



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
Shad White

October 30, 2018

Supervisor Charles Fancher, President  
Attala County Board of Supervisors  
230 W. Washington St.  
Kosciusko, MS 39090

Dear Supervisor Fancher:

Enclosed for your files is an executed Contract for Professional Services between Attala County and Watkins, Ward & Stafford, PLLC CPA Firm for the performance of the services as set forth in the contract for Fiscal Years 2017 and 2018. This contract has been reviewed and signed by a representative of the Office of the State Auditor pursuant to Sections 7-7-211(e).

Please let us know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree".

Stephanie C. Palmertree, CPA, CGMA  
Director, Financial and Compliance Audit

SCP/jlt

Enclosure

C: Watkins, Ward & Stafford, PLLC  
Stephen D. Flake, CPA

### CONTRACT FOR PROFESSIONAL SERVICES

This document reflects a contractual agreement entered into as of the 19th day of October, 2018 among the Office of the State Auditor, Attala County (herein referred to as the "County") and Watkins, Ward and Stafford, PLLC (herein referred to as the "Firm") to provide services, materials and personnel to perform the work as specified in paragraph 1.

#### Scope of Services

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 2017 and 2018 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.

Indicate which type of financial reporting framework of financial statement reporting for performance of audit services:

#### Initial Applicable Framework (Select Only One)

County Representative	CPA Firm Representative	Type of Framework of Financial Statement Reporting
X	X	General Purpose Financial Reporting Framework (GAAP)
		Special Purpose Financial Reporting Framework (Cash Basis-OCBOA)

#### Authorized Representatives

2. The following people have been empowered to act as the duly authorized representatives for this contract:

Office of the State Auditor

**Name:** Stephanie C. Palmertree, CPA  
**Title:** Director, Financial & Compliance Audits  
**Address:** P. O. Box 956, Jackson, MS 39205

Attala County, Mississippi

**Name:** Charles Fancher  
**Title:** President, Board of Supervisors  
**Address:** 230 W Washington St, Kosciusko, MS 39090

Watkins, Ward and Stafford, PLLC Firm

**Name:** Stephen D Flake, CPA  
**Title:** Partner  
**Address:** PO Box 270; Louisville, MS 39339

**Notices** All notices required or permitted to be given under this Contract must be in writing and personally delivered or sent by facsimile provided that the original of such notice is sent by certified United States mail postage prepaid, return receipt requested, or overnight courier with signed receipt, to the party to whom this notice should be given as indicated above. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address.

**Contract Fee Consideration**

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

\$ 33,600 for the audit for the 2016-2017 fiscal year.

\$ 33,600 for the audit for the 2017-2018 fiscal year.

The said fee is based on:

280 hours at \$ 120 per hour for the 2016-2017 fiscal year audit.

280 hours at \$ 120 per hour for the 2017-2018 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 18.

**Compliance with Laws and Professional Standards**

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 as applicable, if the County is presenting its financial statements under a Special Purpose Framework (OCBOA).
  - C. Government Auditing Standards, as required by the U.S. Government Accountability Office (The Yellow Book).
  - D. OMB Uniform Grant Guidance, Audits of States, Local governments, and Non-profit Organizations.
  - 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.
  - H. Attestation standards established by the American Institute of Certified Public Accountants as applicable to the examination of the Purchasing System and Inventory Control System.

**Reportable Findings**

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.

#### Termination of Contract

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.

#### Firm's Requirements of Services

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 April 30, 2018, for the fiscal year 2017 audit and April 30, 2019, for the fiscal year 2018 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 June 30, 2018, for the fiscal year 2017 audit and June 30, 2019, for the fiscal year 2018 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.

#### Responsibility of Firm to Distribute Audit Report

8. If a Single Audit, the Firm shall provide four (2) copies of the completed signed report and (1) CD/electronic media/email ( [schoolauditadmin@osa.ms.gov](mailto:schoolauditadmin@osa.ms.gov) ) containing a Final Report Adobe PDF File to the Office of the State Auditor by June 30, 2018 for the fiscal year 2017 audit and June 30, 2019 for the fiscal year 2018 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 OMB Uniform Grant Guidance, 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 four (2) copies of the completed signed report and (1) CD/electronic media/email ( [schoolauditadmin@osa.ms.gov](mailto:schoolauditadmin@osa.ms.gov) ) containing a Final Report Adobe PDF File to the Office of the State Auditor by August 31, 2018 for the fiscal year 2017 audit and August 31, 2019 for the fiscal year 2018 audit. Also the firm should provide the Office of the State Auditor with the total amount of federal expenditures for each fiscal year.

