

# Purchase Order



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

PURCHASE ORDER NO.  
**AUDIT01**

PAGE  
**1**

BLANKET RELEASE  
**00**

CORRECT PURCHASE ORDER NUMBER  
 MUST APPEAR ON ALL PACKAGES,  
 INVOICES, AND SHIPPING PAPERS.  
 QUESTIONS CONCERNING THIS PUR-  
 CHASE ORDER SHOULD BE DIRECTED  
 TO THE BUYER AS NOTED BELOW.

CHANGE ORDER  
**10**

**SEE REVERSE SIDE FOR  
 TERMS AND CONDITIONS**

**AGENCY COPY**

INVOICE

ALL STATE AGENCIES  
 AND POLITICAL SUBDIVISIONS  
 VARIOUS LOCALES AS INDICATED  
 BY ORDER

AUDDOR

\*709023605 03 304-343-8971  
 ERNST & YOUNG LLP  
 900 UNITED CENTER PO BOX 2906  
 500 VIRGINIA STREET EAST  
 CHARLESTON WV 25330

SHIP TO

ALL STATE AGENCIES  
 AND POLITICAL SUBDIVISIONS  
 VARIOUS LOCALES AS INDICATED  
 BY ORDER

DATE PRINTED		TERMS OF SALE		FEIN/SSN		FUND	
06/21/2007		NET 30		346565596			
SHIP VIA		F.O.B.		FREIGHT TERMS		ACCOUNT NUMBER	
BEST WAY		DESTINATION		PREPAID		MUL-MUL	
LINE	QUANTITY	UOP	VENDOR ITEM NO		UNIT PRICE	AMOUNT	
	DELIVERY DATE	CAT.NO	ITEM NUMBER				
0001	03/14/2001	JB	946-10		.00000		
			ACCOUNTING SERVICES				
			CHANGE ORDER #10				
			TO INCREASE THE ORIGINAL CONTRACT ACCORDING				
			TO ALL TERMS, CONDITIONS, AND SPECIFICATIONS CONTAINED				
			IN THE ORIGINAL CONTRACT AND ALL AUTHORIZED CHANGE				
			ORDERS TO COVER WORK SCOPE CHANGE REQUIRED FOR				
			SPECIAL PROGRAM PER THE ATTACHED DOCUMENTATION.			PURCHASING DIVISION CERTIFIED ENCUMBERED	
			EFFECTIVE DATE OF CHANGE: 03/08/2007			JUN 27 2007	
			***** NO OTHER CHANGES *****			<i>gallino</i>	
			PREVIOUS PO TOTAL==>			OPEN END	
			PO NET CHANGE (+)==>			OPEN END	
						TOTAL	

IF APPROVAL AS TO FORM IS REQUIRED BY ATTORNEY GENERAL, CHECK HERE

*Samuel Wayfield*

APPROVED AS TO FORM BY  
 ASSISTANT ATTORNEY GENERAL

*[Handwritten Signature]*

SHELLY MURRAY 304-558-8801

BY *[Handwritten Signature]*  
 PURCHASING DIVISION AUTHORIZED SIGNATURE

**GENERAL TERMS & CONDITIONS  
PURCHASE ORDER/CONTRACT**

1. **ACCEPTANCE:** Seller shall be bound by this order and its terms and conditions upon receipt of this order.
2. **APPLICABLE LAW:** The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
3. **NON-FUNDING:** All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the terms of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
4. **COMPLIANCE:** Seller shall comply with all Federal, State and local laws, regulations and ordinances including, but not limited to, the prevailing wage rates of the WV Division of Labor.
5. **MODIFICATIONS:** This writing is the parties final expression of intent. No modification of this order shall be binding unless agreed to in writing by the Buyer.
6. **ASSIGNMENT:** Neither this Order nor any monies due, or to become due hereunder may be assigned by the Seller without the Buyer's consent.
7. **WARRANTY:** The Seller expressly warrants that the goods and/or services covered by this order will: {a} conform to the specifications, drawings, samples or other description furnished or specified by the Buyer {b} be merchantable and fit for the purpose intended and/or {c} be free from defect in material and workmanship.
8. **CANCELLATION:** The Director or Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
9. **SHIPPING, BILLING & PRICES:** Prices are those stated in this order. No price increase will be accepted without written authority from the Buyer. All goods or services shall be shipped on or before the date specified in this Order.
10. **LATE PAYMENTS:** Payments may only be made after the delivery of goods or services. Interest may be paid on late payments in accordance with the *West Virginia Code*.
11. **TAXES:** The State of West Virginia is exempt from Federal and State taxes and will not pay or reimburse such taxes.
12. **RENEWAL:** Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor / contractor files for bankruptcy protection, this contract is automatically null and void, and is terminated without further order.
14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR ü160.103) and will be disclosing Protected Health Information (45 CFR ü160.103) to the vendor.

