



**State of West Virginia
Department of Administration
Purchasing Division**

NOTICE

Due to the size of this bid, it was impractical to scan every page for online viewing. We have made an attempt to scan and publish all pertinent bid information. However, it is important to note that some pages were necessarily omitted.

If you would like to review the bid in its entirety, please contact the buyer. Thank you.



COMMITMENT TO SERVE

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

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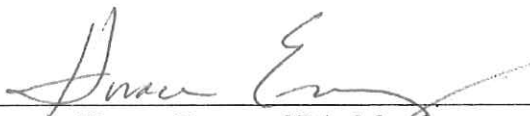
The West Virginia Offices of the Insurance Commissioner

Auditing Services

Response to Request for Quotation
RFQ Number INS12015

Suttle & Stalnaker, PLLC
The Virginia Center, Suite 100
1411 Virginia Street East
Charleston, West Virginia 25301
(304) 343-4126
(800) 788-3844

Contact Person:

A handwritten signature in dark ink, appearing to read "Horace Emery", is written over a horizontal line.

Horace Emery, CPA, Member
HEmery@suttlecpas.com

May 30, 2012

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May 30, 2012

The West Virginia Offices of the Insurance Commissioner
1124 Smith Street
Charleston, West Virginia 25305-0540

We are pleased to submit our proposal to audit the basic financial statements of the West Virginia Offices of the Insurance Commissioner (the OIC). We demonstrate in the attached proposal that we exceed your mandatory qualifications, understand your Request for Quotation and audit needs, and commit to meeting all of your requirements within the specified time periods.

In addition to serving as the OIC's auditors for the past six years and as auditors for the West Virginia Workers' Compensation Commission (Division) for the six years prior to that, Suttle & Stalnaker, PLLC, has served on the single audit team for the State of West Virginia since 1986, and is extremely knowledgeable of State government operations. Suttle & Stalnaker, PLLC is excited about continuing to serve as auditor for the OIC, and will manage all services and issue the required financial statements from our Charleston office.

The team which we have assembled to serve the OIC has a long-standing relationship with the OIC, which means that we know and understand the difficult issues and how to address them. Our primary team members are located in Charleston, West Virginia, providing the OIC with local access to their professional accounting firm and team members when management advisory services are needed. These primary team members have extensive technical knowledge of and experience with the OIC, and will be available at your request. Our commitment to you is further evidenced by the fact that various members of our team have continued to provide valuable advice, support and consultations even when not under contract.

Our client service team's professional knowledge and understanding of West Virginia State government, along with the cost effective total client service plan we have developed distinguishes us from the competition.

You want auditors who have a solid understanding of your needs and the technology, knowledge solutions, and resources to help you meet your goals. Selecting the Suttle & Stalnaker, PLLC team to serve the OIC provides you with a number of important advantages:

The Virginia Center • 1411 Virginia Street, East • Suite 100 • Charleston, WV 25301
Phone (304)-343-4126 or 1-(800)-788-3844 • Fax (304)-343-8008

Towne Square • 201 Third Street • PO Box 149 • Parkersburg, WV 26102
Phone (304)-485-6584 • Fax (304)-485-0971

www.suttlecpas.com • E-mail: cpa@suttlecpas.com
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- **Experience.** Suttle & Stalnaker, PLLC is committed to serving the OIC. To demonstrate this commitment, we have organized a team to serve you that has experience serving the OIC and the State of West Virginia in prior years as follows:

- The West Virginia Offices of the Insurance Commission
- West Virginia Workers' Compensation Division
- West Virginia Bureau of Employment Programs
- West Virginia Department of Transportation
- West Virginia Regional Jail Authority
- West Virginia Parkways Authority
- West Virginia Public Employees Insurance Agency
- West Virginia Division of Highways
- State of West Virginia - Single Audit
- West Virginia Lottery

In addition, our team members have provided extensive services for the OIC and the State of West Virginia, including but not limited to the following:

- West Virginia Workers' Compensation Division employer field audits
- Service on the GASB 34 Implementation task force
- Single Audit for State of West Virginia
- Cost Allocation Services
- Provider Audits for the Department of Health
- Consulting Services for Consolidated Public Employees Retirement
- Audit/Consulting Services for PEIA
- Audit/Consulting Services for the West Virginia Board of Risk & Insurance Management
- Audit/Consulting Services for other Departments, Division, and Component Units of the State of West Virginia

