

# CONTRACT FOR PROFESSIONAL SERVICES

This document reflects a contractual agreement entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2009 among the Office of the State Auditor, \_\_\_\_\_ County (herein referred to as the "County") and \_\_\_\_\_ (herein referred to as the "Firm") to provide services, materials and personnel to perform the work as specified in paragraph 1.

1. The County and the Office of the State Auditor desire to engage the Firm to render the following professional audit services for the County for the 2008-2009 and 2009-2010 fiscal years:
  - A Perform a financial audit for all funds of the County.
  - B Perform a compliance audit with applicable state and federal laws and regulations.
  - C Perform Items A and B above in conformity with professional standards, laws, rules, regulations and guidelines as contained in, but not limited to, the documents identified in paragraph 4 of this contract.
2. The following people have been empowered to act as the duly authorized representatives for this contract:

Office of the State Auditor

Name William R. Doss, CPA  
Title Director, Financial and Compliance Audit Division

\_\_\_\_\_ County, Mississippi

Name \_\_\_\_\_  
Title \_\_\_\_\_

\_\_\_\_\_ CPA Firm

Name \_\_\_\_\_  
Title \_\_\_\_\_

3. The Firm shall receive as compensation to be paid by the County for the described auditing services a fee not to exceed:

\$ \_\_\_\_\_ for the audit for the 2008-2009 fiscal year.

\$ \_\_\_\_\_ for the audit for the 2009-2010 fiscal year.

The said fee is based on:

\_\_\_\_\_ hours at \$ \_\_\_\_\_ per hour for the 2008-2009 fiscal year audit.

\_\_\_\_\_ hours at \$ \_\_\_\_\_ per hour for the 2009-2010 fiscal year audit.

The Firm shall not receive as compensation an amount greater than the actual hours worked multiplied by the rate per hour for the applicable fiscal year. The Firm will receive no more than the agreed upon compensation no matter the number of hours worked except as provided in paragraph 20.

4. The professional services will be performed in conformity with the following:
- A Generally accepted auditing standards and the industry audit guide, Audits of State and Local Governmental Units, established by the American Institute of Certified Public Accountants.
  - B Statements of financial accounting standards as prescribed by the Financial Accounting Standards Board and the Governmental Accounting Standards Board.
  - C Government Auditing Standards, as required by the Government Accountability Office (The Yellow Book).
  - D OMB Circular A-133, Compliance Supplement and other related OMB Circulars.
  - E The Single Audit Act Amendments of 1996.
  - F Mississippi Code Annotated (1972) for compliance with applicable state laws.
  - G A state legal compliance audit program given the Firm by the Office of the State Auditor.
5. The Firm shall report immediately to the County and the Office of the State Auditor any preliminary findings of possible fraud, misapplication or misappropriation of funds.

6. The County, with the written consent of the Office of the State Auditor, has the right to reject any work not meeting the terms of this contract. Should either reject any services, the County's or the Office of the State Auditor's authorized representative shall notify the Firm in writing of such rejection giving reason therefore. The right to reject services shall extend throughout the terms of this contract. However, prior to termination of this contract by the County, the County must provide written justification to the Office of the State Auditor documenting the reasons for requesting the contract be terminated. The County must obtain written approval from the Office of the State Auditor prior to terminating the contract.
7. The Firm shall provide a draft report and the workpapers, if requested, to the Office of the State Auditor for review and approval. If a Single Audit, this must be provided to the Office of the State Auditor no later than May 31, 2010, for the fiscal year 2009 audit and May 31, 2011, for the fiscal year 2010 audit. If there is no Single Audit, the draft report and completed workpapers, if requested, must be provided to the Office of the State Auditor no later than July 31, 2010, for the fiscal year 2009 audit and July 31, 2011, for the fiscal year 2010 audit. Upon written notification by the Office of the State Auditor, the Firm shall make any necessary corrections to the report due to this review, and these corrections shall be made within two weeks of such notification. The records shall be maintained for at least five (5) years; however if any litigation or other legal action has begun that is not completed at the end of the five (5) year period, or if audit findings, litigation or other legal action has not been resolved at the end of the five (5) year period, the records shall be retained until resolution.
8. If a Single Audit, the Firm shall provide seven (7) copies of the completed signed report to the Office of the State Auditor by June 30, 2010 for the fiscal year 2009 audit and June 30, 2011 for the fiscal year 2010 audit. If a Single Audit, the Data Collection Form (Form SF-SAC) and one copy of the approved Single Audit reporting package, as required by Section .320 of OMB Circular A-133 should be filed electronically with the Federal Audit Clearinghouse. Instructions for the filing may be accessed at <http://harvester.census.gov/fac/index.html>. If there is no Single Audit, the Firm shall provide seven (7) copies of the completed signed report to the Office of the State Auditor by August 31, 2010 for the fiscal year 2009 audit and August 31, 2011 for the fiscal year 2010 audit.
9. The Firm shall also provide six (6) copies of the completed signed reports to the County, with synopsis instructions, at the same time it provides the reports discussed in paragraph 8.
10. The Firm's letter, dated \_\_\_\_\_, which contains the price quote, shall be incorporated as a part of this contract.
11. The Firm shall keep on file monthly progress reports which detail the work completed during the month and shall make these reports available to the County and/or the Office of the State Auditor for review, if requested.