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 above.

#### Engagement Letter

9. The Firm should provide an engagement letter for the audit which contains the price quote.

#### Progress Reports

10. 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.

#### Payment

11. 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.

#### Approval

12. 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. No payment, including final payment, shall be construed as acceptance of defective or incomplete work and the Firm shall remain responsible and liable for full performance.

#### Contract Expiration

13. The contract shall expire 120 days after the final services have been rendered.

#### Ownership of Documents and Work Papers Upon Termination of Contract

14. The work papers remain the property of the Firm. All other files, notes, correspondence and all other data compiled during the audit shall be available without cost to the County and the Office of the State Auditor for examination and abstracting during normal business hours of any business day. The records shall be maintained for at least five (5) years as required in paragraph 7 of this contract. 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, the Firm will provide reasonable assistance to successor auditors in accordance with the applicable professional standards.

#### Reduction of Compensation

15. 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.

If the Firm fails to meet the submission date for the final reports described in paragraph 8 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 paragraph 8 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.

#### Contract Termination Compensation

16. 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 14 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 the event the contract is terminated, the Firm will provide reasonable assistance to successor auditors in accordance with the applicable professional standards. 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 as supported by detailed invoices submitted to the County by the Firm identifying hours worked on the contract.

#### Termination of Contract

17. 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 14 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. Also, the Firm shall notify the County and the Office of the State Auditor of any potential conflict of interest resulting from service to other clients. If such conflict cannot be resolved to the County's satisfaction, the County reserves the right to terminate this contract with the written consent of the Office of the State Auditor.

#### Modification or Renegotiation

18. 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.

#### Contractor Requirements

19. 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.

Any person assigned by the Firm to perform the services hereunder shall be an employee or a subcontractor of the Firm who shall have the sole right to hire and discharge its employees or subcontractors.

The Firm or its subcontractors shall pay, when due, all salaries and wages of their employees and accepts exclusive responsibility for the payment of federal income tax, social security, unemployment compensation and any other withholdings that may be required.

Neither the Firm, its subcontractors nor their employees are entitled to state retirement or leave benefits.

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 14, 15 and 16.

Indemnification: To the fullest extent allowed by law, the Firm shall indemnify, defend, save and hold harmless, protect, and exonerate the County, its officers, employees, agents and representatives, and the State of Mississippi from and against all claims, demands, liabilities, suits, actions, damages, losses and costs of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses, and attorneys' fees, and claims for damage arising out of or caused by the firm and/or its partners, principals, agents, employees and/or subcontractors in the performance of or failure to perform this Contract.

**Third Party Action Notification:** The Firm shall notify the County in writing within five (5) business days of its receipt of liquidation or receivership proceedings or within five (5) business days of its receipt of notification of any action or suit being filed or any claim being made against the Firm or the County by any entity that may result in litigation related in any way to this Contract and/or which may affect the Firm's performance under this Contract. Failure of the Firm to provide such written notice to the County shall be considered a material breach of this Contract and the County may, at its sole discretion, pursue its rights as set forth in the Termination clauses herein and any other remedies it may have at law or in equity.

#### **Confidential Information**

20. 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.

#### **Contract Governance**

21. 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.

#### **Disputes and Arbitration**

22. 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.

#### **Compliance with Laws**

23. 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.

#### **Change in Scope of Work**

24. 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.

Assignment

25. 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.

Failure to Enforce

26. 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.

Availability of Funds

27. 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.

Insurance Requirements

28. 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.

Severability

29. 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.

Entire Agreement

30. 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.

Address Changes

31. The parties agree to promptly notify each other of any change of address.

Employee Status Verification System

32. 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."

Representation Regarding Contingent Fees

33. The Firm represents that it has not retained a person to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in the contractor's bid or proposal (if applicable).

