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Header   List View **General Information** | [Contact](#) | [Default Values](#) | [Discount](#) | [Document Information](#) | [Clarification Request](#)

Procurement Folder: 916358

SO Doc Code: CRFQ

Procurement Type: Central Purchase Order

SO Dept: 0313

Vendor ID: 

SO Doc ID: DEP2200000002

Legal Name: BROWN EDWARDS & COMPANY LLP

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Last Name: Email: Phone:

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Ln Total Or Contract Amount |
|------|--------------------|-----|------------|------------|-----------------------------|
| 1 | ILF Audit Services | | | | 43650.00 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 84111600 | | | |

Commodity Line Comments: Please see attached RFP for the 5 year scope

Extended Description:

ILF Audit Services

YOUR SUCCESS IS
OUR FOCUS

AUGUST 18, 2021

CRFQ 0313 DEP2200000002

PROPOSAL TO PROVIDE PROFESSIONAL AUDIT SERVICES



WEST VIRGINIA IN LIEU FEE MITIGATION PROGRAM ANNUAL REPORTS

Robert E. Adams, CPA, CGMA
Partner
readams@BEcpas.com

Brown, Edwards & Company, L.L.P.
300 Chase Tower
707 Virginia Street, East
Charleston, West Virginia 25301



Office: 304-343-4188
Fax: 304-344-5035



Table of Contents

| | |
|--|----|
| Letter of Transmittal | 1 |
| About the Firm..... | 3 |
| Membership Organizations..... | 5 |
| Experience, Qualifications, and Service..... | 7 |
| Our Technology..... | 9 |
| Firm Experience..... | 11 |
| Service Philosophy | 13 |
| Audit Plan and Execution | 17 |
| Audit Fee | 22 |
| Affirmative Statements..... | 23 |
| Mandatory Requirements..... | 24 |
| Appendix A – Your Service Team..... | 25 |
| Appendix B – Peer Review Reports..... | 32 |
| Appendix C – RFP Required Forms..... | 34 |

July 15, 2021

West Virginia Department of Environmental Protection
601 57th Street SE
Charleston, West Virginia 25304

RE: West Virginia In Lieu Fee Mitigation Program Annual Reports

We are pleased to present our qualifications to provide independent auditing services to the West Virginia In Lieu Fee Mitigation Program Annual Reports, hereafter referred to as “the Program”, for the calendar years 2016 to 2020. **The Program would be an important part of our governmental practice and our Firm.** Our audit will be performed in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Brown, Edwards & Company, L.L.P. (“Brown Edwards”) has a large state and municipal governmental practice and is a leader in providing services to those clients in West Virginia and throughout the region. As described in Appendix A, we have committed an engagement team with extensive experience serving other state of West Virginia governmental entities. We have a track record of providing quality and timely service, reliable advice, and clear communication. In addition to quality service, you need a firm that can be responsive to your needs, serve you as a priority client, and provide a high degree of personalized service. We believe our experience with similar State of West Virginia governmental entities allow us to present the highest qualifications and value for the services requested.

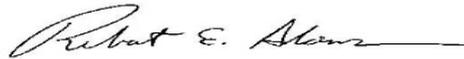
Should we be appointed to serve as auditors of the Program, the Program will receive the highest quality professional audit services from auditors that will plan, conduct, and report on the audit with competence, integrity, objectivity, and that are independent of the Program and the State of West Virginia in all respects. **In addition, our firm has experience with the West Virginia Department of Environmental Protection.** Our understanding of the Program will ensure that your audit is conducted with uncompromising quality. In addition, we have access to the resources of one of the nation’s largest accounting and advisory firms, BDO USA, and hundreds of other CPA and specialty consulting firms, through our membership in the BDO Alliance USA. Other firms would be hard pressed to demonstrate our depth and breadth of experience.

The global pandemic known as COVID-19 has been challenging for everyone. At Brown Edwards our top priority in any engagement is to protect the safety and security of your staff and ours. We pledge to observe any and all protocols you have established during the conduct of our audit and know that we have established internal protocols that comply with CDC and local health guidelines. Our technical and remote capabilities allow for flexibility in responding to your needs during this pandemic.

We have structured this proposal to communicate our experience and qualifications to effectively and efficiently respond to the requirements and expectations of the Program, and have made every effort to completely respond to all matters identified in your request for proposal. We would be pleased to meet with you and formally present our proposal upon your request. If you have any questions, please do not hesitate to contact me at (304) 343-4188.

Respectfully submitted,

BROWN, EDWARDS & COMPANY, L.L.P.



Robert E. Adams, CPA
Partner

ABOUT THE FIRM

Brown, Edwards & Company, LLP, is a regional accounting firm formed in 1967 through the merger of Fred P. Edwards Company and C. A. Brown & Company, whose histories date back to the 1920s. The firm has enjoyed significant growth since its formation, thanks to an unwavering commitment to our clients to provide the highest quality professional services in the industry and the attention and responsiveness they deserve and have come to expect.

With an average of 25 years of experience for partners and directors and ten years for senior managers, team members at Brown Edwards bring significant experience and knowledge to every client engagement. Each service area offers specialists in accounting, assurance, tax, and management advisory services to our clients. In addition, we have developed industry teams, such as our not-for-profit, higher education, health care, financial institutions, and governmental practice units, which are comprised of team members with in-depth experience and specialized training who spend substantially all of their professional life providing services exclusively to clients in those specific industries.

Effective January 1, 2018, Brown Edwards merged in the practice of Gibbons & Kawash (“G&K”) in Charleston, WV. The addition of G&K added a significant State and Local governmental practice to the already strong and significant practice of Brown Edwards.

QUICK FACTS ABOUT BROWN EDWARDS

Inside Public Accounting's
Top 100 Public Accounting
Firms by net revenue



Top Accounting Firm
headquartered in Virginia
based on number of CPAs by
Virginia Business Magazine



Recognized as one of
America's Best Tax Firms for
2021 by Forbes Magazine



- Accounting Today's Top 100
Firms by net revenue
- Listed as a Top 100 Firm
Pacesetter in Growth by
Accounting Today
- Listed as #4 in the Capital
Region by Accounting Today



Member of Inc. 5000 2021 list
of the fastest-growing private
companies in the U.S.



Pass opinion on our peer
review for over 25 years,
and inspected by the
PCAOB since its inception,
with few findings



More than 400
professionals serving
the southeastern U.S.



Top 50 Construction
Accounting Firm as
compiled by Construction
Executive magazine



ABOUT THE FIRM (CONTINUED)

At Brown Edwards, we are a firm offering high level professional services such as assurance & accounting, tax, advisory & consulting, business outsourcing solutions, valuation, forensic, and social security planning. The quality provided in Brown Edwards' services dramatically surpasses that of a typical accounting firm. It is our sole focus to provide our clients with industry leading service while giving them practical and actionable advice so they may fully attain their financial and operational goals.

