

AUDIT FIRM SELECTION CRITERIA
RFP 14041

FIRM: _____

1. Qualification of firm

- a. Status within public accounting profession (examples of leadership in the industry) and any local firms that are part of this proposal and status of any adverse legal action against the firm.
- b. Business relationship that the firm currently has and in the past five years with the Systems and/or entities.
- c. Is the firm of sufficient size that the Systems' engagement does not compromise either the firm's independence or its appearance of independence?
- d. Does the Firm have client relationships with other businesses or not-for-profit organizations that are of sufficient magnitude to place the auditor in a potential conflict of interest with respect to the Systems' and/or entities?
- e. Results of most recent peer review (under PCAOB and/or AICPA Peer Review Program).
- f. Relationship of the responding firm office to firm owner (i.e., independent ownership, corporate ownership, franchise, etc.) and identify any parent company relationships.
- g. Registered to practice in West Virginia?

CRITERIA

POOR 1	MARGINAL 3	ACCEPTABLE 5	GOOD 7	OUTSTANDING 10	SCORE Max 10

2. Relevant Experience of firm

- a. Auditing and compiling financial statements of state institutions of higher education
- b. Managing a system-wide engagement
- c. Setting of system-wide technical accounting criteria
- d. Extensive experience with public research institutions (namely those with Carnegie Research Classification of "Research University: High Research Activity" rankings or above , and A-133 audits
- e. Experience with audits of institutions with an academic health sciences center (which should include a school of medicine and at least one other health professions discipline)
- f. Experience with audits of general computer controls associated with a complex and large financial system including information security, application systems, database management, network support, system software support and information security.

CRITERIA

POOR 1 - 3	MARGINAL 4 - 6	ACCEPTABLE 7 - 9	GOOD 10 - 12	OUTSTANDING 13 - 15	SCORE Max 15

3. Audit Approach/Philosophy

- a. Firm's approach to engagement
- b. Description of how the work will be conducted, including quality assurance, and estimate of entity personnel time and effort for the audit.
- c. Approach to utilization of local firms and extent and management of local firm participation
- d. Role of partner-in-charge and assignment of appropriate personnel to audits
- e. Proposed schedule and audit plan with dates
- f. Firm's audit philosophy and approach regarding:
 - ✓ Approach in resolving disputes with entity's management over significant accounting and service issues
 - ✓ Meeting schedules - past audits completed timely
 - ✓ internal controls
 - ✓ risk assessment
 - ✓ management letters
 - ✓ firm's policy on partner rotation
 - ✓ resolution of disputes over significant accounting and service issues with management

- ✓ publications, seminars, or special reports published by the firm on topics important to the higher education community

CRITERIA

POOR 1 - 3	MARGINAL 4 - 6	ACCEPTABLE 7 - 9	GOOD 10 - 12	OUTSTANDING 13 - 15	SCORE Max 15

4. Qualification of staff

- a. Qualifications and turnover/tenure of key people (engagement partner, reviewing partner, audit manager and field auditors)
- b. Experience of key people in higher education
- c. Type and extent of training firm provides its staff in the field of higher education as well as other relevant audit skills.

CRITERIA

POOR 1 - 3	MARGINAL 4 - 6	ACCEPTABLE 7 - 9	GOOD 10 - 12	OUTSTANDING 13 - 15	SCORE Max 15

5. Transition Plan

What procedures or approach will the Audit Firm employ to ensure a smooth and effective transition from the current auditors, time involved, their requirements for access to work papers and cooperation with predecessor auditors, etc?

CRITERIA

POOR 1	MARGINAL 3	ACCEPTABLE 5	GOOD 7	OUTSTANDING 10	SCORE Max 10

6. References/Depth of Client Base

- a. References of three higher education clients – firm
- b. References for key personnel
- c. Caliber of higher education clients

CRITERIA

POOR 1	MARGINAL 3	ACCEPTABLE 5	GOOD 7	OUTSTANDING 10	SCORE Max 10

Technical Evaluation: Each proposal will be independently evaluated on Criteria 1 through 6 by three or more qualified individuals. Their raw scores will be averaged to obtain a composite raw score. This composite raw score will then be converted to a true score by use of the following formula:

Composite raw score of this proposal _____ x 75 = Technical Score _____
 Highest composite raw score of all proposals

Fee Evaluation (Score – Max 25): Each proposed contract price will be evaluated by use of the following formula:

Lowest total fee of all proposals _____ x 25 = Fee Score _____
 Total fee of proposal being evaluated

Consolidation: After the technical and price evaluation have been performed the two scores will be added together to

reach the final score for each proposal.

TECHNICAL SCORE _____ + FEE SCORE _____ = TOTAL SCORE _____

Person(s) performing evaluation:

Print Name

Signature

_____	_____
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