



West Virginia Purchasing Division

2019 Washington Street, East
Charleston, WV 25305
Telephone: 304-558-2306
General Fax: 304-558-6026
Bid Fax: 304-558-3970

The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at ***wvOASIS.gov***. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at ***WVPurchasing.gov*** with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

Header 1

List View

General Information | Contact | Default Values | Discount | Document Information

Procurement Folder: 341417

SO Doc Code: CRFQ

Procurement Type: Central Master Agreement

SO Dept: 0323

Vendor ID: VS0000007569

SO Doc ID: WWW1700000007

Legal Name: Maher Duessel

Published Date: 6/19/17

Alias/DBA:

Close Date: 6/22/17

Total Bid: \$0.00

Close Time: 13:30

Response Date: 06/22/2017

Status: Closed

Response Time: 9:11

Solicitation Description: Addendum No. 1 Auditing Services for WorkforceWV

Total of Header Attachments: 1

Total of All Attachments: 1



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

**State of West Virginia
 Solicitation Response**

Proc Folder : 341417

Solicitation Description : Addendum No. 1 Auditing Services for WorkforceWV

Proc Type : Central Master Agreement

Date issued	Solicitation Closes	Solicitation Response	Version
	2017-06-22 13:30:00	SR 0323 ESR06221700000006505	1

VENDOR
VS0000007569 Maher Duessel

Solicitation Number: CRFQ 0323 WWV1700000007

Total Bid : \$0.00 **Response Date:** 2017-06-22 **Response Time:** 09:11:05

Comments:

FOR INFORMATION CONTACT THE BUYER
 Melissa Pettrey
 (304) 558-0094
 melissa.k.pettrey@wv.gov

Signature on File	FEIN #	DATE
--------------------------	---------------	-------------

All offers subject to all terms and conditions contained in this solicitation

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Auditing Services	0.00000	EA	\$27,500.000000	\$0.00

Comm Code	Manufacturer	Specification	Model #
93151608			

Extended Description : Auditing Services per the specifications attached herein.

**A Proposal to Provide
Professional Auditing Services**
WorkForce West Virginia



Submitted: June 22, 2017
Contact: Jeffrey W. Kent, CPA
Partner
Maher Duessel
D.L. Clark Building
503 Martindale Street
Suite 600
Pittsburgh, PA 15212
412.535.5539
jkent@md-cpas.com

MaherDuessel
Certified Public Accountants

Pursuing the profession while promoting the public good®



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MaherDuessel

Certified Public Accountants

Pittsburgh
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Suite 600
Pittsburgh, PA 15212
Main 412.471.5500
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Suite 101
Harrisburg, PA 17110
Main 717.232.1230
Fax 717.232.8230

Butler
112 Hollywood Drive
Suite 204
Butler, PA 16001
Main 724.285.6800
Fax 724.285.6875

June 15, 2017

Ms. Melissa Pettrey
West Virginia Department of Administration
Purchasing Division
2019 Washington St. E
Charleston, WV 25305

Dear Ms. Pettrey:

Thank you for the opportunity to present Maher Duessel's proposal to provide audit services for WorkForce West Virginia. Maher Duessel was founded in 1989 to provide high-caliber auditing services to clients in the governmental and non-profit sectors, and **all** of our professionals have significant experience and education in both markets. Our commitment and focus to the public sector will ensure a consistent and timely audit process for WorkForce West Virginia. Since February 2016, we have been providing audit assistance services to the West Virginia Department of Administration. Also, we have provided audit services for the West Virginia Supreme Court of Appeals Public Campaign Financing Option, and we have recently been awarded a new engagement with the West Virginia School Building Authority. We also are licensed as a CPA firm in West Virginia. We have enjoyed working with the State of West Virginia and we look forward to expanding our service to additional agencies. In addition to the State of West Virginia, we serve several other state entities including the Pennsylvania Department of Human Services, the Maryland Motor Vehicle Administration/Department of Transportation, Pennsylvania Emergency Management Agency, and Maryland Public Service Commission.

With approximately 100 employees, we offer the personalized service of a regional accounting firm with the added value of national technical expertise on the latest regulatory changes and compliance issues in public sector accounting. Maher Duessel is unique among Pennsylvania auditing firms in that virtually every hour of our practice is devoted to serving the governmental and non-profit sectors. Maher Duessel offers the personalized service of a regional accounting firm with the added value of national technical expertise on the latest regulatory changes and compliance issues in public sector accounting.

We understand that WorkForce West Virginia offers a broad range of workforce development services through a network of thirteen career centers including job opportunities, unemployment compensation, training, tax incentives and labor market information. Our experience serving agencies that offer similar programs such as the Washington-Greene Job Training Agency, Southwest Training Services, Inc., Tri-County Workforce Investment Board will ensure an efficient and timely audit process for WorkForce West Virginia.

MaherDuessel

Certified Public Accountants

We also understand that the audit to be completed under this engagement is to be incorporated into the State's Comprehensive Annual Financial Report (CAFR), and the State has been awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1995. **Maher Duessel serves 13 clients that hold this prestigious GFOA Certificate of Achievement including the West Virginia Department of Administration.** Your proposed Engagement Partner, Jeffrey W. Kent, CPA, serves on the GFOA's CAFR Review Committee as a Technical Reviewer and seven other members of the firm also serve on this committee. Our widespread experience with the CAFR program's requirements will provide exceptional added value when we finalize the audits.

A firm, in which all professionals are trained in and serve local governments on a daily basis, and not just occasionally, will best serve you. For over 25 years, we have proudly served governments with integrity and excellence, and we would be pleased to further expand our service in West Virginia. Please contact me at 412.535.5539 or at jkent@md-cpas.com at your convenience.

Sincerely,



Jeffrey W. Kent, CPA
Partner

3.0 Firm Overview

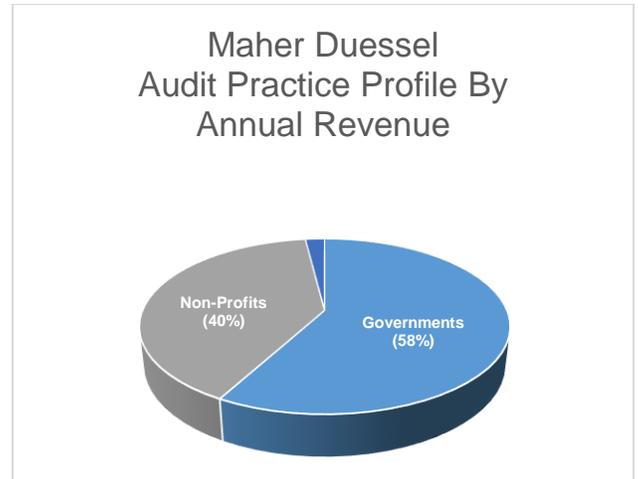
The founding partners of Maher Duessel had a vision: to focus on providing integrated consulting, auditing and tax services for the unique needs of governmental and non-profit organizations. Since 1989, our commitment to this vision has led Maher Duessel to become one of Pennsylvania's leading certified public accounting firms. Our mission statement, *Pursuing the Profession While Promoting the Public Good®*, reflects our philosophy of providing expert technical services that help our clients create a better community.

At over 100 professionals, Maher Duessel is a regional Pennsylvania accounting firm with offices in Pittsburgh, Butler, State College, Harrisburg, Erie and Lancaster. For a firm of our size, our high percentage of partners, managers and supervisors compared to seniors and staff assures that every engagement is staffed with highly experienced professionals who are actively involved in the field.

We provide the quality of a large firm with the personalized service of a small firm. **All of our professionals have significant experience serving governments.** Maher Duessel is unique among Pennsylvania auditing firms in that virtually every hour of our practice is devoted to serving the governmental and non-profit sectors. Many firms will serve a wide range of clients in the private and public sectors. Professionals in firms that serve both the public and private sectors do possess a broad base of experience.