Brown Edwards also offers the following specialized services to our clients:

- Quarterly and semi-annual reviews
- Compliance audits in accordance with Uniform Guidance
- Preparation and examination of indirect cost rate proposals
- Performance of certain agreed-upon procedures
- Section 404 compliance audits
- Financial forecasts and projections
- Capital financing/financial feasibility studies
- Exempt entity tax planning and compliance, including evaluation of UBTI issues
- Employee benefit plan auditing and IRS/DOL compliance
- Recruitment of financial personnel
- Design and evaluation of internal controls
- Software evaluations and consultations
- Benchmarking and ratio analysis
- Wealth management
- Estate planning services
- International tax
- Inbound and outbound investments
- IT security services
- Management transition or succession planning (personal and business life cycle issues)
- Mergers and acquisitions including financial due diligence

All aspects of our service quality are monitored against our 5-Star Service Quality Standards. While these standards are part of our culture, we also monitor how well we are doing by client surveys in which we employ professionals to conduct interviews of selected clients to obtain feedback related to service quality. The results of these surveys assist us in realignment of priorities and, on an ongoing basis, support our goal of continuous improvement of service quality. There will be no surprises. Not in the delivery of service, not in our final reports, and not in our fees. As your organization tackles its challenges and opportunities, you can rest assured that our firm will be there to offer dependable, superior quality service.

MEMBERSHIP ORGANIZATIONS



**CENTER
FOR AUDIT
QUALITY**

Serving Investors, Public Company Auditors & the Markets

Brown Edwards is a member of the American Institute of Certified Public Accountants' Center for Audit Quality. This membership requires a peer review every three years. **Our most recent peer review was performed in September 2018. We received a "Pass" rating, the highest rating achievable, for our 2018 review.** A copy of our most recent peer review is attached as **Appendix B** for your convenience.



Public Company Accounting Oversight Board

Brown Edwards is also registered with the Public Company Accounting Oversight Board (PCAOB). This Board monitors quality in firms that audit public companies, which subjects our firm to stringent inspection and requires that we meet the highest level of technical quality in the profession today. The benefit to you is that our quality control systems and educational requirements are subject to the same standards and inspections as those of the largest firms. **We are very proud of the results of our PCAOB inspections, the most recent being in 2016. In each of our five inspections, we received an unqualified report with no findings, a distinction that few firms have achieved.** PCAOB inspection reports are public documents and receipt of a report with no findings places us in an enviable position when compared with peer firms, including those that are significantly larger than our firm.



As an independent member of the BDO Alliance USA, Brown Edwards can expand the services offered to clients by drawing on the resources of BDO USA, LLP, the fifth largest accounting services firm in the nation, and other Alliance members. The firm serves clients through 63 offices and more than 450 independent Alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 1,300 offices in over 150 countries.



Brown Edwards is also a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center (GAQC). The GAQC is designed to help CPAs meet the challenges of performing quality governmental audits. The GAQC's primary purpose is to promote the importance of **quality governmental audits and the value of such audits to purchasers of governmental audit services**. As a member of the GAQC, we adhere to specific membership requirements covering the governmental audits we perform, comply with the specific continuing education requirements for all of our personnel working on these audits, and have access to tools that focus around quality improvement. We believe our participation in the GAQC enhances our audit services to all clients.



Key members of our engagement team are members of the Government Finance Officers Association. All of our local government team partners, directors, and senior associates have extensive experience with the GFOA certificate program. In addition, certain members of our staff have served as qualified reviewers for the GFOA certificate program.



We receive comprehensive resources and up-to-date information on a variety of technical, legislative, and regulatory subjects to assist us in performing employee benefit plan audits and ensure clients are in compliance with the appropriate standards and changes in regulations. These resources help us respond quickly to new standards and requirements to ensure the efficiency of your audit engagement.

MEMBERSHIP ORGANIZATIONS (CONTINUED)



engagements.

Brown Edwards also employs several Certified Fraud Examiners (“CFE”). CFE’s are experts in the field of internal control, fraud detection and prevention, litigation support, and expert witness assistance. This designation, and the skills associated with this certification, provide an added benefit to complex governmental

Brown Edwards performs peer reviews for eight to ten firms each year, and our peer review clients include seven top 100 firms in the country in terms of annual revenue. Our governmental team participates significantly in this practice area. Participation as peer reviewers gives Brown Edwards exposure to the work of other quality firms and is an excellent exercise to ensure we are up-to-date on the most recent professional standards, audit approaches, and technology.

THE BENEFITS OF A REGIONAL FIRM

As a regional firm, we offer the best of both worlds. With a total staff of over 400 and growing, we are large enough to provide services to a broad range of clients in the functional areas of accounting, auditing, tax, and management advisory services while providing you with direct access to our partners and directors.

Although we are considered a large firm on a national basis, Brown Edwards is owned, operated, and managed locally and as a result we can respond to your needs quickly and effectively. Our offices are located in West Virginia, Virginia, and Tennessee, and we have quick and easy access to all of the southeastern United States. Because we live and work very close to all the markets we serve, our partners and directors are always accessible to you. Having unparalleled access to our firm’s decision makers helps to create the meaningful relationship between our firm and our clients that you should expect from your auditors. Our goal with the Program is not merely to provide the desired services but to proactively work with you to identify opportunities and use our resources to support your strategic mission – ***Your Success is Our Focus.***

EXPERIENCE, QUALIFICATIONS, AND SERVICE

We have assembled a dedicated team of professionals to serve the needs of the Program. These individuals bring a wide range of experience, professionalism, and insight to your engagement. They each have proven records with governmental entities. Our service team is exceptionally well suited to meet your needs because:

- Our firm's experience and commitment to continuing to build our governmental practice ensures that your questions and concerns are addressed promptly.
- Our local presence provides immediate availability of resources, expertise, and decision-making on the Program's engagement.
- Our people have experience and knowledge that is relevant to the financial, accounting, information technology, and other business considerations facing the Program.
- Our people are active members in various governmental organizations and associations, and maintain a strong professional relationship with FARS, the GFOA, and GASB.
- All service team members meet or exceed minimum continuing professional education requirements, including the stringent requirements under the GAO Yellow Book.

People make the difference in professional relationships. We believe communication and personal chemistry are particularly important elements of client relationships, especially in the dynamic governmental arena. Our professionals are skilled in this field, and we expect you will feel comfortable with their expertise and commitment. A short introduction to your service team is listed below with full resumes listed in **Appendix A**.

Engagement Partner – Robert E. Adams, CPA, CGMA, is a partner with Brown Edwards who has extensive experience in serving governmental clients and will serve as the lead partner for the Program. In this role, Rob will assume primary responsibility for the successful completion of the engagement and will maintain contact with you and senior management of the Program throughout the engagement to ensure that services and resources are provided to the Program in a timely manner. Rob will also provide technical expertise to the team and perform review and supervision procedures.

Concurring Partner – Chris Banta, CPA, CFE, is a partner with Brown Edwards with over 20 years of governmental experience and will serve as concurring partner for the engagement. The role of the concurring partner is an essential element of Brown Edwards' quality processed services. Chris will be available to consult with the team on accounting and reporting matters and provide technical expertise.

Audit Director – Anthony Carpenter, CPA, is a director at Brown Edwards with many years of specialized experience with governmental entities. Anthony will be responsible for developing our approach, supervising and coordinating the efforts of the engagement team, identifying and researching technical issues, and administrative matters. Anthony will be in contact with you to ensure your needs and deadlines are met and will be onsite to manage the audit process on a daily basis.

Audit Manager – Staunton Gorrell, CPA, is a manager at Brown Edwards with multiple years of specialized experience with governmental entities. Staunton will be focused on supervising our engagement and assisting all personnel assigned on a daily basis.

EXPERIENCE, QUALIFICATIONS, AND SERVICE (CONTINUED)

In-Charge Associate – Alexandra Brannon, CPA, is an in-charge associate at Brown Edwards with a concentration in governmental entities. Alexandra will be focused on executing field work under the direction of the engagement manager, director, and partner. She will also be assisting all personnel assigned on a daily basis.