Representation Regarding Gratuities

34. The Firm represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 7-204 (Gratuities) of the "Mississippi Personal Service Contract Procurement Regulations."

Certification of Independent Price Determination

35. The Firm certifies that the price submitted in response to the solicitation has been arrived at independently and without - for the purpose of restricting competition - any consultation, communication, or agreement with any other bidder or competitor relating to the price, the intention to submit a bid, or the methods or factors used to calculate the price bid.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

36. The Firm certifies to the best of its knowledge and belief, that it and its principals:
- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - B. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - C. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in item b. of this certification; and
  - D. Have not within a three-year period preceding this contract had one or more public transactions (Federal, State or local) terminated for cause or default.

Whistleblower Protection

37. Section 1553 of Division A, Title XV of the American Recovery and Reinvestment Act of 2009, P.L. 111-5, provides protections for certain individuals who make specified disclosures relating to Recovery Act funds.

Any non-federal employer receiving recovery funds is required to post a notice of the rights and remedies provided under this section of the Act.

#### Reporting Requirements

38. The firm is notified that this contract may be paid in full or part with American Recovery and Reinvestment Act of 2009 (hereinafter, "ARRA") Funds. The Firm shall ensure that all subcontracts and other contracts for goods and services for an ARRA-funded project have the mandated provisions of this directive in their contracts. Pursuant to Title XV, Section 1512 of the ARRA, the Agency shall require that the contractor provide reports and other employment information as evidence to document the number of jobs created or jobs retained by this contract from the Firm's own workforce and any subcontractors. No direct payment will be made for providing said reports, as the cost for same shall be included in the various items in the contract.

#### Required Contract Provision to Implement ARRA Section 902

39. Section 902 of the ARRA requires that each contract awarded using ARRA funds must include a provision that provides the U.S. Comptroller General and his representatives with the authority to:
  - A. Examine any records of the Firm or any of its subcontractors, or any State or local agency administering such contract, that directly pertain to, and involve transactions relating to, the contract or subcontract; and
  - B. Interview any officer or employee of the firm or any of its subcontractors, or of any State or local government agency administering the contract, regarding such transactions.

Accordingly, the Comptroller General and his representatives shall have the authority and rights prescribed under Section 902 of the ARRA with respect to contracts funded with recovery funds made available under the ARRA. Section 902 further states that nothing in 902 shall be interpreted to limit or restrict in any way any existing authority of the Comptroller General.

#### Authority of the Inspector General Provision

40. Section 1515(a) of the ARRA provides authority for any representatives of the United States Inspector General to examine any records or interview any employee or officers working on this contract. The Firm is advised that representatives of the Inspector General have the authority to examine any record and interview any employee or officer of the Firm, its subcontractors or other firms working on this contract. Section 1515(b) further provides that nothing in this section shall be interpreted to limit or restrict in any way any existing authority of an Inspector General.

#### Availability and Use of Funds

41. The Firm understands and acknowledges that any and all payment of funds or the continuation thereof is contingent upon funds provided solely by ARRA or required state matching funds. Pursuant to Section 1604 of the ARRA, contractors agree not to undertake or make progress toward any activity using recovery funds that will lead to the development of such activity as casinos or other gambling establishments, aquariums, zoos, golf courses, swimming pools or any other activity specifically prohibited by the Recovery Act.

#### Federal, State and Local Tax Obligations

42. The Firm asserts and self-certifies that all Federal, State and local tax obligations have been or will be satisfied prior to receiving recovery funds.

Anti-Discrimination and Equal Opportunity

43. Pursuant to Section 1.7 of the guidance memorandum issued by the United States Office of Management and Budget on April 3, 2009, ARRA Recovery funds must be distributed in accordance with all anti-discrimination and equal opportunity statutes, regulations, and Executive Orders pertaining to the expenditure of funds.

Additional Requirements

The Firm agrees to comply with additional requirements imposed by ARRA regulations upon notification.