However, in serving a wide client base, professionals are limited in gaining specialized knowledge and insight into the unique environments that governments operate in. In other firms, key decisions and judgments with significant client impact often fall to junior level staff. Maher Duessel embraces leveraging our experienced personnel on every engagement. Our clients benefit from experienced and timely guidance of CPAs who understand their specific operations and challenges. The chart below demonstrates our firm's

commitment to serving entities within the governmental sector.



A. Government Services

Maher Duessel serves over 250 local governments and performs over 380 governmental audits annually.

The following is a breakdown of the client types we serve:

[Maher Duessel Governmental Client Breakdown](#)

- State (14)
- Authorities (100)
- Municipalities and Cities (77)
- Counties (33) (County Wide Audits: 10)
- School Districts (11)
- Intermediate Units (3)
- Community Colleges (5)
- Tax Collection Committees (3)
- Other Local Governments (19)

Maher Duessel's expertise allows us to offer a wide range of services focused on governments. Those services include the following:

- Single Audits
- Assistance with Government Finance Officer Association (GFOA) Award Program Reports
- Financial Statement Audits
- Audits in Accordance with *Government Auditing Standards*



- Governmental Accounting Standards Board Statement (GASB) Implementation
- Grant Audits
- Agreed Upon Procedures Attestation Reports
- Forensic Auditing
- Pension Audits
- Arbitrage Rebate Calculations
- Debt Refunding Verification Reporting
- Borrowing Base and Debt Statement Preparation
- Internal Control Examinations

B. CAFR Expertise

Maher Duessel is committed to the GFOA. We provide CAFR (Comprehensive Annual Financial Report) assistance to eleven clients who have obtained the GFOA Certificate of Achievement for Excellence in Financial Reporting.

- State of West Virginia
- Municipality of Mt. Lebanon
- Pittsburgh Public Schools
- Mt. Lebanon School District
- Upper Allen Township
- Township of O'Hara
- Bethel Park Municipality
- City of Pittsburgh
- Centre County
- Butler County
- Erie County

Eight members of our firm serve on the GFOA's CAFR Review Committee as a Technical Reviewer, including your proposed Engagement Partner, Jeffrey W. Kent, CPA and Engagement Quality Control Review Partner, Timothy J. Morgus, CPA, CFE, CGFM. **Our firm comprises over 75% of GFOA technical reviewers in the State of Pennsylvania.** Our comprehensive experience with the CAFR program's requirements will provide exceptional added value for WorkForce West Virginia.

C. GASB Expertise

Maher Duessel's expertise in governmental accounting helps us ensure that our clients are always

aware of the impact of new GASB statements. We assist our governmental clients throughout the year regarding proper accounting procedures and best practices in addressing GASB requirements. Our partners and managers routinely present seminars to local government officials on GASB implementation. We are well prepared to assist WorkForce West Virginia in implementing these standards at no additional charge, including the most recent standards (GASB 72-85).

D. Single Audit Expertise

The assigned engagement team has substantial experience with auditing and reporting in accordance with *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (*Uniform Guidance*).

Based on information from the Federal Audit Clearinghouse, we rank 25th nationally (out of the more than 4,900 firms/CPA's that conduct Single Audits), in the number of Single Audits performed annually (over 140). Maher Duessel also ranks among the top 50 accounting firms nationwide for the amount of federal award dollars audited.

Additionally, your proposed Engagement Partner, Jeffrey W. Kent, CPA, and Engagement Quality Control Review Partner, Tim Morgus, CPA, CFE, CGFM, recently received the AICPA's Advanced Single Audit Certification.

From our vast experience providing services to similar clients, Maher Duessel has the knowledge of the unique challenges associated with these reporting requirements. Should Workforce West Virginia expend federal funds greater than the Uniform Guidance audit threshold (\$750,000), we are well-prepared to handle the additional internal control and required compliance work.



3.1 Scope of Work and Timeline

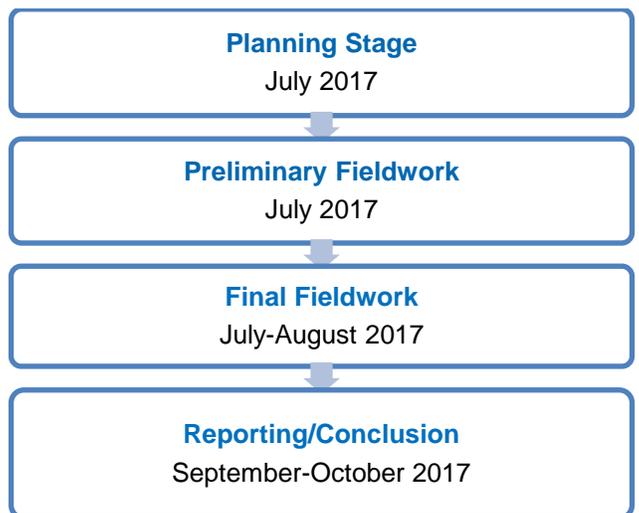
Maher Duessel will conduct a financial statement audit for WorkForce West Virginia for the year ending June 30, 2017.

- We will provide a written statement in conformity with Generally Accepted Accounting Principles, on the presentation of the General Purpose Financial Statements that will include all WorkForce West Virginia funds to the Director of FAM.
- The audit will be performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.
- We will provide technical assistance to WorkForce West Virginia financial personnel for the continuation of GASB 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments” and the continuation of SAS 99 which revises guidance on the consideration of fraud in financial statement audits.
- We will audit the additional financial information schedules required by the Financial Accounting and Reporting Section (FARS) of the West Virginia Department of Administration.
- We will be responsible for performing certain limited procedures involving required supplementary information required by *Government Auditing Standards* as mandated by Generally Accepted Auditing Standards.
- We will work under the direction of the Executive Director of WorkForce West Virginia.
- Following the completion of each audit, we will issue reports on the presentations of the financial statements in conformity with Generally Accepted Accounting Principles.
- We will provide to the Director of the Financial Accounting and Reporting Section a written report within 24 hours of all irregularities and illegal acts of which we become aware.
- We will provide a copy of all reports to the Executive Director of WorkForce West Virginia and the Director of Financial Administrative & Management (FAM) in writing of each of the firm’s responsibility under general accepted auditing standards, accounting policies,

management judgements, accounting estimates and projections, audit adjustments and revisions of past and current estimates and projections, disagreements with management, consultation with other accountants and actuaries, major issues discussed with management prior to retention, and difficulties encountered in performing the audit.

- We will communicate immediately to the Executive Director of WorkForce West Virginia and the Director of FAM any issues that arise during the course of the audit that could cause delays in the issuance of the report or have an adverse impact. A written summary of these issues will be provided within 24 hours to the Executive Director of WorkForce West Virginia and the Director of FAM.
- All written reports will be initially submitted in draft form so that any necessary changes may be discussed and agreed upon before final acceptance.
- We will discuss any public statements with the Executive Director or designee prior to the statements being released or made.
- We will assist WorkForce West Virginia to ensure the report is acceptable for inclusion in the Comprehensive Annual Financial Report (CAFR).

Our proposed timeline to complete the audit is below. This timeline can be adjusted depending upon the needs of WorkForce West Virginia.



3.1.1.14 External Quality Control Review

Maher Duessel affirms that we are independent of the State of West Virginia and any component units of the State as defined by *Government Auditing Standards*. Maher Duessel affirms that we are independent of WorkForce West Virginia and related systems.

3.1.1.15 Review of Independence

We will review the independence of all personnel within the firm assigned to this project to ensure they are independent of WorkForce West Virginia, the State of West Virginia and its component entities.

3.1.1.16 Written Notice

We will give written notice of any professional relationships entered into during the period of the agreement that may impair our independence. We will also notify the agency in writing of any other matters that come to our attention during the course of this contract which may impair our independence.