12. The Firm will be entitled to interim payments, which shall not exceed 70% of the contract amount for the applicable fiscal year, from the County. The Firm shall submit a final invoice for all work performed. This invoice shall provide the number of hours worked by each employee. The final payment of the annual contract amount will be paid by the County upon completion of the audit services and acceptance by the Office of the State Auditor and the County. The County shall not pay any part of the final 30% owed the firm until the County has received written permission from the Office of the State Auditor to do so. The Firm will not be entitled to compensation from the County for correction of any deficient work found in the Office of the State Auditor's review.
13. The authorized representative of the Office of the State Auditor is empowered to accept and approve, or reject the services furnished by the Firm in compliance with the provisions of this contract and the attached schedule.
14. The contract shall expire 120 days after the final services have been rendered.
15. If, through any cause, the Firm shall fail to fulfill in a timely and proper manner, as determined by the County and/or the Office of the State Auditor, its obligations under this contract, or if the Firm shall violate any of the covenants, agreements, or stipulations of this contract, the County, with the written consent of the Office of the State Auditor, shall thereupon have the right to terminate this contract by giving written notice to the Firm of such termination and specifying the effective date of such termination. However, prior to termination of this contract by the County, the County must provide written justification to the Office of the State Auditor documenting the reasons for requesting the contract be terminated. The County must obtain written approval from the Office of the State Auditor prior to terminating the contract. Furthermore, the Firm should notify the Office of the State Auditor and the County as soon as possible if the deadlines cannot be met. In the event the contract is terminated, all finished or unfinished working papers, tests, surveys, checklists, forms, manuals, reports or other materials prepared by the Firm under this contract shall become the property of the County, and the Firm shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.
16. If the Firm fails to meet the submission date for the draft report described in paragraph 7, the County may reduce the agreed compensation by 5% of the contract price for the applicable fiscal year.
17. If the Firm fails to meet the submission date for the final reports described in paragraphs 8 and 9 by less than thirty days, the County may reduce the agreed compensation by 10% of the contract price for the applicable fiscal year. If the reports described in paragraphs 8 and 9 are overdue by thirty days or more, the County may reduce the agreed compensation by 20% of the total contract price for the applicable fiscal year.