- **Understanding significant issues** - As an example of Suttle & Stalnaker, PLLC's commitment to helping resolve significant issues before they become problems, Suttle & Stalnaker, PLLC served in an advisory capacity on the State of West Virginia GASB 34 implementation task force. In addition, we are already very familiar with key issues, including the history of and current status of the workers' compensation deficit, and numerous issues underlying the estimated liability for unpaid claims and claim adjustment expenses. We also helped the OIC navigate a number of extremely complex issues related to the transition of the Workers' Compensation Commission to a private entity, with the remaining "Old Fund" as well as new funds created becoming part of the OIC. In 2008, the OIC changed the third party administrators (TPAs) for claims processing from BrickStreet to three new processors. Suttle & Stalnaker, PLLC worked with OIC personnel to manage the audit process so as to allow us to obtain the audit evidence needed to complete the audit with a minimum of disruption to the ongoing transition to the new TPA's. Similarly, when the OIC engaged new actuarial consultants, we worked smoothly with them without disruption to the audit process. Our team will be in the best position to ensure that there is appropriate consistency in the approach to estimating the liability for unpaid claims and claim adjustment expenses.

- **Experienced engagement team leadership** - As a demonstration of our commitment to the OIC, Horace Emery will continue to lead your team as coordinating member. Horace is a "hands-on" member/partner, who has served the OIC/Workers' Compensation Division for the last twelve years, and has over 35 years of experience, including significant time devoted to government and not-for-profit clients. **All key engagement team members listed in this proposal also served on the prior year audit team.**
- **Training** - Our commitment to training our staff to effectively serve the governmental market is demonstrated by the fact that virtually all of our audit staff are trained in governmental auditing and accounting.
- **Nationally Recognized Actuarial Support** - We have secured a commitment from Anthony K. Grippa, FCAS, MAAA, of Strategic Actuarial & Risk Consultants, LLC, a nationally recognized independent workers compensation actuary, to perform the review of the estimated liability for unpaid claims and claim adjustment expenses. Mr. Grippa has over 35 years experience, including recent previous experience with the West Virginia Workers' Compensation liabilities, including serving as actuarial support on the last 9 audits of the OIC/Workers' Compensation Commission. Mr. Grippa is a Member of the American Academy of Actuaries, a Fellow of the Casualty Actuarial Society, a Fellow of the Conference of Consulting Actuaries, and is a Workers Compensation Certified Professional.
- **Membership in PKF North American Network, (PKF).** An association of over 260 member firms throughout the United States, Canada, Mexico, Europe and the Far East. PKF offers a network of experience and expertise covering a wide range of industries and client services on a regional, national and international basis. PKF is considered the premier professional association for independent CPA firms.
- **Membership in AICPA Audit Quality Centers** - The Firm belongs to both the Governmental Audit Quality Center and the Employee Benefit Plans Audit Quality Center established by the American Institute of Certified Public Accountants. Membership in the audit quality centers requires specific rigorous policies and procedures regarding quality control, education and training, and provides the Firm with additional resources from the Centers in the form of webcasts, email blasts and technical support from the Centers' websites or telephone access to Center personnel.
- **Technology** - Suttle & Stalnaker, PLLC uses extensive automated techniques in their audit approach and plans to use an EDP audit specialist from Wolf & Co., a PKF member firm whose IT Assurance Group specializes in Information Technology Audit support. We also will provide issued financial statements in a clean PDF file for posting to websites.
- **Continuous communication** about new ideas, opportunities, vulnerabilities, and management issues with key management personnel to invigorate thinking and action, and giving you access to the professional and regulatory information and intelligence you need year-round.
- **Competitive fees.** Our record is one of providing high quality services for a fair fee. Our audit approach, our use of technology, and our people all work together for this goal.

- **Unmatched commitment to the State of West Virginia.** Suttle & Stalnaker, PLLC has demonstrated their commitment to the State of West Virginia being part of the State's business community for over 35 years.

As required by section three page 13 of the Request for Quotation, our detailed proposal which follows is formatted in the requested order, and includes specific responses to all required elements.

By selecting the Suttle & Stalnaker, PLLC team you will not incur the hidden, but very real costs to the OIC as your staff incurs additional time to educate new auditors. Because of our years of experience in serving the OIC and the State of West Virginia, we do not have to learn your operations and how to audit them.

We will serve the OIC in a dedicated manner and you will continue to be a high priority client of our office. We would appreciate the opportunity to meet personally to further discuss this written proposal. We possess all of the technical and professional qualifications to serve the OIC in the most effective manner. Please feel free to contact Horace Emery in respect to any questions you may have concerning this proposal. This proposal is a firm and irrevocable offer for ninety (90) days.

Very truly yours,

A handwritten signature in cursive script that reads "Suttle & Stalnaker, PLLC". The signature is written in dark ink and is positioned below the "Very truly yours," text.