3.1.1.17 Firm License

Maher Duessel is a Certified Public Accounting firm licensed by both the State of West Virginia and the Commonwealth of Pennsylvania. Our partners and all CPAs are members of both the AICPA (American Institute of Certified Public Accountants) and Pennsylvania Institute of Certified Public Accountants (PICPA). All CPAs are certified by the Commonwealth of Pennsylvania. Your proposed Engagement Partner, Jeffrey W. Kent, CPA, is a certified West Virginia CPA. The other key senior level professionals assigned on this engagement are licensed Pennsylvania CPA's, and their Pennsylvania CPA licenses provide the required mobility to perform audit services in the State of West Virginia. However, at WorkForce West Virginia's request, we can and are willing to obtain West Virginia CPA licenses for our licensed

Pennsylvania CPA personnel upon award of a contract.

3.1.1.18 Internal Quality Control

Maher Duessel has several tools and processes in place to ensure the highest levels of internal quality control for WorkForce West Virginia as detailed below:

A. AICPA Quality Control Centers

Maher Duessel is a member of the American Institute of Certified Public Accountants (AICPA's) Governmental Audit Quality Center (GAQC) and Employee Benefit Plan Audit Quality Center (EBPAQC). Membership in these quality centers requires Maher Duessel to commit to higher standards than non-members and provides the firm with additional resources to facilitate the audit process. The firm was one of the first 50 firms to join the GAQC when it was established in late 2004. The GAQC promotes the importance of quality governmental audits and the value of these audits to government officials and staff. As a member of the GAQC, Maher Duessel has access to comprehensive audit resources including GAQC Alerts that contain critical and time sensitive information about governmental audit developments, online publications devoted to best practices and developments in state and local government auditing, Single Audit practice aids, Yellow Book tools, access to webcasts on current issues, and an online forum for member interaction, networking, and sharing of information.



Maher Duessel's membership in the EBPAQC demonstrates our commitment to quality in the performance of ERISA (Employee Retirement Income Security Act) audits. Similar to the benefits from our GAQC membership, Maher Duessel has access to email news alerts, a dedicated and continuously updated Center website, online member discussion forum, and live webinars.



In addition, one of our partners, Diane E. Edelstein, CPA, served on the AICPA's Executive Committee for the Governmental Audit Quality Center from 2007-2011 and has served as an instructor on AICPA webcasts.

B. National and State Appointments

Maher Duessel has had several prestigious national and state appointments of our partners and senior managers over the years to committees of organizations such as the GFOA, AICPA, and PICPA.

With appointments at the highest levels of committees devoted to the integrity and advancement of the accounting profession in the governmental sector, WorkForce West Virginia can be assured that we will keep you informed of the latest developments that will impact your financial reporting.

[GFOA Special Review Committee for Comprehensive Annual Financial Report – Technical Reviewers*](#)

Jeff Kent
Tim Morgus
Brian McCall
Tracey Rash
Ashley Ackerson
Samantha Beck
Beth Dittmer
Dan Caponi

*Our firm comprises over 75% of GFOA technical reviewers in the State of Pennsylvania.

[GFOA Pennsylvania Western Region State Board](#)

Jeff Kent, Member
Tim Morgus, Treasurer

[PICPA Budget and Finance Committee](#)

Jeff Kent, Member

[PICPA Accounting and Auditing Procedures Committee](#)

Lisa Ritter, Former Chair and Current Member

[PICPA Local Government Committee and GASB Sub-Committee](#)

Brian McCall, Current Member

[Pennsylvania GFOA Advocacy Task Force](#)

Brian McCall, Current Member

[AICPA Auditing Standards Board](#)

Lisa Ritter, Past Member

[GFOA Pennsylvania State Board](#)

Tracey Rash, Treasurer and Pennsylvania Advocacy Task Force Liaison

[Governmental Accounting Standards Board Going Concern Disclosures Consultative Group](#)

Tracey Rash, Member

[GFOA Pennsylvania Central Region Board](#)

Ashley Ackerson, Treasurer

[GFOA Popular Report Review Committee](#)

Dave Duessel, Reviewer
Katie Yates, Reviewer

[AICPA Peer Review Board Government and Compliance Audits Practice Monitoring Task Force](#)

Diane Edelstein, Current Member

[AICPA Executive Committee Audit Quality Center](#)

Diane Edelstein, Past Member (2007-2011)

[PICPA Professional Ethics Committee](#)

Diane Edelstein, Current Member

[PICPA Statewide Education Committee](#)

Betsy Krisher, Current Member

[PICPA Insurance Trust Committee](#)

Robert Belicose, Current Trustee

C. Education for Licensure Credits

All Maher Duessel professionals meet or exceed the continuing education requirements stipulated by the



AICPA, the Commonwealth of Pennsylvania and the U.S. Government Accountability Office (GAO) Yellow Book. Furthermore, federal *Government Auditing Standards* mandate additional educational requirements for CPA firms that conduct governmental audits. All of our professionals meet or exceed these standards as well. All of our professionals participate in regular in-house training and seminars specific to our governmental practice. Our professionals gain additional Continuing Professional Education (CPE) through outside conferences and seminars that focus on governments.

We design up to **32 CPE credits annually for our professionals and clients to address the unique needs of our practice**, including a governmental seminar that we host in December of each year. **WorkForce West Virginia staff will be invited to attend free of charge. Attached in Appendix A is an agenda from our most recent Government Update seminar.** In addition to our seminars, our firm has an internal Accounting & Auditing Committee, which helps keep our professionals up to date with new standards and developments as they arise through regular newsletters and e-blasts. We rely heavily on the educational resources that we are able to tap into as members of the AICPA's Quality Centers along with serving on committees of the AICPA, PICPA, GFOA, and local and state organizations.

We have intricate knowledge of the regulations and accounting statements relevant to governmental entities. This expertise allows our professionals to frequently teach governmental topics to CPAs on the local, state, and national levels. **Please refer to the resumes in Appendix B for specific courses taught recently by the professionals slated to serve you.**

D. Industry Insights

Maher Duessel also provides insights to our clients through an active blog we maintain on our website: <http://www.md-cpas.com/blog>. We also issue quarterly Government News Digests for our clients which

contain relevant articles on accounting/auditing topics impacting governments.

Attached in Appendix C is a sample government newsletter.

E. Staff Continuity

Maher Duessel has a staff retention rate of more than 85% over the past three years. The average tenure of a senior auditor on a typical engagement is approximately three to four years. This continuity allows our clients to develop excellent working relationships and relieves the disruption of having to retrain new auditors from year to year.

In the event that replacement of a team member does become necessary, we can assure you that you would receive a replacement professional with similar governmental audit experience, as all of our professionals are trained and experienced in serving governments. A key factor in promoting employee continuity is the strength of Maher Duessel's core values: exceptional client service and technical expertise, life-long learners, work-life balance, team oriented philosophy, open door policy, and support our clients' missions.

3.1.1.19 Internal Control Documents

Upon award, Maher Duessel will provide copies of our internal control documents as well as a copy of our most recent external quality control review, which will have included a review of specific government audits. We will submit these documents to the agency within 48 hours of the request.

3.1.1.20-22 Proposed Engagement Team

With professionals committed to serving the public sector, WorkForce West Virginia will be served by an engagement team with all team members having extensive experience serving governmental entities.



Jeffrey W. Kent, CPA will serve as **Engagement Partner**. Mr. Kent will have overall responsibility for conducting your audits and will be involved in the field, relying on his 15 years of governmental accounting experience to guide you through every audit phase.



Timothy J. Morgus, CPA, CFE, CGFM will serve as **Engagement Quality Control Review Partner**. Mr. Morgus will independently review the draft reports and corresponding audit work, as appropriate, to ensure all significant auditing, accounting, and reporting issues are handled appropriately.



Levi D. Zielinski, CPA will serve as **Supervisor**. Mr. Zielinski will be responsible for the direct oversight of the audit on-site during the audit process, including review of audit work and support to the **Senior**.



Andrew Hudock will serve as **In-Charge**. Mr. Hudock will assist Mr. Zielinski with the oversight of the audit on-site during the audit process, including review of audit work and support to the **Staff**.