Information Technology Director – Clarence Rhudy, CPA, CISA, CITP, is an information technology director with extensive experience with governmental entities. Clarence will serve as a consultant to the engagement. In this role, he will be available to provide technical expertise throughout the engagement.

CONTINUING PROFESSIONAL EDUCATION

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Brown Edwards provides internal and external training on governmental accounting, auditing, reporting, and operations in excess of the GAO requirements. In addition, our membership in the AICPA's Governmental and Employee Benefit Plan Audit Quality Center requires additional levels of continuing professional education to maintain our membership. We continually monitor the issuance of technical auditing and accounting pronouncements and provide our personnel with specialized training in these areas. Professionals at all levels receive specialized training in seminars and courses presented by nationally recognized experts in governmental and nonprofit accounting, auditing and financial reporting. Brown Edwards' professional staff has met all continuing professional education requirements.

COMMITMENT TO PROVIDE CONTINUITY OF STAFF

Our staffing and scheduling policies have historically been very successful in maximizing audit team continuity from year to year. Effective staff recruiting and retention is a top priority for our firm, because we realize that our most valuable investment is our people. We recruit only those who have achieved a high academic standing and have demonstrated commitment, ambition, and leadership skills, and offer them a proactive approach to staff development that includes a mentoring program, comprehensive training at every level, and performance evaluations after every significant engagement.

We view continuity of engagement teams to be in the best interest of the Firm and our clients. Staff repetition enhances audit effectiveness and efficiency, and is our guiding principle in scheduling. When personnel changes are unavoidable, the depth of our pool of experienced professionals gives us the ability to select a replacement with similar qualifications and levels of experience for your audit team. We understand that the Board reserves the right to request staff changes throughout the term of the contract.

OUR TECHNOLOGY

Brown Edwards is committed to providing our professionals access to sound and advance technology in order to ensure optimum levels of efficiency in our engagements. We use “paperless” audit techniques which enable our professionals to spend more time on judgment matters and in-depth research and analysis, rather than on “number crunching” and other mechanical aspects of client service, which enhances efficiency by allowing for the quick update of key documentation from year-to-year.

With an internet connection, our personnel can work from anywhere and have complete access to the firm’s network as well as access to multiple high quality research sites for research of accounting and auditing issues. Our electronic audit workpaper software allows efficient integration of client prepared Word, PDF, and Excel files into our workpaper files.

We combine the use of spreadsheet, word processing, and audit software to perform the most efficient audits possible. Some of the benefits of full automation include the ability to:

- Import data directly from your accounting system, thereby eliminating manual keypunching
- Spend more time on judgment matters and in-depth research and analysis rather than on “number crunching” and other mechanical aspects of client service
- The use of pre-formatted spreadsheets from year to year, allowing us to perform ratio and trend analysis on key accounts

We use the following software solutions to perform the aforementioned tasks:



ProSystem Fx Engagement - A workpaper preparation program that produces financial statements, trial balances, journal entries, fluctuation and ratio analysis.



Checkpoint - Online access to an expansive library of tax, accounting, auditing, and corporate finance content, including primary source materials and expert analysis.



IDEA - A powerful data extraction and analysis program that provides us with access to large amounts of data from which we can quickly import, join, analyze, sample and extract data from almost any source. Through data extraction and analysis programs, a significant amount of information can be evaluated for unusual relationships, which may be the result of erroneous data.



ShareFile - A secure cloud-based collaboration, file-sharing and workflow solution that supports all the document-centric needs of businesses. Auditors and clients can safely share large files, e-sign and get secure remote access to servers and PCs from any device, any time.

ENCRYPTION

All data on Brown Edwards computers, including our workpapers in our computerized audit documentation management system, is encrypted using advanced algorithm technology. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Brown Edwards personnel.

INFORMATION AND CYBERSECURITY CONSULTING

Brown Edwards also offers specialized Information and cybersecurity consulting ranging from Security assessments and consulting to penetration and vulnerability testing to help identify threats to system security. We have the expertise and experience to help our clients design and implement solid, secure programs for both IT compliance and security. Fees associated with these services would be based on the degree of responsibility involved and the skill required.

EMERGING TECHNOLOGY AND ITS EFFECT OF THE AUDIT PROCESS

As a Top 100 accounting firm, Brown Edwards is currently participating in discussions with the AICPA and other Top 100 accounting firms regarding the use of artificial intelligence (AI) in the audit process. What this means for the Board is that you can be assured that Brown Edwards continually strives to improve the efficiency and effectiveness of our audit process in order to better serve our audit clients.

OVERALL CHARLESTON OFFICE EXPERIENCE

The Charleston office of Brown Edwards, including the former firm of Gibbons & Kawash, has a long tradition of providing the highest quality professional services to governmental clients. The Brown Edwards' Charleston office includes recent public sector experience with the following entities:

- City of Charleston, West Virginia
- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Kanawha County Commission
- Kanawha County Parks and Recreation Commission
- Kanawha County Sheriff's Department
- Kanawha Valley Regional Transportation Authority
- Kanawha County Regional Development Authority
- Metro 911 of Kanawha County, West Virginia
- Region III Planning and Development Council
- Region VII Planning and Development Council
- School Building Authority of West Virginia
- South Carolina Tuition Prepayment Program
- Tobacco Settlement Finance Authority of West Virginia
- **West Virginia Water Pollution Control Revolving Loan Fund (A DEP related entity)**
- West Virginia Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Bar Foundation
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation
 - Division of Motor Vehicles
 - Division of Public Transit
 - Aeronautics Commission
 - Public Port Authority
- West Virginia Division of Highways
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- West Virginia Lottery Commission
- West Virginia Municipal Pensions Oversight Board
- West Virginia Parkways Authority
- West Virginia Prepaid College Tuition and Savings Plan
- West Virginia Public Service Commission
- West Virginia Regional Jail and Correctional Facility Authority
- **West Virginia Solid Waste Management Board (A DEP related entity)**
- West Virginia State Bar
- West Virginia State Rail Authority
- West Virginia Water Development Authority

RECENT ENGAGEMENTS WITH THE STATE OF WEST VIRGINIA

The following is a list of engagements with the State of West Virginia from the Charleston office of Brown Edwards, for the past five years. These annual audits are performed under *Government Auditing Standards*.

| <u>West Virginia Engagements</u> | <u>Principal Contact</u> | <u>Years Served</u> |
|--|--|---------------------|
| West Virginia Solid Waste Management Board | Scott Norman 304-926-0448 | 2015-2020 |
| West Virginia Water Pollution Control Fund | Katheryn Emery-Fultineer 304-926-0499 | 2016-2020 |
| West Virginia Infrastructure and Jobs Development Council | Brock Jarrett 304-414-6500 | 2015-2020 |
| West Virginia Water Development Authority | Brock Jarrett 304-414-6500 | 2015-2020 |
| West Virginia Drinking Water Treatment Revolving Loan Fund | Brock Jarrett 304-414-6500 | 2015-2020 |
| West Virginia Jobs Investment Trust | Andy Zulauf 304-345-6200 | 2015-2020 |
| West Virginia Economic Development Authority and affiliated entities | Jackie Browning 304-558-3650 | 2015-2020 |
| West Virginia Lottery Commission | Dean Patrick 304-558-0500 | 2015-2020 |
| West Virginia Board of Treasury Investments | Kara Hughes 304-340-1564 | 2015-2020 |
| West Virginia Housing Development Fund | Trisha Hess 304-391-8644 | 2015-2020 |
| West Virginia Municipal Pensions Oversight Board | Blair Taylor 304-356-2422 | 2015 and 2019-2020 |
| Tobacco Settlement Finance Authority of WV | Stephanie Bailes 304-558-4083 | 2015-2020 |
| West Virginia Alcohol Beverage Control Administration | Julia Jones 304-356-5510 | 2015-2020 |

SERVICE PHILOSOPHY

We reject the notion that an audit is a commodity. First and foremost, we are in business to serve our clients, to help them solve their problems, achieve their objectives, and to make a solid contribution to their success. Our people work to identify and respond to our clients' needs. We believe that in the course of conducting an audit, your audit firm should generate information and develop insights that-in the hands of professionals who combine competence with judgment, maturity, and creativity-will result in improvements, efficiencies, and wins. It is this "value-added" philosophy to client service that continues our approach to engagement management and distinguishes us from other firms.