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

**COUNTY REPRESENTATIVES**

COUNTY: Attala

SIGNED:

*Charles Faucher*

WITNESS:

TITLE: President, Board of Supervisors

DATE:

*10/19/18*

SIGNED:

*Chancery Clerk*

WITNESS:

TITLE: Chancery Clerk

DATE:

*10/19/18*

**FIRM REPRESENTATIVE**

CPA FIRM: Watkins, Ward and Stafford, PLLC

SIGNED:

*Hyman D. Feltz, CPA*

WITNESS:

*Regan Ad*

TITLE: Partner

DATE:

*10/18/2018*

OFFICE OF THE STATE AUDITOR

SIGNED:



WITNESS:



TITLE: Director, Department of Audit

DATE:

10/30/18

## 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.   X
- B. 1. That the firm meets the independence requirements of the *Government Auditing Standards*, published by the Government Accountability Office. (The Yellow Book).   X
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).   X
- C. That the firm has had an External Peer Review and will submit a copy of the opinion in the Proposal.   X
- D. That the firm does (    ), does not ( X ), have a record of substandard audit work. Disclosure of any positive enforcement action is made below.
- \_\_\_\_\_
- \_\_\_\_\_
- E. That the firm has (    ), has not ( X ), 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 ( X ), 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 ( X ), 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 ( X ), a minority business or women's business enterprise.

I. Type of business (check appropriate box).

( ) Individual ( X ) 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 AYes@, 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. 64-0394922  
Parent Company's E. I. No. \_\_\_\_\_

K. Certificate of independent price determination.

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.

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.

Stephen D. Hile, CPA  
SIGNATURE

Partner  
TITLE

Watkins, Ward & Stafford, PLLC  
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. Demonstrates 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 contact with the Office of the State Auditor, along with the person's mailing address, telephone number, and email address.

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



**ATTALA COUNTY, MISSISSIPPI**  
**PROPOSAL FOR AUDIT SERVICES**

**WATKINS, WARD AND STAFFORD, PLLC**  
**CERTIFIED PUBLIC ACCOUNTS**  
**3205 N. CHURCH AVENUE P.O. BOX 270**  
**LOUISVILLE, MS 39339**  
**662-773-7841**

**October 18, 2018**

**ATTALA COUNTY  
TECHNICAL PROPOSAL  
SEPTEMBER 30, 2017 and 2018**

**1. Experience in Performing Single Audits of Counties, Cities, and School Districts and Peer Review Participation**

**Audits of Counties, Cities and School Districts**

Our firm has considerable experience in performing governmental audits over the past twenty years. We have served as auditors for:

- Seventeen (17) municipalities in Mississippi
- Thirteen (13) counties
- Six (6) purchase clerks
- Thirty-seven (37) school districts
- Two (2) gas systems
- Six (6) electric utilities
- Three (3) other public utilities
- Two (2) day care centers
- Five (5) planning and development
- Six (6) head starts funded by the Department of Health and Human Services and the Department of Agriculture
- Eighteen (18) county-owned hospitals and nursing homes
- Four (4) community action program agencies
- One (1) human resource agency
- Two (2) community colleges

The following subsections present details of our county, city and school audit experience.

**A. Audit of Counties**

We have performed audits for thirteen counties as follows:

- Attala County
- Neshoba County
- Marshall County
- Chickasaw County
- Monroe County
- Clay County
- Noxubee County
- Attala County
- Winston County
- Lowndes County
- Attala County
- Newton County
- Webster County

Some of the above county audits were conducted in accordance with regulations in effect at that time and were done prior to the Uniform Guidance guidelines (single audit). These guidelines relate to federal funds received. All other aspects of the county audits performed by us would be identical. We have extensive federal program experience in our municipal, schools, planning and development districts, and non-profit audits.

**B. Audits of Cities**

We have conducted audits of the following municipalities under the Uniform Guidance guidelines:

City of Holly Springs  
City of West Point  
City of Picayune  
City of Starkville  
City of Okolona  
City of Eupora  
City of Macon  
City of Louisville  
City of Kilmichael  
City of DeKalb  
City of Philadelphia  
City of Columbus  
City of Houston

Other city audits performed did not have sufficient federal funds to require a single audit.