Staff Auditors, to be assigned, will perform audit work in the field under the direction of the **In-Charge**. **Resumes of the proposed team members, detailing their experience, are included in Appendix B.**

3.1.1.23 Client References

As a testament to our ability to provide high caliber audit services, we encourage you to contact the references below, all of whom will attest to the quality of our services:

[West Virginia Department of Administration \(State Experience\)](#)

Contact Information:

Mr. David Mullins
West Virginia Department of Administration
2019 Washington Street East
P.O. Box 50130
Charleston, WV 25305-0130
304.558.0076
dave.w.mullins@wv.gov

[West Virginia State Election Commission \(State Experience\)](#)

Contact Information:

Mr. John Sandoro, West Virginia State Election Commission
Building 1, Suite 157K
1900 Kanawha Blvd. E
Charleston, WV 25305-0770
304.356.2607
jsandoro@wvsos.com

[Southwest Training Services, Inc. \(Workforce Development Agency Experience\)](#)

Contact Information:

Ms. Lisa Neil, Executive Director
Southwest Training Services, Inc.
90 West Chestnut Street
Lower Level, Suite 150
Washington, PA 15301
724.229.1353
lnail@swtraining.org



[Washington-Greene County Job Training Agency, Inc. \(Workforce Development Agency Experience\)](#)

Contact Information:

Ms. Ami Gatts
President
Washington-Greene Job Training Agency
351 West Beau Street
Suite 300
Washington, PA 15301
724.229.5083
agatts@washingtongreene.org

[Tri-County Workforce Investment Board, Inc. \(Workforce Development Agency Experience\)](#)

Contact Information:

Mr. Steven Paffrath
Chief Financial Officer
Pullman Commerce Center
112 Hollywood Drive
Suite 201
Butler, PA 16001
724.282.9341
spaffrath@tcwib.net

[Municipal Benefits Services \(Government Benefit Trust Experience\)](#)

Contact Information:

Ms. Tammy Cappel, GBA
Manager, Client Service
Municipal Benefits Services
One Gateway Center
Suite 1475
420 Fort Duquesne Boulevard
Pittsburgh, PA 15222
412.394.6710
Tammy.Cappel@MBGbenefits.com

3.1.1.24 Subcontractors

Maher Duessel does not intend to utilize any subcontractors on this project.

3.1.1.25 Workpapers

All working papers and reports will be retained at Maher Duessel's expense in a secure storage area for a minimum of five years, unless we are notified by the agency of the need to extend the retention period. We will make working papers available upon request to the Executive Director of WorkForce West Virginia and the Director of FAM and the Financial Accounting and Reporting Section of the West Virginia Department of Administration. In addition, we will respond to the inquiries of grantors and successor auditors and allow them to review working papers. We will provide access keys to the storage area to the agency upon request.

3.1.1.26 Final Audit Reports

We will deliver five copies of the bound final report to the Director of FAM, Room 618, 112 California Avenue, Charleston, WV 25305, or the current location by October 20, 2017. An electronic copy of the report will be provided in a PDF or similar format for public review on the agency's website.

3.1.1.27 Peer Review

Maher Duessel is proud to announce that the firm has once again received the top rating for peer reviews. The most recent peer review was conducted by Goff Backa Alfera & Company, LLC for the year ended May 31, 2016. The peer review, which was completed in September 2016, has received a "pass" opinion. A CPA firm that is a member of the American Institute of Certified Public Accountants (AICPA) and conducts audits must be reviewed by another CPA firm every three years to ensure that the quality controls of the firm meet the standards of the AICPA. Maher Duessel has passed all quality control reviews for every peer review undergone since inception, which is testimony to our commitment to the highest standards. **A copy of our recent Peer Review is attached in Appendix D.**



4. Proposed Fees

We are able to deliver exceptional service by highly-experienced professionals at a lower cost than many firms because our professionals are dedicated to serving governmental entities. Accordingly, many of the accounting and auditing issues unique to these entities are more efficiently addressed by us than by firms that do not perform these audits year-round. Assuming that the financial records are in good condition (i.e. accounting records are complete; bank reconciliations are done; sufficient support is available to support receipt and disbursement activity as well as all balance sheet accounts; staff is available to answer questions, etc.), and based on our understanding of your requirements, our proposed all-inclusive fees, including all direct and indirect costs, out-of-pocket expenses, and travel costs, are as follows:

Year	Financial Statement Audit
2017	\$27,500

A. Service Beyond the Audit

Our fee structure allows for financial consultation services throughout the course of the year. **We encourage inquiries whenever they arise and consider them part of our package rather than as opportunities to collect extra billings. We do not charge separate additional fees for accounting related questions as they arise.** However, if WorkForce West Virginia requested research or required services clearly outside the scope of the work outlined here we would reach a written agreement with WorkForce West Virginia on the additional fee, through an engagement letter addendum, prior to commencing the work. The fees for those additional services would be negotiated with WorkForce West Virginia based on the work requested and all efforts would be made to charge for those services at an agreed upon flat fee.

5. Audit Communication

Maher Duessel's extensive experience auditing governments allows us to approach our audits in a way that is knowledgeable and efficient. Our audit process is built upon four stages: planning, preliminary fieldwork, final fieldwork, and reporting/conclusion. The expertise and knowledge of our professionals ensures that this audit process is effective. WorkForce West Virginia be provided with a detailed listing of information required for timely and efficient completion of the audit. Maher Duessel uses Citrix's ShareFile product, which allows us to share and exchange files with our clients easily and securely. We are able to send a secure link to our clients allowing a large amount of data to be uploaded at once.

We will meet with Management early in the audit process to discuss the audit process, required planning matters, any known changes to accounting or reporting requirements, as well as to answer any questions you may have. We will also meet with Management regularly throughout the audit process to apprise you of our progress and any potential issue that arises.

There will be no surprises in your draft documents as all issues would be discussed with you prior to the receipt of the drafts. We will meet with the Audit Committee at the beginning and at the end of the audit process. We encourage contact throughout the year so that knowledgeable, experienced professionals can lend seasoned judgment to matters of interest to you whenever such matters arise.

We pride ourselves on our responsive service and answer our e-mails and phone calls promptly. We will not burden you with client surveys but rather communicate with you directly during the audit process to ensure you are satisfied. You will have regular contact with the Engagement Partner and Supervisor, providing you ample opportunity to convey your thoughts about our performance.



Our high client retention rates are our best barometer of the quality of our service. Partner and Supervisor level involvement in the audit is a core value of Maher Duessel's service. These team members are actively involved in the field during every phase of the audit. With our clients' trust in our hands, we owe nothing less than the most experienced professionals guiding them every step of the way.



Appendix A: December, 2016 Maher Duessel Government Update Agenda



TIME SLOT	CPE HOURS	CPE TYPE	TOPIC	SPEAKER
8:00-8:25	0		REGISTRATION AND BREAKFAST	
8:25-8:30	0		WELCOME AND ANNOUNCEMENTS	
8:30-9:20	1.0	A&A (YB) (GAS)	GASB UPDATE/RISK ALERT This session will open the seminar by discussing key changes and events that impact our government clients and alert us to risks for audits of our governmental clients.	Michelle Bryan, <i>Maher Duessel</i>
9:20-10:10	1.0	A&A (GAS)	ECONOMIC OUTLOOK This session will provide an update on the economy and its impact to our government clients.	Linda Duessel, <i>Federated</i>
10:10-10:30	0		20-MINUTE BREAK	
10:30-11:20	1.0	Other	REGULATORY CHANGES By now, the new overtime rules have taken effect. So, what's next? This session will explore the continued changes that organizations must consider to ensure compliance with various regulations.	Dane Topich, <i>Paycor</i> and Renee Mielnicki, <i>East Coast Risk Management</i>
11:20-12:30	0		LUNCH	
12:30-1:20	1.0	A&A (GAS)	MUNICIPAL FILINGS Due to recent changes, municipal filings have undergone more scrutiny. This session will update you on the MDCD settlement and other important municipal filing information.	Tim Frenz, <i>Janney</i> <i>Montgomery</i> <i>Scott</i>
1:20-2:10	1.0	A&A (YB) (GAS)	PROCUREMENT UNDER UNIFORM GUIDANCE This session will review the new procurement rules that took effect with the issuance of the Uniform Guidance.	Peggy Jo Campbell and Larissa Van Putten, <i>Maher Duessel</i>
2:10-2:30	0		20-MINUTE BREAK	
2:30-3:20	1.0	Tax	PERSONAL TAX UPDATE This session will provide insights to the upcoming 2017 personal tax laws and provide some last-minute tips for 2016 taxes, as well as explore common questions regarding deferred compensation.	Rob Frenz, <i>Chemel Kornick</i> <i>& Mooney</i>
3:20-4:10	1.0	A&A (YB) (GAS)	AUDIT AND ACCOUNTING STANDARDS REVISITED This session will reinforce existing audit and accounting standards applicable to our government clients in an interactive way.	Megan Gebrosky and Kristen Moss, <i>Maher Duessel</i>
4:10-5:00	1.0	A&A (YB) (GAS)	OPEBS – GASB STATEMENTS NO. 74/75 This session will explore the GASB's new standards that will transform OPEBs on the financial statements in the same manner as was recently done for pensions.	Tim Morgus and Amy Lewis, <i>Maher Duessel</i>
	8.0	TOTAL		