18. The County, with the written consent of the Office of the State Auditor, may terminate this contract at any time, for any reason other than those reasons contained in paragraph 15 above, by giving written notice to the Firm of such termination and specifying the effective date thereof, at least ten days before the effective date of such termination. However, prior to termination of this contract by the County, the County must provide written justification to the Office of the State Auditor documenting the reasons for requesting the contract be terminated. The County must obtain written approval from the Office of the State Auditor prior to terminating the contract. In that event, all finished and unfinished documents and other materials as described in paragraph 15 above shall become the County's property. If the contract is terminated by the County and/or the Office of the State Auditor as provided herein, the Firm will be paid an amount which bears the same ratio to the total services of the Firm covered by the contract.
19. In the event the County and/or the Office of the State Auditor exercises its right to terminate this contract pursuant to paragraph 6 and/or paragraph 15 of this contract, the Firm shall bear all costs associated with the issuance of a new contract. However, prior to termination of this contract by the County, the County must provide written justification to the Office of the State Auditor documenting the reasons for requesting the contract be terminated. The County must obtain written approval from the Office of the State Auditor prior to terminating the contract.
20. The County, Office of the State Auditor, or the Firm may request changes in the scope of services to be performed by the Firm. Such changes, including any increase or decrease in the amount of the Firm's compensation, which are mutually agreed upon by and between the County, or its duly authorized representative, and the Firm, shall be included in written amendments to this contract and subject to approval by the Office of the State Auditor.
21. The Firm shall, during the entire term of this contract, be construed to be an independent contractor. Nothing in this contract is intended to nor shall be construed to create an employer-employee relationship, or a joint venture relationship.

The Firm represents that it is qualified to perform the duties to be performed under this contract and that it has, or will secure, if needed, at its own expense, applicable personnel who are qualified to perform the duties required under this contract. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the County.

It is further understood that the consideration expressed herein constitutes full and complete compensation for all services and performance hereunder, and that any sum due and payable to the Firm shall be paid as a gross sum with no withholdings or deductions being made by the County for any purpose from said contract sum, except as permitted in paragraphs 15, 16, 17 and 18.

22. The Firm will be granted access to all client and claimant information necessary for completion of the audit services described herein. The Firm and the Office of the State Auditor assure the County that any and all information regarding clients and claimants of the County will be kept strictly confidential. Any use or release of client or claimant information for purposes other than to fulfill the Firm's or the Office of the State Auditor's responsibilities under this contract must have the prior written approval of the County.
23. This contract shall be construed and governed in accordance with the laws of the State of Mississippi, and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi. The Firm expressly agrees that under no circumstances shall the Office of the State Auditor and/or the County be obligated to pay an attorney's fee or the cost of legal action to the Firm.
24. Any dispute concerning a question of fact arising under this contract shall be disposed of by good faith negotiation between duly authorized representatives of the County, the Office of the State Auditor, and the Firm. Such a resolution shall be reduced to writing and a copy thereof mailed or furnished to the Firm and shall be final and conclusive. If a resolution cannot be reached, the Firm shall mail or furnish to the Board of Supervisors of the County and the Office of the State Auditor a written request for review. The Firm shall be afforded an opportunity to be heard and to offer evidence in support of his/her/its position on the issue in dispute and under review. The review will be handled under a three (3) person panel for arbitration composed of the Deputy State Auditor, the Director of Technical Assistance and the Director of the Financial and Compliance Audit Division. The decision of the arbitration panel of the Office of the State Auditor on the review shall be final and conclusive unless determined by a court of competent jurisdiction in Hinds County, State of Mississippi, to have been fraudulent, capricious, or so grossly erroneous as necessarily to imply bad faith, or not be supported by substantial evidence. Pending final decision of a dispute hereunder, the Firm shall proceed diligently with the performance of the duties and obligations of the contract.
25. The Firm shall comply with all applicable laws, regulations, policies and procedures, and grant requirements (if applicable) of the United States of America or any agency thereof, the State of Mississippi or any agency thereof and any local governments or political subdivisions that may affect the performance of services under this contract. Specifically, but not limited to, the Firm shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of this contract because of race, creed, color, sex, age, national origin or disability.
26. Modification, changes or amendments to this contract may be made upon mutual agreement of the parties hereto. However, any change, supplement, modification or amendment of any term, provision or condition of this contract must be in writing and signed by all parties hereto.
27. The Firm shall not assign or otherwise transfer the obligation incurred on its part pursuant to the terms of this contract without the prior written consent of the County and the Office of the State Auditor. Any attempted assignment or transfer of its obligations without such consent shall be null and void. All obligations and duties of either party under this contract shall be binding on all successors in interest or assigns of such party.

