**AMENDMENT NUMBER 1**

**CARES ACT Audit**

This contract amendment, entered into as of this 12th day of October, 2020, by and between the Secretary of State, the Office of the State Auditor (OSA), and Carr, Riggs & Ingram.

The original contract paragraph 3 is to be amended to for the following:

> The State of Mississippi requires Carr, Riggs & Ingram to submit invoices electronically throughout the term of the agreement. Vendor invoices shall be submitted to OSA using the processes and procedures identified by the State. Payments by OSA using Mississippi Accountability System for Government Information and Collaboration (MAGIC) shall be made and remittance information provided electronically as directed by the State, if applicable. These payments shall be deposited into the bank account of Carr, Riggs & Ingram's choice. Carr, Riggs & Ingram understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency.
>
> Carr, Riggs & Ingram's invoices will outline the work performed and the number of hours worked. OSA will pay ninety percent (90%) of each invoice and will retain the remaining ten percent (10%) until final payment is made. OSA will pay such invoices in accordance with the law related to timely payment for purchases by public bodies (Miss. Code Ann. Section 31-7-301 et seq., Rev.1990). The final payment, including retained amounts, shall be made after completion and acceptance of the audit services. In no instance will a payment be made in excess of the contract amount.

The original contract Attachment B is to be amended to for the following:

| FEDERAL PROGRAM | CFDA # | Bill Number |
|---|---|---|
| Coronavirus Relief Fund | 21.019 | HB 1789<br>HB 1814 |

In witness where if this contract has been executed.

Signed: Michael Watts

Title: S.S

Agency: Secretary of State

Date: 10/9/2020

Signed: _____

Title: Partner

Firm: Carr, Riggs & Ingram

Date: 11.19.2020

Signed: Stephanie C. Palmeter

Title: Director, Department of Audit

Firm: State Auditor's Office

Date: 11/20/20

Signed: _____

Title: Deputy State Auditor

Firm: State Auditor's Office

Date: 11/20/20

# CONTRACT FOR PROFESSIONAL SERVICES

This Contract, entered into as of this 15 day of August, 2020, by and between the Secretary of State, hereinafter referred to as the "Agency," the Office of the State Auditor, hereinafter referred to as the "OSA", and Carr, Riggs & Ingram, hereinafter referred to as the "Firm".

1. The Agency and OSA desire to engage the Firm to render certain professional services described within this contract and in the attached Attachment B with respect to the Agency's compliance with state and federal regulations for the CARES Act.

2. The Firm shall receive as compensation as an independent contractor for the described auditing services a fee not to exceed $35,000 using hourly rates below plus direct out of pocket expenses plus any amount authorized by a duly executed amendment as provided in paragraph 12 of this contract. Said fee is based on the following hourly rates:

   Partner: $275.00
   Senior Manager: $195.00
   Manager: $175.00
   Senior Staff: $135.00
   Staff: $120.00

   Said fees are based on the expectation that the Agency's records are complete and up-to-date and that the Agency will provide, on a timely basis, audit schedules and supporting information, including communication of all significant accounting and financial reporting matters, as well as clerical assistance as is normal and reasonable in the circumstances. If such records, schedules, etc., are not provided or other unforeseen conditions or events arise, the Firm will confer with the Agency and OSA to mutually revise the fee to reflect the additional effort required of the Firm to achieve its objectives.

3. The State of Mississippi requires the Firm to submit invoices electronically throughout the term of the agreement. Vendor invoices shall be submitted to the Agency using the processes and procedures identified by the State. Payments by the Agency using Mississippi Accountability System for Government Information and Collaboration (MAGIC) shall be made and remittance information provided electronically as directed by the State, if applicable. These payments shall be deposited into the bank account of the Firm's choice. The Firm understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency.

   The Firm's invoices will outline the work performed and the number of hours worked. The Agency will pay ninety percent (90%) of each invoice and will retain the remaining ten percent (10%) until final payment is made. The Agency will pay such invoices in accordance with the law related to timely payment for purchases by

public bodies (Miss. Code Ann. Section 31-7-301 et seq., Rev.1990). The final payment, including retained amounts, shall be made after completion and acceptance of the audit services. In no instance will a payment be made in excess of the contract amount unless authorized by a duly executed amendment as provided by paragraph 12 of this contract.