CONSISTS OF 6.0 A&A, 1.0 TAX, 1.0 OTHER, 4.0 YELLOW BOOK, 6.0 GAS

Appendix B: Resumes





Summary

Mr. Kent began his public accounting career in 2002 with Maher Duessel. Mr. Kent became a Partner of the Firm in 2016 and manages several governmental audit engagements including state entities, authorities, municipalities, and county entities. Mr. Kent has a B.S. in Accounting (Magna Cum Laude) from Grove City College.

Engagement Role: Engagement Partner

Licensed Pennsylvania CPA



Representative Clients

- West Virginia Department of Administration
- West Virginia State Election Commission
- Southwest Training Services, Inc.
- Washington-Greene County Job Training Agency, Inc.
- Urban Redevelopment Authority of Pittsburgh
- Sports and Exhibition Authority of Pittsburgh
- Municipality of Mt. Lebanon
- Municipality of Penn Hills
- State College Borough

Professional Activities and Affiliations

- American Institute of Certified Public Accountants (AICPA) – Member
- Pennsylvania Institute of Certified Public Accountants (PICPA) – Member
- PICPA Member Services Committee – Co-Chair
- PICPA Pittsburgh Chapter Executive Committee – Treasurer
- Government Finance Officers Association (GFOA) – Member
- GFOA Pennsylvania Western Region State Board – Member
- GFOA Special Review Committee - Member
- 2010-2011 40 Under 40: PICPA Members to Watch Class - Member
- Auberle – Member of Board of Directors and Finance Committee
- Leadership Development Initiative – LDI XV Graduate

Training Highlights

- 2016 and 2015 Maher Duessel *Pension Update*
- 2016 Maher Duessel *Governmental Update*
- 2015 GFOA *National Conference*
- 2015 AICPA Employee Benefit Plan Audit Quality Center *Designated Partner Training*
- 2015 AICPA Employee Benefit Plan Audit Quality Center *2015 Managers and Supervisors Training*

Published Article

- 2015 PICPA *Ongoing Going Concern Guidance*



Summary

Mr. Morgus began his public accounting career in 1993. He exited public accounting for three years to serve as the Butler City Treasurer and joined Maher Duessel in 1996. Mr. Morgus has concentrated his practice to the areas of governmental and non-profit accounting and serves as Partner on several engagements with authorities, counties, municipalities, and other governmental entities. He is Director of Recruiting for the Firm. Mr. Morgus has a B.S. in Accounting from Robert Morris University and is a Certified Governmental Finance Manager (CGFM) and Certified Fraud Examiner.

Engagement Role: Engagement Quality Control Review Partner, Licensed Pennsylvania CPA and CGFM

Representative Clients

- Tri-County Workforce Investment Board
- Career T.R.A.C.K., Inc.
- Venango County (Including Audit/Tax of the Northwest Pennsylvania Local Workforce Investment Area)
- Municipal Benefits Services
- Butler County, Crawford County, Erie County, Centre County, and Mercer County
- Pennsylvania Emergency Management Agency
- Northwest Tri-County Intermediate Unit No. 5

Professional Activities and Affiliations

- Government Finance Officers Association (GFOA) - Member
- GFOA for Pennsylvania Western Region State Board - Treasurer
- GFOA Special Review Committee for Comprehensive Annual Financial Reports (CAFRs) – Technical Reviewer
- American Institute of Certified Public Accountants (AICPA) – Advanced Single Audit Certification
- Certified Governmental Finance Manager
- Butler Health System Trustee – Chair of Audit Committee
- Butler Hospital Foundation Board - Chair
- Federal Bureau of Investigation Pittsburgh Division – 2015-XVI Citizens Academy Class Graduate
- Pennsylvania Institute of Certified Public Accountants (PICPA) - Member
- Association of Governmental Accountants – Member
- Association of Certified Fraud Examiner - Member
- Butler County United Way – Past Chairman and Board Member
- Leadership of Butler County – Graduate and Past Board Member

Speaking Engagements

- May, 2017 Butler County Association of Township Officials Conference *Accounting Practices and Fraud Detection in Municipalities*
- December, 2016 Maher Duessel Government Update *OPEBS: GASB Statements Nos. 74/75*
- October, 2016 Pennsylvania State Association of County Auditors: *Auditing 101*
- August, 2016 Pennsylvania Municipal Authorities Association: *Impact of New GASB Fiduciary Fund Reporting on Municipal Authorities*
- April, 2016 GFOA State Conference: *Fraud in the Governmental Realm*
- April, 2015 Allegheny League of Municipalities Spring Conference: *Don't Be A Victim: Best Practices to Minimize Risks and Employee Fraud*

Training Highlights

- 2016 and 2015 GFOA *Annual Conference*
- 2016 and 2015 GFOA-PA *Annual Conference*





Summary

Mr. Zielinski began his public accounting career in 2011 with Maher Duessel. His clients include a broad range of governmental entities including state agencies, municipalities, local authorities, and county entities.

Engagement Role: Supervisor

Licensed Pennsylvania CPA

Representative Clients

- West Virginia Department of Administration
- West Virginia State Election Commission
- Southwest Training Services, Inc.
- Washington-Greene County Job Training Agency, Inc.
- Allegheny County Sanitary Authority (ALCOSAN)
- Redevelopment Authority of the County of Washington
- City of Clairton
- Washington County
- Greene County

Professional Activities and Affiliations

- American Institute of Certified Public Accountants (AICPA) – Member
- Pennsylvania Institute of Certified Public Accountants (PICPA) – Member

Education

- B.S. Accounting
- Grove City College

Training Highlights

- 2016 AICPA *GAAP Update Conference*
- 2016 Maher Duessel *Government Update*
- 2015 Maher Duessel *Uniform Guidance for Federal Awards*
- 2015 Maher Duessel *Financial Reporting Training*



Summary

Mr. Hudock began his career with Maher Duessel in 2016. His clients include a broad range of governmental entities including state agencies, local authorities, educational agencies, and county entities. Prior to joining Maher Duessel, Mr. Hudock was an audit associate with another firm and worked as a financial account in the private sector.

Engagement Role: In Charge

Representative Clients

- West Virginia Department of Administration
- Washington-Greene County Job Training Agency, Inc.
- Southwest Training Services, Inc.
- City of Pittsburgh
- Redevelopment Authority of the County of Fayette
- Redevelopment Authority of the County of Washington
- Greene County
- Allegheny Intermediate Unit

Professional Activities and Affiliations

- Pennsylvania Institute of Certified Public Accountants (PICPA) – Member
- Faith Assembly of God – Youth Group Leader

Education

- B.S. Business Administration
- Major in Accounting
- West Virginia University

Training Highlights

- 2016 Maher Duessel *New Staff Training*
- 2016 Maher Duessel *In-Charge Training*
- 2016 Maher Duessel *Government Update*
- 2016 Maher Duessel *Administrative Update*



Appendix C: Sample Government Newsletter



Maher Duessel, CPAs

Government News Nuggets

*Pursuing the Profession While
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Winter 2017 Article Spotlight

The *Uniform Guidance* has new procurement policies and procedures. Read Peggy Jo Campbell's article on page 4 to learn more about what your organization should expect.