March 8, 2007

Department of Administration  
State of West Virginia  
2101 Washington Street East,  
Building 17, PO Box 50121  
Charleston, West Virginia 25305-0121

Attention: Mr. Ross Taylor, Director of Finance

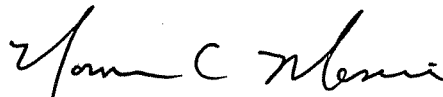
Dear Mr. Taylor:

This letter will amend our engagement letter agreement dated April 18, 2006, as extended by renewals of Purchase Order Audit 01 dated July 8, 2005, March 15, 2002, and April 18, 2003 (such agreement, as extended and amended, being hereinafter referred to as the Agreement) providing for our engagement to audit and report on the 2006 financial statements of the State of West Virginia (the State).

As outlined in our engagement letter, we are to provide you a description of services and a fee quote for services provided outside of our initial scope. Subsequent to the engagement letter, FARS personnel recently determined that CFDA 90.401, Help America Vote Act Requirements Payments - Election Assistance Commission is over the Type A program threshold for fiscal year 2006. Accordingly, we will be required to perform single audit compliance procedures as described in the U.S. Office of Management and Budget *Circular A-133 Compliance Supplement* related to this additional major program. This additional program was not anticipated in our initial fee quote outlined in our engagement letter described above. We estimate that our fees, including expenses relating to this major program, will be \$12,000. We will submit semi-monthly invoices as the work is performed and payment of them will be due upon receipt and paid within 30 days of receipt of the invoice.

The remaining provisions of our engagement letter dated April 18, 2006, for the audit of the State for the year ending June 30, 2006, remain in effect. If this arrangement is acceptable, please sign one copy of this letter and return it to us. We appreciate the opportunity to continue providing services to the State of West Virginia.

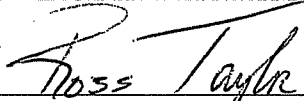
Yours very truly,



Norman C. Mosrie  
Partner

AGREED AND ACCEPTED BY:

WEST VIRGINIA DEPARTMENT OF ADMINISTRATION

By:   
Ross Taylor, Director of Finance

Date: 3/20/07

May 1, 2007

Department of Administration  
State of West Virginia  
Building 1, Room E-119  
1900 Kanawha Boulevard East  
Charleston, West Virginia 25305-0120

Attention Mr. Ross Taylor, Director of Finance

Dear Mr. Taylor:

This letter will amend our engagement letter agreement dated April 18, 2006, as extended by renewals of Purchase Order Audit 01 (such agreement, as extended and amended, being hereinafter referred to as the Agreement), providing for our engagement to audit and report on the 2006 financial statements of the State of West Virginia (the State).

As outlined in our engagement letter, we are to provide you a description of services and fees for services provided outside of our initial planned scope. As previously discussed, in conjunction with the 2006 audit, additional time was incurred in the following areas: capital asset restatement, consultations related to WV Insurance Commission change in reporting structure, WVBEP grant alleged irregularities, GASB 43/45 implementation consultations; and subsequent event update procedures and inefficiencies due to the delays in the audit process. The additional procedures necessary for testing of the aforementioned areas, including meetings and consultations with State and other personnel, and for the overall significant delays and inefficiencies caused by State personnel in completing the 2006 audit, were not anticipated in our initial fee quote outlined in our engagement letter described above. Our fees, including expenses relating to these additional procedures and delays caused by State personnel in completing the audit of the 2006 financial statements for the State, are \$58,500. Payment is due upon receipt of our invoice and payment is requested within 30 days of receipt of our invoice.