CLEAR COMMUNICATION

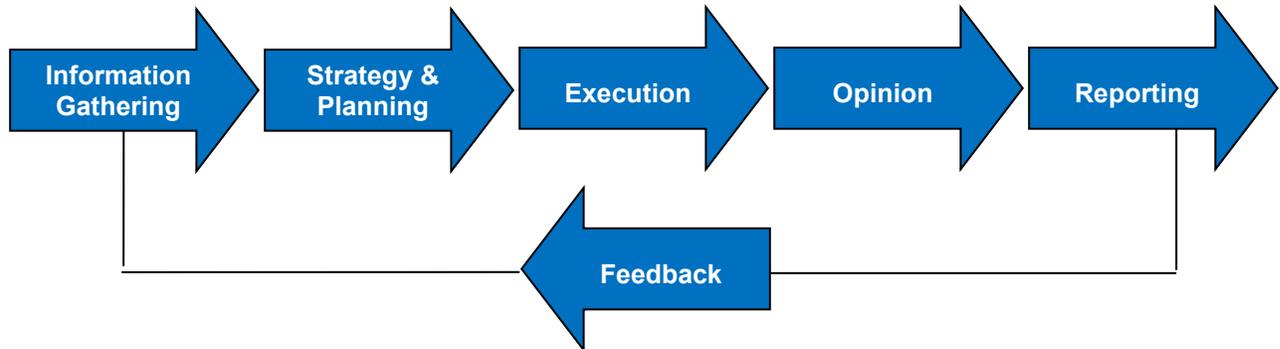
We value the candid exchange of ideas and opinions with our clients, and we maintain an open and robust dialogue with management and those charged with governance. We believe that communication is the most important tool for maximizing audit efficiency and effectiveness.

- Prior to the audit, we will meet with management and the Audit Committee to assist us in planning the audit. Taking the time to listen to you during the planning process is crucial to ensuring that we understand your organization and its risks.
- Our key team members will also meet with management frequently during the engagement to keep you apprised of our progress, to discuss any issues that may arise, and to solicit feedback regarding our performance.
- At the conclusion of our audit, we will communicate in writing regarding the results of the audit and any internal control matters that are required by professional standards to be communicated and we will meet with management to discuss these matters.
- We also encourage contact throughout the year, and your client service team has been and will be ready to consult with you any time you have a question. Brief phone calls are expected throughout the year. Of course, if a question requires extensive research, we will let you know and arrive at a fee estimate in advance.



OUR METHODOLOGY

Our methodology is broken down into six phases:



- We will gather sufficient information on the key audit risks including the development of our understanding of key internal controls, to enable us to design appropriate audit procedures, and conduct the audit in the most efficient manner and within the pre-agreed time frame and budget.
- Information gathering will also include a “prepared by client” list with agreed timetable for provision of information and year-end planning meetings.
- We will calculate an appropriate materiality level which reflects the perceived audit risk and is based on our in-depth understanding of your engagement.
- We will use suitably-qualified staff to ensure an efficient audit, while maximizing the opportunity for value-added service from their experience.
- We will ensure clear and timely communication of issues to avoid any surprises and to enable smooth reporting.

EMPHASIS ON PLANNING AND RISK ASSESSMENT

We recognize that every organization we serve is unique. Effective and thorough planning is the key to ensuring that our approach is tailored to meet your specific needs and is the cornerstone of successful engagement management.

The most critical part of planning an audit is risk assessment. Risk assessment refers to the auditor’s identification and assessment of risks of material misstatement at both the financial statement and relevant assertion levels. Obtaining an understanding of the organization, including its internal control, is an essential aspect of the consideration of risk. Our goal here is to get beyond the numbers, to develop a clear understanding of your organization, your goals and objectives, and the environment in which you operate.

EMPHASIS ON PLANNING AND RISK ASSESSMENT

Some risk assessment procedures which we will perform are as follows:

- Inquiries of management and others within the organization and those charged with governance, including specific inquiries related to fraud risks
- Obtaining an understanding of internal controls (both entity-level and activity-level controls)
- Performing “walkthroughs” of key internal controls and conducting interviews with personnel
- Performing analytical procedures of trends and relationships reported in the balances of the financial statements at the account and group levels
- Review of internal documents such as by-laws, minutes, and written policies and procedures
- Review of important contracts and agreements
- Engagement team “brainstorming” session to identify ways in which the financial statements could be misstated, especially as related to misappropriation or intentional misstatement

Once risk has been assessed, we are able to determine the quality and quantity of audit evidence required to limit that risk to an acceptable level. We will synthesize the information gathered during the planning and risk assessment procedures to develop a risk-based approach that concentrates audit effort on those areas where the dollar volume of transactions is significant and the risk of material misstatement is greatest.

The comprehensive planning process is the cornerstone of adapting our audit approach to the needs identified by risk assessment for the Program. We believe our prior experience with the West Virginia Water Pollution Control Revolving Program and other governmental entities will assist in keeping the time required of the Program’s personnel during the planning phase to a minimum.

The audit approach we take is both innovative and prudent in responding to the risk assessment; and its impact on the opinion provided on the financial statements of the Program. These items help to determine the quality and quantity of audit evidence required to limit that risk to an acceptable level.

INTERNAL CONTROL

As mentioned above, obtaining an understanding of internal controls is an important part of the risk assessment process. We will obtain an understanding of the interrelated components of internal control sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Our understanding of internal controls incorporates two primary elements - the evaluation of the design of the control and a determination of whether it has been implemented. We will identify key controls and perform walkthroughs, observations, and inquiries to determine that they have been implemented.

INTERNAL CONTROL (CONTINUED)

Updating our understanding of the entity and its environment, including internal control, sufficient to assess the risks (risk assessment) of material misstatement of the financial statements and to design the nature, timing, and extent of procedures is of the utmost importance. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*. There can be no assurance that all deficiencies, significant deficiencies, or material weaknesses will be identified.