**C. Audits of School Districts**

We have conducted audits of the following school districts under the Uniform Guidance guidelines (Single Audit):

Lowndes County	Clay County	Starkville
Kemper County	Lee County	Amory
Scott County	Okolona	Oxford
Yalobusha County	Neshoba County	Philadelphia
Chickasaw County	Winona	Forest
Montgomery County	Attala County	Houston
Webster County	Holly Springs	New Albany
Lauderdale County	Louisville Municipal	Tate County
Attala County	Durant Public	Leake County
Leflore County	Noxubee County	West Point
Marshall County	Attala County	Jackson
		Madison County

**D. Peer Review**

Our firm is a member of the American Institute of Certified Public Accountants' Division of Firms Private Company's Practice Section. This is voluntary membership by which we elect to be part of a group enhancing higher standards of practice in our profession. As a member, we are subjected to an external Quality Control Review every three years, the latest of which was during 2017. As a result of this review, we received a peer review rating of pass. See attachment for a copy of this opinion.

**2. Firm Profile and Location**

We are certified public accountants with offices in sixteen cities in North and Central Mississippi. We are licensed by the State of Mississippi and are members of the Mississippi Society of Certified Public Accountants and the American Institute of Certified Public Accountants. We have a staff of approximately ninety people. The size of our staff allows us to offer flexibility in scheduling the audit engagement to meet the convenience of your staff. Further, the size of our staff enables us to offer specialization in various areas including audits of governmental entities.

We have approximately forty people on our staff who are qualified under Yellow Book standards to perform governmental audits.

**Location of Offices:**

Jackson, Mississippi	Hinds County
Columbus, Mississippi	Lowndes County
West Point, Mississippi	Clay County
Okolona, Mississippi	Chickasaw County
Eupora, Mississippi	Webster County
Starkville, Mississippi	Attala County
Louisville, Mississippi	Winston County
Philadelphia, Mississippi	Neshoba County
Macon, Mississippi	Noxubee County
Amory, Mississippi	Monroe County
Houston, Mississippi	Chickasaw County
Calhoun City, Mississippi	Calhoun County
Holly Springs, Mississippi	Marshall County
Kosciusko, Mississippi	Attala County
Oxford, Mississippi	Lafayette County
Pontotoc, Mississippi	Pontotoc County

**Classification of Professional Staff:**

Partners (Members)	25
Managers	8
Supervisors	5
Senior Accountants	3
In-Charge Accountants	7
Staff Accountants	19

Our firm consists of approximately one hundred ten people of whom forty two are certified public accountants who staff the sixteen locations throughout Northeast Mississippi. Our philosophy of practice is to provide a partner (member) of our firm to clients and to staff client services from our personnel based on expertise and experience.

Stephen Flake, partner, will be assigned the responsibility for providing services for this engagement and other services you may need.

Due to the size, quality and flexibility of our staff and the knowledge and experience of the partner to be assigned the responsibility of the engagement, we feel we are the best qualified to perform the audit. We believe the success and stability of our firm and the long-term relationships we have with existing governmental clients substantiate this belief. Our Louisville office will be primarily assigned to complete your audit.

**3. Staff Qualifications**

As members of the American Institute of Certified Public Accountants' Division of Firms Private Company's Practice Section, all of our professional staff are required to obtain an average of 40 hours of continuing education annually. Additionally, those professionals assigned to governmental audits are required to have 24 hours of governmental accounting and auditing education every two years.

**Stephen Flake, CPA, Partner**

Mr. Flake is a graduate of Mississippi State University (1989). He has been with Watkins, Ward & Stafford, PLLC, since 1989 and a partner since 2005. He has twenty-nine years of experience in auditing Federal programs, local governments, non-profit organizations, municipal and county school districts, and commercial entities. He will be the partner-in-charge of this engagement.

**Steve Sinclair, CPA, Partner**

Mr. Sinclair is a graduate of Mississippi State University (1977). He has been with Watkins, Ward & Stafford, PLLC since 1985 and a partner since 1992. He has forty-one years of experience in auditing Federal programs, local and county governments, non-profit organizations, municipal and county school districts, and commercial entities. He will be the independent review partner of this engagement.

**Justin Keller, CPA, Staff Accountant**

Mr. Keller is a graduate of Mississippi State University (2012). He has been with Watkins, Ward & Stafford, PLLC since 2013. He has five years of experience in auditing Federal programs, municipalities, school districts and non-profit organizations.

