAR 2011 Spring Meeting	Casualty Actuarial Society	3.00
31-May-2011	AAA Webinar: P/C Risk Based Capital: State and International Solvency Regulation	American Academy of Actuaries	2.50
30-Jun-2011	FSO Advisory Knowledge Management Training for Managers, Seniors, Staf...	EYUS Area	1.00
11-Jul-2011	Solvency II and IFRS 4 Phase II	EYUS National	2.00
28-Jul-2011	IAAS Learning Day	EYUS Local	10.00
16-Sep-2011	Casualty Loss Reserve Seminar - Ian Sterling	Casualty Actuarial Society	9.50
16-Sep-2011	Casualty Loss Reserve Seminar - Ian Sterling	Casualty Actuarial Society	1.50
21-Sep-2011	Code of Professional Conduct Webinar	American Academy of Actuaries	1.50
27-Sep-2011	Independence and related ethics 2011 update - US (INDX11US)	EYUS National	2.00
28-Sep-2011	FSO Advisory Archiving Overview Training	EYUS National	1.50
12-Oct-2011	Discount rates for insurance contracts: one size does not fit all	EY Global	1.00
13-Oct-2011	2011 CAMAR Fall Meeting - Ian Sterling	Casualty Actuaries of Mid-Atlantic Region (CAMAR)	5.50
13-Oct-2011	2011 CAMAR Fall Meeting - Ian Sterling	Casualty Actuaries of Mid-Atlantic Region (CAMAR)	1.00
28-Oct-2011	Actuarial Standard of Practice No. 41 Part 1	EY Global	1.00
04-Nov-2011	Actuarial Standards of Practice No.41 Part 2	EY Global	1.00
			<b>48.50</b>
<b>Grand total</b>			<b>87.00</b>