28. Failure of any party hereto to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this contract.
29. The Firm agrees to indemnify, defend, save and hold harmless, the County and the Office of the State Auditor from and against all claims, demands, liabilities, suits, damages and costs of every kind and nature whatsoever, including court costs and attorney fees, arising out of or caused by the Firm and/or its partners, principals, agents, employees or subcontractors in the performance of this contract.
30. It is expressly understood by the parties hereto that the fulfillment of the obligations of the County under this agreement is conditioned upon the availability and receipt of funds. In the event that funds are insufficient or otherwise unavailable to satisfy payment due under this agreement, the County shall not be obligated to make such payments, and all further obligations of the County under this agreement shall cease immediately, without penalty, cost or expense to the County of any kind whatsoever. In the event of such insufficiency or unavailability of funding, the County shall notify the Firm in writing, of such event, and this agreement shall be void.
31. Firm represents that it will maintain workers' compensation insurance, if applicable, which shall inure to the benefit of all Firm's personnel provided hereunder, comprehensive general liability or professional liability insurance, and where applicable, employee fidelity bond insurance.
32. If any term or provision of this contract is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this contract shall not be affected thereby and each term and provision of this contract shall be valid and enforceable to the fullest extent permitted by law.
33. This contract constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings and agreements, written or oral, between the parties relating thereto.
34. The parties agree to promptly notify each other of any change of address.

35. Firm represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act (Senate Bill 2988 from the 2008 Regular Legislative Session) and will register and participate in the status verification system for all newly hired employees. The term “employee” as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, “status verification system” means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Firm agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. Firm further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Firm understands and agrees that any breach of these warranties may subject Firm to the following: (a) termination of the Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/ termination being made public, or (b) the loss of any license, permit, certification or other document granted to firm by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Firm would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.”

In witness of where this contract has been entered into and executed by the parties hereto in triplicate originals.

**COUNTY REPRESENTATIVES**

COUNTY: \_\_\_\_\_

SIGNED: \_\_\_\_\_ WITNESS: \_\_\_\_\_

TITLE: President, Board of Supervisors

DATE: \_\_\_\_\_

SIGNED: \_\_\_\_\_ WITNESS: \_\_\_\_\_

TITLE: Chancery Clerk

DATE: \_\_\_\_\_

**FIRM REPRESENTATIVE**

CPA FIRM: \_\_\_\_\_

SIGNED: \_\_\_\_\_ WITNESS: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**OFFICE OF THE STATE AUDITOR**

SIGNED: \_\_\_\_\_ WITNESS: \_\_\_\_\_

TITLE: Director, Financial and Compliance Audit Division

DATE: \_\_\_\_\_

## CERTIFICATIONS SCHEDULE

Audit Service Provider:

(Check blocks, fill in spaces, and  
sign where appropriate.)

- A. That the proposer is properly licensed for public practice in the State of Mississippi as a certified public accountant.
- B. 1. That the firm meets the independence requirements of the *Government Auditing Standards*, published by the Government Accountability Office. (The Yellow Book).
2. That the firm, under any contract requiring approval by the Office of the State Auditor, will not assign audit responsibilities to any staff member who does not meet the CPE requirements of the *Government Auditing Standards*. (The Yellow Book).
- C. That the firm has had an External Peer Review and will submit a copy of the opinion in the Proposal.
- D. That the firm does (    ), does not (    ), have a record of substandard audit work. Disclosure of any positive enforcement action is made below.
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- E. That the firm has (    ), has not (    ), employed or retained any company or person, other than a full-time bona fide employee working solely for the audit service provider, to solicit or secure this contract.
- F. That the firm has (    ), has not (    ), paid or agreed to pay any company or person, other than a full-time bona fide employee working solely for the audit service provider, any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract, and agrees to furnish information relating to letters E and F as requested.
- G. That the firm is (    ), is not (    ), a small business concern. Generally, a small business concern is a concern that is independently owned and operated, is not dominant in the field of operation in which it is bidding, and, with its affiliates, employs not more than 500, or is certified as a small business concern by the Small Business Administration.