CONSIDERATIONS OF LAWS, REGULATIONS, CONTRACTS, AND GRANTS

Identifying and ensuring that the Program complies with laws and regulations is the responsibility of management. We will include appropriate inquiries of management and staff of the Program to identify laws and regulations with which noncompliance could have a direct and material effect on the financial statements. We will also review relevant portions of the West Virginia Code and other relevant regulations. We will test the provisions of those laws, regulations, grants and contracts for noncompliance which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions is not an objective of our audit, and accordingly, we will not express such an opinion. We will report on the results of our tests if we discover any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

AUDIT PLAN AND EXECUTION

Risk assessment, planning, and information gathering result in the development of the audit plan, which is a detailed audit approach supplemented by written, detailed audit programs. The plan will be scrutinized by the engagement director to determine that the specific procedures developed are appropriate, efficient and reasonable in the circumstances.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. We may also request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting described in your RFP. The objective also includes reporting on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*. The report will state that the report is not suitable for any other purpose

Upon completion of fieldwork, the reporting phase will be completed in draft form and reviewed by the engagement in-charge, partner, and independent reviewer, prior to submission to the Program's management for their review. After any questions or concerns have been answered, the final reports will be issued. In addition, if we discover matters that are considered control deficiencies or note opportunities to strengthen existing controls or provide operational efficiency, we will provide those in written form to management in a communication separate from the deliverables described above, commonly referred to as a management letter.

We will issue our report on the fair presentation of the Program's financial statements in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions.

AUDIT PLAN AND EXECUTION (CONTINUED)

We will inform the Program of each of the following:

- The auditor's responsibility under generally accepted auditing standards and *Government 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 accountant
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Significant abuse

OUR UNDERSTANDING OF THE IN LIEU FEE MITIGATION PROGRAM

The goal of West Virginia's ILF Mitigation Program is to achieve no net loss of existing stream and wetland acreage and functions in West Virginia through effective restoration, enhancement, replacement, and preservation of aquatic resources. The program utilizes watershed and landscape based planning to identify and assess potential mitigation opportunities that maximize the ecological benefits of aquatic resources within the same geographic service areas as the impacts. By consolidating the mitigation requirements stemming from multiple impacts, large scale water shed efforts can be focused within priority watersheds. The ILF Program works closely with other state and federal agencies, non-government organizations, academic institutions, watershed associations, individuals and others to develop plans and set priorities.

We understand that the In Lieu Fee (ILF) Mitigation Program was initiated by DEP to provide an additional tool for achieving compensatory mitigation for unavoidable impacts to waters of the United States and state waters, including wetlands, streams and associated buffers. Permits that are required for such impacts by the U.S. Army Corps of Engineers under §404 of the Clean Water Act, under §10 of the Rivers and Harbors Act, and by the State of West Virginia under §401 of the Clean Water Act. The permit allows permittees to participate in the state's ILF Program if there are no Mitigation Banks available to provide compensatory mitigation. Permittees participate by paying a fee, which is determined by inputting qualitative and quantitative data from proposed impacts to streams and wetlands into the West Virginia Stream and Wetland Valuation Metric.

The In Lieu Fee Mitigation Program is established under the Instrument signed on January 7, 2021. The purpose of the fund is to:

- Accept compensatory mitigation fees as directed by the U.S. Army Corps of Engineers for impacts to aquatic resources authorized by the Clean Water Act.
- Identify, purchase (if necessary), construct, and monitor ILF mitigation sites and projects as approved by the U.S. Army Corps of Engineers for ultimate release to third-party long-term stewards.
- Establish financial, technical, and legal mechanisms to ensure long-term success of the mitigation projects.

OUR UNDERSTANDING OF THE IN LIEU FEE MITIGATION PROGRAM (CONTINUED)

We understand the WVDEP Division of Water and Waste Management maintains responsibility for the operation and general management of the program. The program has been in operation since November 1, 1991. The source of revenue for the Program includes compensatory mitigation fees and interest earning from the Investment Management Board.

The Program is administered by the Division of Water and Waste Management, with oversight by the Office of Administration, Fiscal Services. The Program operates as a special revenue unit within the Water Quality Management Fund of the Department. The unit is accounted for and reported as part of an enterprise fund in the West Virginia Comprehensive Annual Financial Report and in separately reported Calendar Year Annual Reports submitted to the U.S. Army, Corp of Engineers.

The financial operations of the Department are maintained as follows:

The Program revenues and expenditures are recorded in WVOASIS and the Program Calendar Year annual reports are maintained using Microsoft Excel.

The Program's investment portfolio is managed by and in the custody of the Investment Management Board (IMB) of the State of West Virginia. The IMB is audited annually by independent Certified Public Accountants. We understand we will be required by the Department to fully rely on this audit work.

We understand that this is the first audit of the unit and there are no previous audit reports or work papers available.

OUR UNDERSTANDING OF YOUR REQUIREMENTS

We would express an opinion on the fair presentation of the Program financial reports for the calendar years of 2016 through 2020. We understand the financial reports have been prepared on the cash basis, a special purpose framework not in accordance with GAAP. The primary purpose of the audit is to provide assurance to the Army Corp of Engineers, the oversight entity of the program, in which the amounts shown on the financial reports can be relied upon.

The audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States that require the auditor to obtain reasonable assurance about whether the Program's financial reports (2016 through 2020) are free from material misstatements. Following the completion of the audit, we will issue a report on whether the financial reports are free from material misstatements.

Brown Edwards understands that we will be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the State Comptroller under the authority of Section 5A-2-33 of the State Code, as well as to the Secretary of the Department, the Division Director of the Division of Water and Waste Management (DWWM) and the Department's Chief Financial Officer.

OUR UNDERSTANDING OF YOUR REQUIREMENTS (CONTINUED)

Brown Edwards assures that the Department will be informed of each of the following:

- Brown Edwards' responsibility as it relates to auditing financial statements prepared in accordance with special purpose frameworks
- Significant accounting policies
- Other information in documents containing audited financial statements
- Disagreements with management
- Difficulties encountered in performing the audit

TIMELINE

Our primary goal in scheduling your engagement is to ensure that the engagement is thoroughly planned, that field work is scheduled at times which are compatible with the schedules of the Program accounting staff, and that the audit is completed in advance of the deadline to allow management adequate time to review our draft reports.

We understand the contract is to audit the Program's annual program reports and financial statements included therein for the five calendar years of 2016 through 2020. We will design and plan our audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and auditing standards generally accepted in the United States of America to meet the following time requirements:

- Entrance Conference – Brown Edwards will attend an entrance conference to be scheduled by the Program within two weeks of notification to proceed.
- Field Work and Draft Financial Statements – Field work will be scheduled to be completed and draft financial statements prepared by January 31, 2022.
- Draft Audit Report and Exit Conference - Drafts of the audit report and recommendations will be submitted to management for their review. We will schedule an exit conference with the Chief Financial Officer, Program Manager and the Accounting and Financial Reporting Manager to discuss all questions and summarize the results of the audit. The draft audit report and exit conference will be scheduled for February 28, 2022.
- Final Audit Report – The final audit report will be delivered by March 31, 2022.

We will provide ten (10) bound, signed copies and an electronic copy of the Independent Auditor's Report on Brown Edwards letterhead delivered to the Chief Financial Officer.

ASSISTANCE PROVIDED

We understand the Fiscal Services office staff and responsible management personnel will be available during the audit to assist the firm by providing information documentation and explanations. We understand the preparation of confirmations, including copies for Fiscal Services, will be the responsibility of Brown Edwards.

We understand the Chief Financial Officer and Accounting and Financial Reporting Manager will provide draft copies of the calendar year annual reports, relevant supporting work papers, and will be available to coordinate requests for additional information.

We understand that report preparation, editing, and printing will be the responsibility of Brown Edwards.