In This Issue:

Dangerous W-2 Scam Now Impacting The Public Sector

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Fraud Overview and Prevention Page 3

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Procurement Under The Uniform Guidance

By Peggy Jo Campbell Page 4

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Single Audit: Get off to a Good Start with an Error Free SEFA

By Diane Edelstein Page 7

New Promotions Page 8

Special Recognition Page 8

Have questions/ideas/feedback?

Contact the Editor:
Rachelle Ogun
Marketing Coordinator
rogun@md-cpas.com
412.535.5550

Maher Duessel Expands to Erie and State College!

We are pleased to announce that we have opened two new office locations to better serve our clients in the Erie and Centre County regions and surrounding areas. Our Erie office (pictured right in the Renaissance Building) is located at 1001 State Street, Suite 1400, Erie, PA 16501, 814.480.5777.



Our State College office is located at 237 South Allen Street, Suite 337, State College, PA 16801, 412.471.5500.

Maher Duessel now has a total of 5 office locations (other locations are Pittsburgh, Harrisburg, and Butler), and we serve governmental and non-profit entities across the entire Commonwealth.

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**Government News Nuggets
Winter 2017**

**Dangerous W-2 Scam
Now Impacting The Public
Sector**

By Brian Grublis, MCSE, MCTS
IT Director/Security Official
bgrublis@md-cpas.com



Dangerous W-2 Scam Now Impacting The Public Sector: IRS Issues W-2 Security Alert

The Internal Revenue Service (IRS) has issued a recent alert that the Form W-2 e-mail phishing scam has expanded from the corporate world and into the public sector. As a governmental agency, you should be aware that this scam can result in the large-scale theft of confidential information. This information can then be used by cyber-criminals for various crimes including the filing of fraudulent tax returns.

How Does The Scam Work?

Cyber-criminals will disguise e-mails to make them appear to be from an internal executive within your organization. The e-mail will be sent to an employee in the payroll, human resources, and finance departments and will request a list of all employees and their Forms W-2. In the latest twist to this scam, the 'executive' e-mail will ask that a wire transfer also be made to a certain account. The wire transfer scam is being combined with the W-2 scam email, and some organizations have lost both employees' W-2s and thousands of dollars due to these fraudulent wire transfers.

What To Do If Your Organization Has Been Targeted?

●If you receive a W-2 scam email forward it immediately to your IT department and to

phishing@irs.gov and place "W-2 Scam" in the subject line.

Also, you should also notify the State by sending an alert to StateAlert@taxadmin.org.

- If you receive the W-2 scam email or if you believe that sensitive data has been stolen, file a complaint with the [Internet Crime Complaint Center](#).
- Promptly notify the employees whose Forms W-2 have been stolen.
- Employees should then review the recommended actions by the Federal Trade Commission at www.identitytheft.gov or the [IRS](#).
- Employees will need to also file a Form 14039, Identify Theft Affidavit, if their tax return is rejected because of a duplicate social security number or if they are instructed to so by the IRS.

Best Practices When Handling E-Mail

- If you receive an internal e-mail that appears to be suspicious (i.e. asking for protected data), pick up the phone and call the sender or ask them directly in person to verify the legitimacy of the email.
- Other signs that an e-mail may be suspicious include the use of all capital letters, spelling errors, typos, and grammatical errors. Try to avoid opening these emails in the first place.
- If you do open the email, do not proceed to

Dangerous W-2 Scam Now Impacting The Public Sector

By Brian Grublis, MCSE,
MCTS
IT Director/Security Official
bgrublis@md-cpas.com



click on any links, open any attachments, or download any files. If you open an attachment or download a file, contact your IT department immediately.

- If you do click on a questionable link inadvertently and are prompted to log-in with your user credentials, register your credentials, or provide confidential information do not proceed to do so. Notify your IT department instead.

- If you do end up logging your credentials on a questionable web-site or disclosing confidential information, change your password immediately and let your IT department know what has happened right away.

Bidding Thresholds Increase

The Pennsylvania Department of Labor and Industry has published the authority and municipal bidding thresholds for 2017. Effective January 1, 2017 the bidding thresholds for most municipalities and authorities are as follows:

1. Purchases and contracts below \$10,700 require no formal bidding or written/telephone quotes.
2. Purchases and contracts between \$10,700 and \$19,700 require three written/telephone quotes.
3. Purchases and contracts over \$19,700 require formal bidding.

Note that there are exceptions to these requirements for bidding as outlined in the regulations, including those for professional services. Read more on the regulations at <http://www.pabulletin.com/secure/data/vol46/46-50/2154.html>

Fraud Overview and Prevention

The Local Government Academy is offering a free online course at:

[http://
localgovernmentacademy.org/
fraud-overview-and-
prevention/](http://localgovernmentacademy.org/fraud-overview-and-prevention/)



This course on fraud is presented by our Partner, Tim Morgus. Fraud is an intentional act involving deception to obtain an unjust or illegal advantage. Local governments experiencing fraud face loss of assets, fiscal position and public trust. External audits do not protect against fraud. As such, local government officials need to know how to spot and combat fraud.

Maher Duessel New 2017 Hires

- Andrew Lacek joined the Harrisburg office as **Experienced Staff** in November.
- Kathy Kreinbucher joined the Butler office as an **Administrative Professional** in December.
- Ryan Bozman and John Stoner joined the Harrisburg office as **Audit Interns** in January.
- Christa Lerch joined the Pittsburgh office as **Staff** in January.
- Jason Swartley joined the Harrisburg office as **Staff** in January.
- Brenda Hicks joined the Harrisburg office as an **Administrative Professional** in January.
- Jahniah McAllister joined the Pittsburgh office as an **Administrative Intern** in January.
- Gina Wirfel, CPA joined the Harrisburg office as **Experienced Staff** in February.



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**Winter 2017
Government News Nuggets**

Procurement Under The Uniform Guidance

By Peggy Jo Campbell, CPA,
Senior Manager
pcambell@md-cpas.com



Procurement Under The Uniform Guidance

In December 2013, the U.S. Office of Management and Budget (OMB) issued comprehensive grant reform rules titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” (*Uniform Guidance*). Under the *Uniform Guidance*, procurement is one of the areas that had significant changes. Note that there was a grace period which delayed the applicability of the Procurement Standard for two full fiscal years, but beginning with fiscal years that commence on January 1, 2017, this Standard is now applicable.

Procurement Types

There are three main procurement types:

- Micro Purchases—Purchase threshold of \$3,000
- Simplified Acquisition or Small Purchase Procedure—small purchases of less than \$150,000
- Above Simplified Acquisition Threshold—purchases greater than \$150,000

What is Required for Micro Purchases?

- No bid or quote process is required.
- Micro-purchases should be equitably distributed among qualified suppliers.

- No cost or price analysis is required.

What is Required for Small Purchase Procedures?

- Price or rate quotations must be obtained from an adequate number of qualified sources.
- Your organization’s internal written policy must define the number and methods of obtaining quotes.

What is Required for Above Simplified Acquisition Threshold Purchases?

- Sealed bids are the preferred method for procuring construction services. The *Uniform Guidance* requires that sealed bids contain project specifications or a purchase description, that a minimum of 2 bidders are solicited, that the solicitation be bid at a fixed price, and the solicitation and bid opening be made public.
- The other option for procurement for non-construction items/services is competitive proposals. In this case, a request for proposal is required along with an adequate number of bidders, and a written method of evaluation, considering price and other advantageous factors.
- A cost or price analysis must be performed.