H. That the firm is (    ), is not (    ), a minority business or women's business enterprise.

I. Type of business (check appropriate box).

(    ) Individual                      (    ) Partnership                      (    ) Corporation

Incorporated in the State of \_\_\_\_\_  
(Complete if Corporation)

J. Parent company and employer identification number.

1. Is the firm owned or controlled by a parent company?

2. If the answer to Number J-1 is "Yes", the firm shall insert in the space below the name and main office address of the parent company.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

3. The firm shall insert in the applicable space below, if it has no parent company, its own employer's tax identification number (E. I. No.), or if it has a parent company, the E. I. No. of its parent company.

Firm's E. I. No. \_\_\_\_\_  
Parent Company's E. I. No. \_\_\_\_\_

K. Certificate of independent price determination.

1. Certifies, in connection with this procurement, the firm represented (and in the case of joint proposal, each party thereto) to the best of its knowledge and belief:

- a. that the prices in this proposal have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other firm or with any competitor;
- b. that unless otherwise required by law, the prices have not been knowingly disclosed by the firm and will not knowingly be disclosed by the firm prior to award, directly or indirectly, to any other firm or to any competitor; and,
- c. that no attempt has been made or will be made by the firm to induce any other person or firm to submit or not to submit a price proposal for the purpose of restricting competition.

2. Each person giving a price proposal represents with regard to collusive pricing that:
- a. he or she is the person in the firm's organization responsible within that organization for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to numbers K-1-a through K-1-c; or
  - b. he or she is not the person in the firm's organization responsible within that organization for the decision as to the prices being offered herein, but that he or she has been authorized in writing to act as agent for the persons responsible for such decisions in certifying that such persons have not participated, and will not participate in any action contrary to number K-1-a through K-1-c, and as to their agent does hereby so certify; and,
  - c. he or she has not participated, and will not participate, in any action contrary to numbers K-1-a through K-1-c.
3. A proposal will not be considered for award where numbers K-1-a, K-1-c, or K-2 have been deleted or modified. Where number K-1-b has been deleted or modified, the proposal will not be considered for award unless the firm furnished with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the State Auditor or his designee determines that such disclosure was not made for the purpose of restricting competition.

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SIGNATURE

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TITLE

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FIRM

## **PROPOSAL INFORMATION**

Certified Public Accounting firms submitting a proposal must present a Certifications Schedule with the proposal which provides certain assurances to the county. These assurances are outlined in the Certifications Schedule.

Two copies of your proposal should be submitted in the following format:

1. Technical proposal, signed and consisting of information outlined in numbers 1-8 of the technical proposal section listed below.
2. Certifications schedule with blank spaces completed and signed.

The technical proposal section must contain at least the following in the order specified.

1. Information on your firm's background and experience in performing governmental audits, including single audits, of counties, cities and school districts and on peer review participation by your firm.
2. A copy of the firm's latest External Peer Review opinion.
3. Profile and location of the firm. Include number of partners, managers, supervisors, seniors and other professional staff. Please include which locations, if more than one, will be conducting the services.
4. Resumes indicating qualifications of the staff member or members to be assigned to perform the audit services; include the staff member's related experience in the resume. The minimum information should include position in the firm, total years and types of experience, a description of audit team make-up, the contemplated overall supervision of the audit services, and participation in governmental auditing continuing professional development courses.
5. A detailed statement of your firm's understanding of the work to be performed and how it relates to the county. Demonstrate your understanding of the county's accounting system, procedures and federal programs. Also, include your firm's planned approach and the methods which will be utilized to complete the audit services.
6. Estimates of the starting date, completion date and total number of hours needed to complete the audit services.
7. A detailed itemized cost statement showing various classes of staff hours at appropriate rates, delineated by task and by staff member. Also include an itemized listing of all other expenses associated with the audit services. Utilizing this total costs information, calculate one hourly rate for performing audit services.
8. The name of a person at your firm who will serve as your firm's contract with the Office of the State Auditor, along with the person's mailing address and telephone number.

Without this information, it will be difficult for the county to properly evaluate your proposal.