WORKPAPER RETENTION AND ACCESS TO WORKPAPERS

The workpapers will be available for examination by authorized representatives of any cognizant federal or state audit agency, the General Accounting Office, and the Program. The workpapers and reports will be retained, at our expense, for a minimum of five years, unless we are notified in writing by the Program of the need to extend the retention period. In addition, we will respond to the reasonable inquiries of any successor auditor and allow the successor auditor to review workpapers relating to matters of continuing accounting significance. We understand that we will be required to make working papers available, upon request, to the following parties or their designees:

Chief Financial Officer
Department of Environmental Protection
State of West Virginia

Financial Accounting and Reporting Section
Department of Administration
State of West Virginia

United States Army Corps of Engineers
Huntington District
Huntington, WV 25701

CONTACTS

Brown Edwards understands the principal contact with the Division will be the Chief Financial Officer or a designated representative who will coordinate the assistance to be provided by the Department.

The list of key positions, office locations and telephone numbers are below:

Teresa M. Koon
Assistant Director
601 57th Street, S.E.
Charleston, WV 25304
Telephone: 926-0499 ext. 1611

Randy Taylor
Chief Financial Officer 601 57th Street, S.E. Charleston, WV 25304
Telephone: 926-0499 ext. 1552

Gary W. Rogers
Accounting & Financial Reporting Manager 601 57th Street, S.E.
Charleston, WV 25304
Telephone: 926-0499 ext.1115

AUDIT FEE

The professional fees presented in this proposal are based on our best assessment of the time and resources required to provide audit services for the Program at our standard hourly rates. The total all-inclusive price bid contains all direct and indirect costs, including out-of-pocket expenses.

Our fee for these services will be \$43,650

Should additional services beyond the scope of the audit be required, we would be pleased to provide those to you at an agreed upon reasonable fee based on our standard hourly rates which vary according to the degree of responsibility and expertise of our professionals assigned to the services.

Our standard hourly rates are as follows:

| | | |
|--|----|---------|
| Partner and Director | \$ | 220-395 |
| Senior managers and managers | | 150-220 |
| Senior associates, associates and administrative staff | | 90-150 |

AFFIRMATIVE STATEMENTS

Independence – Brown Edwards is independent of the Program, the State of West Virginia, and any component units of the State of West Virginia, as defined by generally accepted auditing standards and *Government Auditing Standards*. We are free from all objections and interests that might materially conflict with interests of the Program.

License to Practice – Brown Edwards and all assigned key professional staff are licensed to practice public accounting and perform assurance services in West Virginia.

Registration – Brown Edwards is properly registered with the State of West Virginia Purchasing Division and has paid all required fees.

Ethics – Brown Edwards and its employees assigned to the engagement will follow the guidelines and standards established by the West Virginia Ethics Commission in 158 CSR 4.

Insurance – Brown Edwards maintains insurance for professional/malpractice, general, and an automobile liability in excess of \$1,000,000 each and can provide evidence of insurance upon request.

Federal or State Desk or Field Reviews – There have been no field reviews of Brown Edwards audits during the past three years and all desk reviews have been accepted.

Disciplinary Action – No disciplinary action has been taken or is pending against Brown Edwards.

1. MISCELLANEOUS:

1.1. 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: Robert E. Adams, Partner
Telephone Number: 304-343-4188
Fax Number: 304-344-5035
Email Address: readams@becpas.com

MANDATORY REQUIREMENTS

Brown Edwards is a Certified Public Accountant firm and is independent and licensed to practice in West Virginia.

We have provided copies of our last two AICPA peer reviews performed in the last 7 years, with the most current review having occurred in the last 3 years, with a pass rating. These copies are located at Appendix B.

All Brown Edwards' directors, principals, and partners assigned to the Program's engagement are licensed CPA's with at least 5 years of audit experience with governmental entities. All manager level employees on the engagement are CPA's with at least 3 years of experience of governmental engagements.

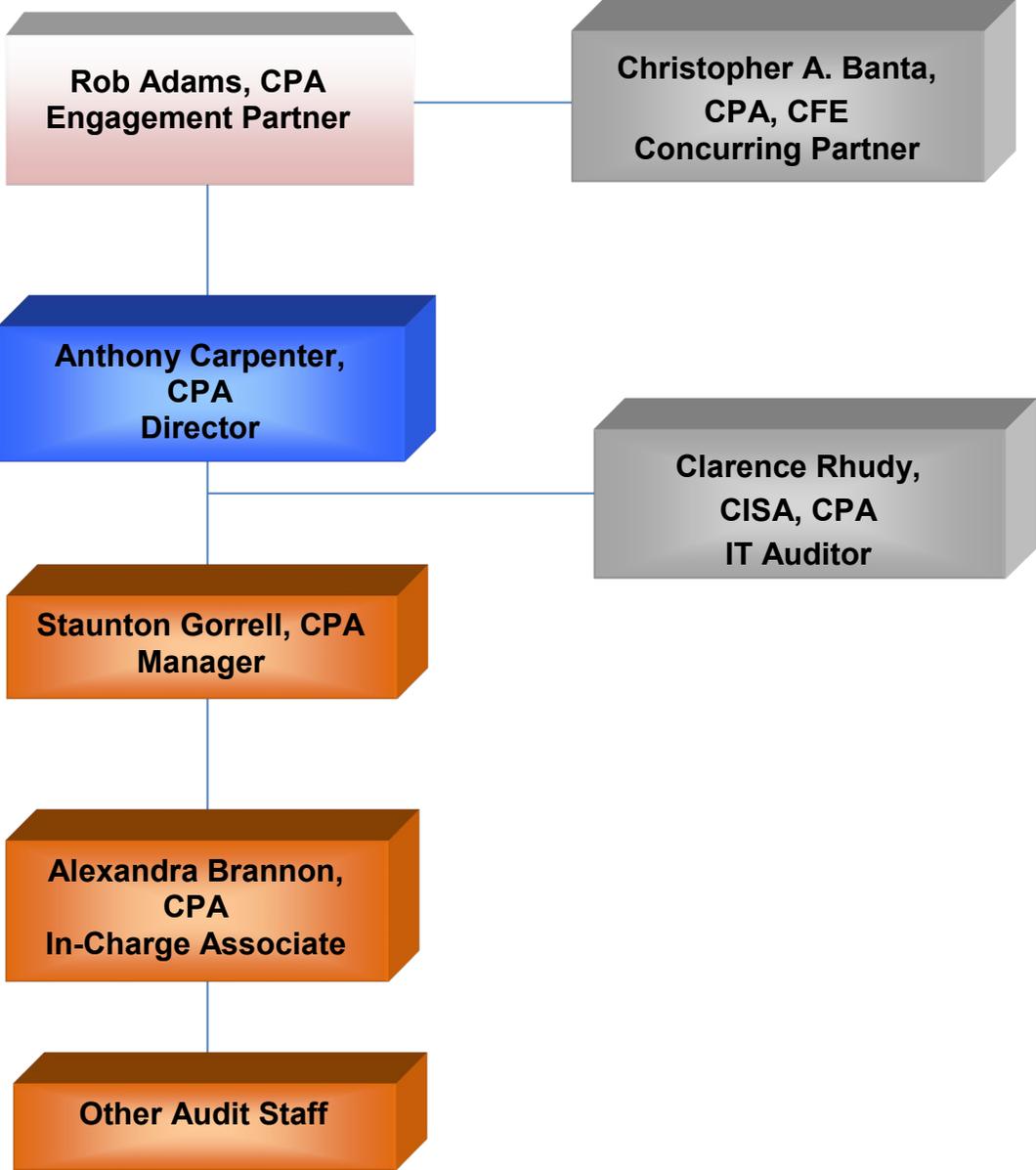
Brown Edwards has experience auditing/consulting with state government entities (agencies) over the past 5 years. A list of engagements is located on pages 11-12.