**David Darnell, Staff Accountant**

Mr. Darnell is a graduate of Mississippi State University (2017). He has been with Watkins, Ward & Stafford PLLC since November 2017. He has less than one year of experience in auditing Federal programs, municipalities, school districts and non-profit organizations.

**4. Understanding of Services to be Performed**

It is our understanding that these services shall consist of a financial audit for all funds of Attala County, for the fiscal years ending September 30, 2017 and 2018, in accordance with Government Auditing Standards and the Uniform Guidance (if applicable). We plan to start our work as soon as the County suggests a schedule that is convenient for its staff and submit our report to the State Audit Department no later than June 30 if there is a requirement for single audit under the Uniform Guidance and August 31 if there is no requirement for single audit under the Uniform Guidance. This timeline is for the September 30, 2018 audit only. Since we have just been informed of the need of a September 30, 2017 audit we would anticipate having the audit completed by May 31, 2019.

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 Government 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 U.S. Government Accountability Office. (The Yellow Book).
- d. OMB Uniform Grant Guidance, Audits of State, Local Governments, and Non-profit Organizations.
- 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.
- h. Attestation standards established by the American Institute of Certified Public Accountants as applicable to the examination of the Purchasing System and Internal Control System.

The Audited Financial Statements for the 2016-2017 and 2017-2018 Fiscal Years will be done under GASB 34 Standards.

The audit will include tests of the accounting records of Attala County and other procedures we will consider necessary to enable us to express an unmodified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the Schedule of Federal Financial Assistance (If applicable) and on Attala County's compliance with laws and regulations and its internal controls as required for a single audit should there be one required.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

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. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. As required by OMB Uniform Grant Guidance (If applicable), our audit will include tests of applicable laws and regulations. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. We will advise you, however, of any matters of that nature that come to our attention, and will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We understand that you will provide us with financial statements prepared in accordance with accounting principles generally accepted in the United States of America including required supplementary information and footnote disclosures, and that you are responsible for the accuracy and completeness of the financial statements.

We understand that your employees will locate any invoices and any other information selected by us for testing.

##### **5. Commitment to Perform the Work Within the Time Period**

With our resource of personnel and policy of assigning responsibilities, we will commence the audit at the convenience of the County's staff which we anticipate to be by January 2, 2019, and will complete our field work in ample time to prepare the audit report for submission to State Audit Department prior to May 31, 2019 for the September 30, 2017 audit. We anticipate the September 30, 2018 will be completed before any required date.

6. Engagement Time Budget and Cost Statement

2016-2017 Fiscal Year

<u>Staff</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Cost</u>
Sinclair	10		
Flake	90		
Keller	100		
Darnell	100		
Total Proposed Fee	300	\$ 120	\$ 36,000

2017-2018 Fiscal Year

<u>Staff</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Cost</u>
Sinclair	10		
Flake	90		
Keller	100		
Darnell	100		
Total Proposed Fee	300	\$ 120	\$ 36,000

7. Contact Person

The firm's contact person with the State Auditor's Office is:

Stephen D. Flake, CPA  
Watkins, Ward & Stafford, PLLC  
P.O. Box 270  
Louisville, Mississippi 39339  
(662) 773-7841



CERTIFIED PUBLIC ACCOUNTANTS  
CHATTANOOGA | MEMPHIS

## Report on the Firm's System of Quality Control

October 20, 2017

To The Partners of Watkins, Ward and Stafford, PLLC and the National Peer Review Committee of the Mississippi Society of CPAs.

We have reviewed the system of quality control for the accounting and auditing practice of Watkins, Ward and Stafford, PLLC (the firm) in effect for the year ended April 30, 2017. 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](http://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 a part of our peer review, we considered reviews by regulatory entities as communicated by 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 Watkins, Ward and Stafford, PLLC in effect for the year ended April 30, 2017, 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* or *fail*. Watkins, Ward and Stafford, PLLC has received a peer review rating of *pass*.

Henderson Hutcherson  
& McCullough, PLLC

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AN INDEPENDENT MEMBER OF THE BDO ALLIANCE USA