Procurement Under The Uniform Guidance

By Peggy Jo Campbell, CPA,
Senior Manager
pcambell@md-cpas.com



There are scenarios where non-competitive proposals can be sought when acquisition costs are above or below simplified acquisition thresholds. These scenarios include:

- The item and service is only available from one single source.
- A public exigency or emergency won't permit a delay resulting from competitive solicitation.
- The federal awarding agency or past through entity has expressly authorized non-competitive proposals.
- After solicitation of several sources, competition is determined to be inadequate.

The following general standards must be adhered to for all purchase types:

- The purchase complies with written procurement policies and procedures.
- Procurement must be necessary.
- Procurement can't present a conflict of interest.
- Procurement must be subject to full and open competition.
- Proper documentation of purchase.

Procurement Records

To be in compliance with the *Uniform Guidance*, your organization must adhere to the following requirements for your procurement records.

- You must use your own documented procurement procedures.
- You must maintain oversight over contractors.
- You have documented written standards of conduct covering conflicts of interest and

governing employees who select, award, or administer contracts.

- You maintain written standards of conduct covering organizational conflicts of interest (i.e. parent, affiliate, or subsidiary organizations).
- You must maintain records that provide the history of the procurement (rationale for purchase, selection of contract type, contractor selection, and the basis for contract type).

Contract Cost and Price

What does the *Uniform Guidance* require regarding contract cost and price?

- You must make an independent estimate before receiving bids or proposals.
- You must negotiate profit as a separate element of the price for each contract for which there is no price competition, and in all cases where a cost analysis is performed.
- To establish a fair and reasonable profit, the following should be taken into account:

1. Complexity of work performed
2. Risk borne by contractor
3. Contractor's investment
4. Amount of subcontracting
5. Industry profit rates in the surrounding geographical area for similar work

- Costs/prices based on estimated costs for contracts are allowable if the costs incurred or cost estimates would be allowable under Subpart E – Cost Principles for the entity.
- Cost plus a percentage of cost and percentage of construction cost methods must not be used.

When Are Time and Material Type Contracts Allowed and What is Required?

Time and material type contracts are permissible when your organization has determined that no other contract is suitable. A time and material type contract is defined as a contract whose cost to the nonfederal entity is the sum of the actual cost of materials and direct labor hours charged at a fixed hourly rate (wages, general and administrative expenses, and profit). A time and material type contract is generally an open-ended contract price, where the contract sets a ceiling price that the contractor exceeds at its own risk.

Procurement Under The Uniform Guidance

By Peggy Jo Campbell, CPA,
Senior Manager
pcambell@md-cpas.com



For this type of contract, you must assert a high degree of oversight to ensure the contractor is using efficient methods and effective cost controls.

What Provisions Must be in Your Acquisition Contract?

- Equal Employment Opportunity
- Davis-Bacon Act
- Contract work hours and safety standards act
- Right to inventions made under a contract or agreement
- Clean Air Act
- Debarment and suspension (refer to www.sam.gov, a website database of people or entities that are suspended or debarred from performing federally funded work)
- Byrd Anti-Lobbying Amendment

For contracts greater than \$150,000, the contract provisions must address administrative, contractual, or legal 3 remedies where contractors violate or breach contract terms.

For contracts greater than \$10,000, the contract provisions must address termination for cause.

How Can Your Organization Comply With the Updated Procurement Requirements?

- Ensure all the “musts” in the *Uniform Guidance* are followed.
- Update your procurement policies
 1. Implementation of purchase check lists and forms
 2. Determine what the “adequate number of source” definition is for your organization

3. Use small business enterprises and minority, women, and veteran owned businesses when feasible.
4. Ensure that policies are written, documented, and communicated.
5. Monitor new policies.
6. Assess internal controls along with policies.

- Update your standard contract wording (refer to Appendix 2 of the *Uniform Guidance*).
- Identify conflicts of interest among employees with contract or procurement responsibilities.
- Devote resources to the training and hiring of employees who are procurement specialists.
- Utilize pre-qualified bidder lists.

The preceding article was adapted from our December, 2016 Government Update Continuing Professional Education Seminar. If you missed our seminar and would like electronic copies of the handouts please contact roqun@md-cpas.com.

Maher Duessel Upcoming Speaking Engagements

March 10, 2017

2017 Yellow Book Workshop

The Georgia Society of CPA's
Diane E. Edelstein, CPA, Partner

April 23, 2017

Foundations of Governmental Accounting

GFOA-PA Annual Conference
Penn Stater Conference Center Hotel
Tracey L. Rash, CPA, CGFM, Partner



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Winter 2017
Government News Nuggets

Single Audit: Get Off to a Good Start with an Error Free SEFA

By Diane E. Edelstein, CPA
Partner,
dedelstein@md-cpas.com



Single Audit: Get Off to a Good Start with an Error Free SEFA

SEFA Errors and the Single Audit

The *Uniform Guidance* (2 CFR Chapter 1, Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) is the standard that both Auditors and Auditees must follow when a Single Audit is performed.

If your organization must have a Single Audit, the first step is to develop the Schedule of Expenditures of Federal Awards (SEFA), which is your responsibility. In certain cases, Maher Duessel can be hired to help with the non-audit services of drafting the SEFA. There have been numerous errors noted by Peer Reviewers and Inspector General auditors connected to the SEFA.

Many of these errors are based on new requirements for the SEFA that the *Uniform Guidance* put into place. If these errors can be identified sooner or prevented in the first place, the Single Audit reporting will proceed more smoothly. A clean error free SEFA will help to ensure that the Single Audit is in compliance with the *Uniform Guidance*.

Errors associated with the SEFA can lead to an audit having to be reissued.

Common SEFA Errors

- Incorrect amounts, estimated amounts, or incomplete reporting on the SEFA can lead to inaccuracies in Major Program Determination. These inaccuracies can lead to Maher Duessel having to go back and audit another major program because the A/B threshold has changed, or a final adjustment has increased the program total to turn a B program into an A program.
- The SEFA must have cluster names and cluster totals. There are numerous clusters noted in the Compliance Supplement. There are cases where failure to identify a cluster can lead to a missed major program.
- In some cases, if the SEFA had only one program or the program was very small, the cluster name and total is missing.
- Failure to include on the face of the SEFA the amount passed onto sub-recipients. (Under the A-133 requirements, this was permitted to be a footnote.)
- Failure to include in the footnote to the SEFA whether or not the non-federal entity elected to use the 10% de minimis cost rate.
- Failure to include the ending balance of a loan in the footnote (The *Uniform Guidance* has clarified that the beginning balance goes on the SEFA.)
- Failure to place non-cash awards on the face of the SEFA. (Under the A-133 guidance, these could be included in the footnote presentation.)

Single Audit: Get Off to a Good Start with an Error Free SEFA

By Diane E. Edelstein, CPA
Partner,
dedelstein@md-cpas.com



How Maher Duessel is Helping to Ensure Compliance

At Maher Duessel we have enhanced our review process to identify missing or inaccurate clusters. We will continue our robust internal review to ensure the required elements of the SEFA are presented. We also require our auditors, before issuing a report final, to redo their Major Program Determination using the numbers in the final SEFA to ensure proper selection of the major program.

New Maher Duessel Promotions in 2017

- Lindsay Saenz, CPA, has been promoted from **Senior** to **Supervisor**.
- Jessica Strigle, CPA, has been promoted from **Senior** to **Supervisor**.
- Ryan Nedley has been promoted from **Experienced Staff** to **Senior**.
- Christina Kotun has been promoted from **Experienced Staff** to **Senior**.
- TJ Gustafson has been promoted from **Experienced Staff** to **Senior**.
- Justin Arnt has been promoted from **Experienced Staff** to **Senior**.

And Special Recognition To...