Brown Edwards has at least 5 licensed CPA's on staff within the firm that are strictly audit and not tax professionals with at least 3 of these professionals located in the same location.

Brown Edwards has not had a final audit issued that had to be reissued due to material errors or omissions discovered by West Virginia Financial Accounting and Reporting Section or other West Virginia state agency two times or more.

Brown Edwards is a member in good standing of the AICPA's Governmental Audit Quality Center.

APPENDIX A – YOUR SERVICE TEAM



APPENDIX A – YOUR SERVICE TEAM



Rob Adams, CPA, CGMA
Engagement Partner
304-343-4188
readams@BEcpas.com

PROFILE

- Partner in our Charleston office with over 25 years of experience in public accounting
- Director of Assurance Services for the Charleston office
- Extensive experience in financial reporting, accounting, internal control, auditing, review, compilation, agreed upon procedures and other professional services for the following entity types:
 - Nonprofit organizations
 - Various state and local governments
 - Closely-held businesses and public sector entities including real estate, hospitality, manufacturing, retail, wholesale, mining, and media
- Active in the AICPA's Governmental Audit Quality Center and the Charleston Partner assigned to the Center

CONTINUING PROFESSIONAL EDUCATION

- Rob is in compliance with all applicable CPE requirements.

RELEVANT EXPERIENCE

- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Charleston Urban Renewal Authority
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission
- Kanawha Valley Regional Transportation Authority
- Metro Emergency Operations Center of Kanawha County
- School Building Authority of West Virginia
- Tobacco Settlement Finance Authority
- West Virginia Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Board of Treasury Investments
- West Virginia College Prepaid Tuition and Savings Plan
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation

EDUCATION

- Bachelor of Business Administration with a concentration in accounting, West Virginia Wesleyan College
- Graduated Magna Cum Laude

MEMBERSHIPS

- Certified Public Accountant in West Virginia
- American Institute of Certified Public Accountants (AICPA)
- West Virginia Society of Certified Public Accountants, Charleston Chapter
- Governmental Finance Officers' Association
- Chartered Global Management Accountant
- West Virginia Kids Count, Board Member
- Multiple local church leadership committees

- West Virginia Division of Highways
- West Virginia Economic Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Independent Colleges and Universities
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- West Virginia Lottery Commission
- West Virginia Municipal Pensions Oversight Board
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund
- West Virginia Drinking Water Treatment Revolving Loan Fund

APPENDIX A – YOUR SERVICE TEAM



Chris Banta, CPA, CFE
Concurring Partner
540-345-0936
cbanta@BEcpas.com

PROFILE

- Partner and Firm Coordinator of Brown Edwards state and local government practice with over 20 years of experience
- Specializes in municipalities, electric cooperatives, not-for-profit organizations, and HUD properties
- Coordinates the compliance auditing aspect of the annual audits of municipal and nonprofit clients, including APA compliance and transmittal form preparation, single audit compliance, FAA compliance, RUS compliance, and NTD reporting compliance
- Member of Brown Edwards' peer review services team
- Certified Fraud Examiner, providing internal control reviews, fraud examinations, forensic accounting services, and litigation support services

CONTINUING PROFESSIONAL EDUCATION

- Chris is in compliance with all applicable CPE requirements.

RELEVANT EXPERIENCE

- West Virginia Board of Treasury Investments
- County of Frederick, Virginia
- County of Bedford, Virginia
- Montgomery County, Virginia
- Riverside Regional Jail Authority
- City of Falls Church, Virginia
- City of Colonial Heights, Virginia
- City of Winchester, Virginia
- City of Lynchburg, Virginia
- City of Harrisonburg, Virginia
- City of Staunton, Virginia
- Roanoke City Public Schools
- Virginia Tech/Montgomery Airport Authority
- Town of Blacksburg, Virginia

EDUCATION

- Bachelor of Science in Accounting from Virginia Tech

MEMBERSHIPS

- American Institute of Certified Public Accountants (AICPA), the Virginia Society of Certified Public Accountants (VSCPA), the Virginia Government Finance Officers' Association (VGFOA), the National Society of Accountants for Cooperatives (NSAC), and the Association of Certified Fraud Examiners (ACFE)
- Past Treasurer (also former President) of the Grandin Theatre Foundation
- Current Board Member of the Virginia Museum of Transportation and Boys and Girls Club of Southwest Virginia
- Member of the Kiwanis Club of Roanoke, serving as chair of the Career Technical Education Scholarship Committee
- Virginia Resources Authority
- Virginia Tobacco Settlement Financing Corporation
- Greater Lynchburg Transit Company
- Bedford Regional Water Authority
- Town of Bedford, Virginia
- Town of Culpeper, Virginia
- Town of Vinton, Virginia
- Town of Tazewell, Virginia
- City of Charlottesville, Virginia
- County of King William, Virginia
- County of New Kent, Virginia
- Coordinated Services Management

APPENDIX A – YOUR SERVICE TEAM



Anthony Carpenter, CPA

Director

304-343-4188

acarpenter@BEcpas.com

PROFILE

- Director in the Charleston office with over 13 years of experience in public accounting with a concentration in Accounting and Assurance Services
- Primarily works for non-profit organizations, local and state governmental agencies, closely held businesses, and retirement plans

CONTINUING PROFESSIONAL EDUCATION

- Anthony is in compliance with all applicable CPE requirements.

RELEVANT EXPERIENCE

- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- City of Charleston, West Virginia
- EastRidge Health Systems
- Hatfield-McCoy Regional Recreational Authority
- Kanawha County, West Virginia
- Kanawha Valley Regional Transportation Authority
- Public Service Commission of West Virginia
- School Building Authority of West Virginia
- Seneca Health Services
- United Methodist Foundation of West Virginia, Inc.
- Valley Healthcare System
- West Virginia Affordable Housing Trust Fund
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- Tobacco Settlement Finance Authority
- West Virginia Alcohol Beverage Control Administration
- West Virginia Jobs Investment Trust

EDUCATION

- Bachelor of Business Administration with a concentration in accounting, West Virginia State University

MEMBERSHIPS

- Certified Public Accountant In West Virginia
- American Institute of Certified Public Accountants (AICPA)
- West Virginia Society of Certified Public Accountants (WVSCPA)
- Leadership Kanawha Valley
- Emerging Leaders Academy

- Kanawha County Parks and Recreation Commission
- Metro 911 of Kanawha County, West Virginia
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Division of Highways
- West Virginia Housing Development Fund
- West Virginia Independent Colleges and Universities
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Lottery Commission
- West Virginia Municipal Pensions Oversight Board
- West Virginia Parkways Authority
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund
- Young Men's Christian Association of Kanawha Valley, Inc.