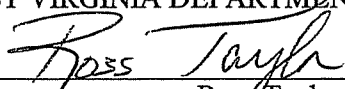
The remaining provisions of our engagement letter dated April 18, 2006, as extended by renewals of Purchase Order Audit 01, related to the audit of the State's financial statements for the year ended June 30, 2006, remain in effect. If this arrangement is acceptable, please sign one copy of this letter and return it to us. We appreciate the opportunity to continue providing services to the State of West Virginia.

Yours very truly,



Norman C. Mosrie  
Partner

APPROVED BY:  
WEST VIRGINIA DEPARTMENT OF ADMINISTRATION

By:   
\_\_\_\_\_  
Ross Taylor, Director of Finance

Date: 5/8/07

June 8, 2007

Department of Administration  
State of West Virginia  
Building 1, Room E-119  
1900 Kanawha Boulevard East  
Charleston, WV 25305-0120

Attention: Mr. Ross Taylor, Director of Finance

Dear Ross:

In regards to our letters dated March 8, 2007 and May 1, 2007 concerning additional work for the Audit01 Contract, following is a breakdown of our estimated fees previously discussed.

	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
National Partner	19	\$250	\$ 4,750
Partner	71	220	15,620
Sr. Manager	75	172	12,900
Manager	9	127	1,143
Senior	287	77	22,099
Staff	241	52	12,532
Client Service Assistant	56	26	1,456
<b>Total</b>	<b>758</b>		<b>\$70,500</b>

Contact me at 304-357-5967 if you have any questions or concerns. We appreciate the opportunity to continue providing services to the State of West Virginia.

Yours very truly,



Norman C. Mosrie  
Partner



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

# Purchase Order

PURCHASE ORDER NO.  
 AUDIT01

PAGE  
 \_\_\_\_\_

BLANKET RELEASE  
 00

CORRECT PURCHASE ORDER NUMBER  
 MUST APPEAR ON ALL PACKAGES,  
 INVOICES, AND SHIPPING PAPERS.  
 QUESTIONS CONCERNING THIS PUR-  
 CHASE ORDER SHOULD BE DIRECTED  
 TO THE BUYER AS NOTED BELOW.

CHANGE ORDER  
 10

SEE REVERSE SIDE FOR  
 TERMS AND CONDITIONS

N O T I C E

ALL STATE AGENCIES  
 AND POLITICAL SUBDIVISIONS  
 VARIOUS LOCALES AS INDICATED  
 BY ORDER

V I Z I T O R

\*709023605 03 304-343-8971  
 ERNST & YOUNG LLP  
 900 UNITED CENTER PO BOX 2906  
 500 VIRGINIA STREET EAST  
 CHARLESTON WV 25330

S H I P T O

ALL STATE AGENCIES  
 AND POLITICAL SUBDIVISIONS  
 VARIOUS LOCALES AS INDICATED  
 BY ORDER

DATE PRINTED		TERMS OF SALE		FEIN/SSN		FUND	
06/21/2007		NET 30		346565596			
SHIP VIA		F.O.B		FREIGHT TERMS		ACCOUNT NUMBER	
BEST WAY		DESTINATION		PREPAID		MUL-MUL	
LINE	QUANTITY	UOP	VENDOR ITEM NO.		UNIT PRICE	AMOUNT	
	DELIVERY DATE	CAT.NO.	ITEM NUMBER				
			RECEIPT TICKET FOR PURCHASE ORDER:			AUDIT01	
LINE	CATNO	ITEM	DESCRIPTION			QTY	DATE
0001	946-10		ACCOUNTING SERVICES				
SIGNATURE _____			DATE _____				
IF APPROVAL AS TO FORM IS REQUIRED BY ATTORNEY GENERAL, CHECK HERE <input type="checkbox"/>						TOTAL	

APPROVED AS TO FORM BY  
 ASSISTANT ATTORNEY GENERAL

BY \_\_\_\_\_  
 PURCHASING DIVISION AUTHORIZED SIGNATURE