- Partners David Duessel, CPA, CGFM; Diane Edelstein, CPA; Jeff Kent, CPA; Betsy Krisher, CPA, CGFM, Brian McCall, CPA, CGFM; Lisa Ritter, CPA, CFE; and Tracey Rash, CPA, CGFM have all received the **AICPA's Advanced Single Audit certification**
- Partner Tracey Rash has been appointed **Treasurer** of the **Government Finance Officers Association State Board**.
- Manager, Janet Feick, CPA has received the **AICPA's Advanced Defined Contribution Plans Audit Certificate**.
- Senior Ryan Nedley and Experienced Staff Sara Reed have become **licensed Pennsylvania CPAs**.

MaherDuessel

Certified Public Accountants

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Government News Nuggets 2017 Winter Edition



Pittsburgh Office

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503 Martindale Street
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Pittsburgh, PA 15212
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Erie Office

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Erie, PA 16501
814.480.5777

Harrisburg Office

3003 North Front Street
Suite 101
Harrisburg, PA 17110
717.232.1230

Butler Office

112 Hollywood Drive
Suite 204
Butler, PA 16001
724.285.6800

State College Office

237 South Allen Street
Suite 337
State College, PA 16801
412.471.5500



Appendix D: Peer Review





3325 Saw Mill Run Blvd.
Pittsburgh, PA 15227-2736
412/885-5045
Fax 412/885-4870
www.gbaco.com

Certified Public Accountants

SYSTEM REVIEW REPORT

September 9, 2016

To the Partners
Maher Duessel, CPAs and
the Peer Review Committee of the Pennsylvania Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Maher Duessel, CPAs (the firm) in effect for the year ended May 31, 2016. 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. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Maher Duessel, CPAs in effect for the year ended May 31, 2016, 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*. Maher Duessel, CPAS has received a peer review rating of *pass*.

GOFF BACKA ALFERA & COMPANY, LLC
PITTSBURGH, PENNSYLVANIA



Appendix E: Contract Form



DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

(Name, Title)

(Printed Name and Title)

(Address)

(Phone Number) / (Fax Number)

(E-mail address)

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

(Company)



(Authorized Signature) (Representative Name, Title)

(Printed Name and Title of Authorized Representative)

(Date)

(Phone Number) (Fax Number)



Appendix F: Exhibit A Pricing Form



Exhibit A - Pricing Page

State of West Virginia WORKFORCE WEST VIRGINIA

Deliverable	Description	Unit of Measure	Estimated Hours	Hourly Rates	Extended cost
PHASE I					
	Entrance Conference	Per Hour	20	0.00	0.00
	Detailed Audit Plan	Per Hour	50	100.00	5,000.00
	Draft of WORKFORCE West Virginia Reports and Financial Statements for Review	Per Hour	225	100.00	22,500.00
TOTAL PHASE I					27,500.00
PHASE II					
	Revised draft with all requests changed and modification of WORKFORCE West Virginia reports and financial statements for review	Per Hour	50	0.00	0.00
	Draft submitted to the Financial Accounting and Reporting Section (FARS) of the WV Department of Administration with copies to Executive Director of WORKFORCE West Virginia and Director of FAM	Per Hour	30	0.00	0.00
TOTAL PHASE II					0.00
PHASE III					
	Unsigned Final Draft with all modifications to WORKFORCE West Virginia management for final review	Per Hour	45	0.00	0.00
	Final signed report submitted to WORKFORCE West Virginia and FARS	Per Hour	45	0.00	0.00
TOTAL PHASE III					0.00
Hourly Services	Rate per Hour for Accounting, Auditing, and Consulting Services	Per Hour	10	0.00	0.00
Total Bid Amount: (Total Hourly Services + Total Phases)					27,500.00
HOURS SHOWN ARE AN ESTIMATION AND IS FOR AWARD PURPOSES ONLY					
Vendor may request payment pursuant to the following schedule :					
* First Payment shall be 25% of the Grand Total and can be submitted upon completion of Phase I , identified in the above table					
* Second Payment shall be 25% of the Grand Total and can be submitted upon completion of Phase II , identified in the above table					
* Third payment shall be 50% of the Grand Total and can be submitted upon completion of Phase III , identified in the table					
WORKFORCE West Virginia requires that the accounting first be available to assist with accounting issues and new reporting requirements as they arise on an as-needed basis. The bid must include firm fixed fee for the services shown as well as an hourly rate for accounting and auditing consulting services. The total cost submitted for bid must include all travel and out-of-pocket expenses.					



Appendix G: Purchasing Affidavit



STATE OF WEST VIRGINIA
Purchasing Division
PURCHASING AFFIDAVIT

MANDATE: Under W. Va. Code §5A-3-10a, 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: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. 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.

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.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"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.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: Maier Duessel

Authorized Signature: *Maier Duessel* Date: June 22, 2017

State of Pennsylvania

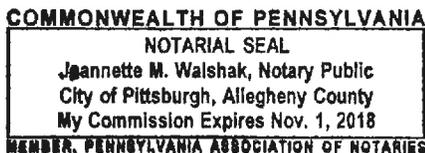
County of Allegheny, to-wit:

Taken, subscribed, and sworn to before me this 22 day of June, 2017.

My Commission expires 11-1, 2018.

AFFIX SEAL HERE

NOTARY PUBLIC *Jannette M. Walshak*





Appendix H: Proposal Contact Form



REQUEST FOR QUOTATION
Financial Auditing Services

P33

10.2 Reports: Vendor shall provide quarterly reports and annual summaries to the Agency showing the Agency's items purchased, quantities of items purchased, and total dollar value of the items purchased. Vendor shall also provide reports, upon request, showing the items purchased during the term of this Contract, the quantity purchased for each of those items, and the total value of purchases for each of those items. Failure to supply such reports may be grounds for cancellation of this Contract.

10.3 Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: Jeffrey W. Kent, CPA

Telephone Number: 412.535.5539

Fax Number: 412.471.5508

Email Address: jkent@md-cpas.com



Appendix I: Addendum Acknowledgement



ADDENDUM ACKNOWLEDGEMENT FORM

SOLICITATION NO.:

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification. Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:
(Check the box next to each addendum received)

- | | |
|---|--|
| <input type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further 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.

Company


Authorized Signature

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.



Appendix J: Vendor Preference Certificate



State of West Virginia

VENDOR PREFERENCE CERTIFICATE

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

1. **Application is made for 2.5% 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;
 Bidder is a resident vendor partnership, association, or corporation with at least eighty percent of ownership interest of bidder held by another entity that meets the applicable four year residency requirement; **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% 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% vendor preference for the reason checked:**
 Bidder is a nonresident vendor that employs a minimum of one hundred state residents, or a nonresident vendor which has an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia and employs a minimum of one hundred state residents, and for purposes of producing or distributing the commodities or completing the project which is the subject of the bidder's bid and continuously over the entire term of the project, on average at least seventy-five percent of the bidder's employees or the bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years and the vendor's bid; **or**,
4. **Application is made for 5% 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% 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% 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.
7. **Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with West Virginia Code §5A-3-59 and West Virginia Code of State Rules.**
 Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

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) rescind the contract or purchase order; 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.

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: Mahe Duessel

Signed: 

Date: June 22, 2017

Title: Partner

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



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

**State of West Virginia
 Solicitation Response**

Proc Folder : 341417

Solicitation Description : Addendum No. 1 Auditing Services for WorkforceWV

Proc Type : Central Master Agreement

Date issued	Solicitation Closes	Solicitation Response	Version
	2017-06-22 13:30:00	SR 0323 ESR06221700000006505	1

VENDOR
VS0000007569 Maher Duessel

Solicitation Number: CRFQ 0323 WWV1700000007

Total Bid : \$0.00 **Response Date:** 2017-06-22 **Response Time:** 09:11:05

Comments:

FOR INFORMATION CONTACT THE BUYER
 Melissa Pettrey
 (304) 558-0094
 melissa.k.pettrey@wv.gov

Signature on File	FEIN #	DATE
--------------------------	---------------	-------------

All offers subject to all terms and conditions contained in this solicitation

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Auditing Services	0.00000	EA	\$27,500.000000	\$0.00

Comm Code	Manufacturer	Specification	Model #
93151608			

Extended Description : Auditing Services per the specifications attached herein.