APPENDIX A – YOUR SERVICE TEAM



Staunton Gorrell, CPA

Manager

304-343-4188

sgorrell@BEcpas.com

PROFILE

- Manager in the Charleston office with over 8 years of experience in public accounting with a concentration in Accounting and Assurance Services
- Primarily works in the Nonprofit and Governmental Niche

RELEVANT EXPERIENCE

- Central West Virginia Regional Airport Authority
- West Virginia Alcohol Beverage Control Administration
- West Virginia Water Pollution Control Revolving Fund
- Region III Planning and Development Council
- West Virginia Housing Development Fund
- West Virginia Lottery Commission
- West Virginia Solid Waste Management Board
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- School Building Authority of West Virginia
- United Methodist Foundation of West Virginia, Inc.
- West Virginia Consolidated Public Retirement Board
- YMCA of Charleston, WV, Inc.
- Heart and Hand Outreach Ministries
- Woodson Center
- Jackson County Development Center
- University of Charleston
- West Virginia Municipal Pensions Oversight Board

EDUCATION

- Bachelor of Business Administration in Finance, James Madison University

MEMBERSHIPS

- Certified Public Accountant in West Virginia
- American Institute of Certified Public Accountants (AICPA)
- West Virginia Society of Certified Public Accountants (WVSCPA)
- Treasurer, Charleston FestiVALL

CONTINUING PROFESSIONAL EDUCATION

- Staunton is in compliance with all applicable CPE requirements.

APPENDIX A – YOUR SERVICE TEAM



Alexandra Brannon, CPA

In-Charge Associate

304-343-4188

abrannon@BEcpas.com

PROFILE

- In-Charge Associate in the Charleston office with over 2 years of experience in public accounting with a concentration in Accounting and Assurance Services
- Primarily works in the Nonprofit, and Governmental Niches

RELEVANT EXPERIENCE

- West Virginia Water Pollution Control Revolving Fund
- West Virginia Drinking Water Treatment Revolving Fund
- Region III Planning and Development Council
- Region VII Planning and Development Council
- West Virginia Housing Development Fund
- West Virginia Lottery Commission
- West Virginia Solid Waste Management Board
- YMCA of Charleston, WV, Inc.
- Woodson Center
- West Virginia Municipal Pensions Oversight Board
- West Virginia College Prepaid Tuition and Savings Plan
- South Carolina Tuition Prepayment Program
- Carnegie Hall Foundation
- Capitol Market, Inc.
- Capital Area Development Corporation of West Virginia
- West Virginia Water Development Authority
- Tobacco Settlement Finance Authority

EDUCATION

- Bachelor of Science in Business Administration with a concentration in Accounting, West Virginia State University

MEMBERSHIPS

- Certified Public Accountant in West Virginia
- American Institute of Certified Public Accountants (AICPA)
- West Virginia Society of Certified Public Accountants (WVSCPA)

CONTINUING PROFESSIONAL EDUCATION

- Alexandra is in compliance with all applicable CPE requirements.

APPENDIX A – YOUR SERVICE TEAM



Clarence A. Rhudy, Jr., CPA, CISA, CITP
Information Technology Director
540-345-0936
crhudy@BEcpas.com

PROFILE

- Information Technology Director with over 16 years of experience in public accounting experience in programming, classroom training, automation, and the utilization of information technology controls in the work place with our firm and other organizations
- Worked closely with various organizations prior to and since joining Brown Edwards to achieve more effective and efficient use of technology, including IT assessments for various organizations including local governments and Sarbanes-Oxley (SOX) compliance both as a consultant and an auditor
- Experience performing information technology assessments for local and state governments, private industry, financial institutions, and colleges and universities

CONTINUING PROFESSIONAL EDUCATION

- Clarence is in compliance with all applicable CPE requirements.

EDUCATION

- Bachelor of Science in Accounting and Finance, Concord University
- Master of Accountancy, Lynchburg College
- Previously taught accounting, investing, finance, and computers at National Business College and Central Virginia Community College

MEMBERSHIPS

- Certified Public Accountant
- American Institute of Certified Public Accountants (AICPA)
- Virginia Society of Certified Public Accountants (VSCPA)
- Information Systems Audit and Control Association (ISACA)
- Certified Information Technology Professional (CITP)
- Certified Information Systems Auditor (CISA)
- A+ and Network+ certifications, Member of Comptia

APPENDIX B – PEER REVIEW REPORTS



8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of
Brown Edwards & Company L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Edwards & Company L.L.P. (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2018. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown Edwards & Company L.L.P. applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2018, 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*. Brown Edwards & Company L.L.P. has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 17, 2018

APPENDIX B – PEER REVIEW REPORTS



A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

System Review Report

To the Partners of Brown, Edwards & Company L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown, Edwards & Company L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2015. 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 a 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 Brown, Edwards & Company L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2015, 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*. Brown, Edwards & Company L.L.P. has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Baton Rouge, Louisiana
August 27, 2015

APPENDIX C – RFP REQUIRED PAGES

| ADDITIONAL INFORMATION |
|---|
| The West Virginia Purchasing Division is soliciting bids on behalf of West Virginia Department of Environmental Protection to establish a contract for Certified Public Accountants to provide an audit of the financial reports of the West Virginia In Lieu Fee Mitigation Program for Calendar years 2016 through 2020 per the attached specifications and terms and conditions. |

| INVOICE TO | SHIP TO |
|---|---|
| ENVIRONMENTAL PROTECTION OFFICE OF ADMINISTRATION 601 57TH ST SE CHARLESTON WV US | ENVIRONMENTAL PROTECTION OFFICE OF ADMINISTRATION 601 57TH ST SE CHARLESTON WV US |

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Total Price |
|------|--------------------|-----|------------|------------|-------------|
| 1 | ILF Audit Services | | | | |

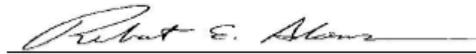
| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 84111600 | | | |

Extended Description:
ILF Audit Services

| SCHEDULE OF EVENTS | | |
|--------------------|--------------|-------------------|
| <u>Line</u> | <u>Event</u> | <u>Event Date</u> |

APPENDIX C – RFP REQUIRED PAGES

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)

Robert E. Adams, Partner

(Printed Name and Title)

300 Chase Tower, 707 Virginia Street, East, Charleston, WV 25301

(Address)

304-343-4188 / 304-344-5035

(Phone Number) / (Fax Number)

readams@becpas.com

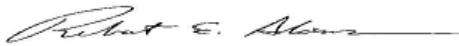
(email address)

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.

By signing below, I further certify that I understand this Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law.

Brown, Edwards & Company, L.L.P.

(Company)



(Authorized Signature) (Representative Name, Title)

Robert E. Adams, Partner

(Printed Name and Title of Authorized Representative)

08/18/2021

(Date)

304-343-4188 / 304-344-5035

(Phone Number) (Fax Number)

Revised 07/01/2021

APPENDIX C – RFP REQUIRED PAGES

ADDENDUM ACKNOWLEDGEMENT FORM

SOLICITATION NO.: CRFQ 0313 DEP220000002

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:

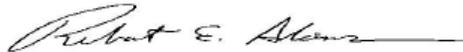
(Check the box next to each addendum received)

- | | |
|---|--|
| <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.

Brown, Edwards & Company, L.L.P.

Company



Authorized Signature

08/18/2021

Date

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

APPENDIX C – RFP REQUIRED PAGES

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

CONSTRUCTION CONTRACTS: Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees

ALL CONTRACTS: 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: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, 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 Brown, Edwards & Company, LLP

Authorized Signature: [Signature] Date: 08/18/2021

State of West Virginia

County of Kanawha, to-wit.

Taken, subscribed, and sworn to before me this 18 day of August, 2021

My Commission expires August 16, 2026

NOTARY PUBLIC [Signature]
Purchasing Affidavit (Revised 01/19/2018)