4. a. The auditing services will be made in conformity with the following guidelines and regulations:

   i. The Firm has the responsibility to conduct and will conduct the audit of the Agency in accordance with auditing standards generally accepted in the United States of America and the standards for compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

   ii. Special items or reports prescribed by the OSA as set forth in the attached Audit Services Schedule.

   iii. Compliance with applicable state laws as set forth in the attached Audit Services Schedule.

   b. An audit involves performing procedures to obtain audit evidence about the Agency's compliance with certain regulations. In conducting the audit, the Firm will perform tests of the accounting records and such other procedures, as the Firm considers necessary in the circumstances, based on the Firm's judgment, including the assessment of the risk of material noncompliance, whether due to error or fraud, to provide a reasonable basis for the Firm's opinion on compliance. The Firm also will evaluate the appropriateness and effectiveness of internal controls implemented by management.

   c. The Firm's audit of compliance will be planned and performed to obtain reasonable, but not absolute, assurance about whether the Agency is in compliance with the applicable compliance requirements that could have had a material effect on the CARES Act – CRF monies. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material noncompliance, fraud (including fraud that may be an illegal act), and other illegal acts may exist and not be detected by an audit of compliance even though the audit is properly planned and performed in accordance with the auditing standards generally accepted in the United States of America and *Government Auditing Standards*. Also, an audit is not designed to detect matters that are immaterial to compliance, and because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to detect abuse.

   d. Subject to the last sentence of the preceding paragraph, the Firm will issue a written

report upon completion of the Firm's audit of the Agency's compliance. We realize that the Firm cannot provide assurance that an unqualified opinion will be expressed. Circumstances may arise in which it is necessary for the Firm to modify its opinion, add emphasis-of-matter or other-matter paragraphs or withdraw from the engagement.

e. In making the Firm's risk assessments as a part of planning and performing the audit of compliance, it will consider the Agency's internal control relevant to the appropriate compliance requirements in order to determine the nature, timing, and extent of its audit procedures for the purpose of expressing an opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.

f. Management of the Agency acknowledges and understands that they have responsibility for the Agency's compliance to applicable state and federal regulations. Management of the Agency also is responsible for identifying and ensuring that the Agency complies with laws, regulations, contracts, and grant agreements applicable to its activities, and for informing the Firm of any known material violations of such laws and regulations and provisions of contracts and grant agreements. Management of the Agency also is responsible for preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud, for adopting sound accounting policies, and for the design, implementation and maintenance of internal control relevant to the Agency's compliance and to provide reasonable assurance against the possibility of noncompliance that is material whether due to error or fraud. Management of the Agency is also responsible for informing the Firm, of which it has knowledge, of all material weaknesses and significant deficiencies, in the design or operation of such controls. The audit of compliance does not relieve management of the Agency or the audit committee of their responsibilities.

g. Management of the Agency also acknowledges and understands that it is their responsibility to provide the Firm with: i) access to all information of which management is aware that is relevant to compliance requirements such as records, documentation, and other matters; ii) additional information that the Firm may request from management for purposes of the audit; and iii) unrestricted access to persons within the entity from whom the Firm determines it necessary to obtain audit evidence. As required by auditing standards generally accepted in the United States of America, the Firm will make specific inquiries of management of the Agency about the representations embodied in the audit and the effectiveness of internal control, and obtain a representation letter from certain members of the Agency's management about these matters. The responses to the Firm's inquiries, the written representations, and the results of audit tests, among other things, comprise the evidential matter the Firm will rely upon in forming an opinion compliance.

h. Because of the importance of management's representations to the effective

performance of the Firm's services, the Agency agrees to release the Firm and its personnel from any claims, liabilities, costs and expenses relating to the Firm's services under this letter attributable to any misrepresentations in the representation letter referred to above. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise.

i. As part of obtaining reasonable assurance about whether the Agency's procedures are free of material noncompliance, the Firm will perform tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the Agency's compliance with applicable laws and regulations. However, the Firm's objective is not to provide an opinion on overall compliance with such provisions. The Firm shall report promptly to the Agency and OSA any preliminary findings of possible fraud, misapplication or misappropriation of funds.

j. In accordance with *Government Auditing Standards*, the Firm will also issue a management letter to communicate instances of noncompliance with provisions of contracts or grant agreements or abuse that have an effect on the Agency's compliance that is less than material but warrant the attention of those charged with governance. In accordance with *Government Auditing Standards*, the Firm is also required in certain circumstances to report fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse directly to parties outside the auditee.

k. The Firm will report to management of the Agency, in writing, the following matters:

    i. Significant difficulties and disagreements with management, if any, encountered during the Firm's audit.

    ii. Other matters required to be communicated by auditing standards generally accepted in the United States of America.

    To the extent that they come to the Firm's attention, it will inform the appropriate level of management of the Agency and OSA about any illegal acts, unless they are clearly inconsequential, material noncompliance, and any instances of fraud. Further, to the extent they come to the Firm's attention, it also will communicate illegal acts that come to the Firm's attention, unless they are clearly inconsequential, material noncompliance and any instances of fraud that involve senior management or that, in the Firm's judgment, cause material noncompliance with laws and regulations.

    If, during the performance of the Firm's audit procedures, circumstances arise which make it necessary to modify their report or withdraw from the engagement,

the Firm will communicate its reasons for modification or withdrawal.

5. a. The Firm shall provide any monthly status reports on the results of audit fieldwork to the OSA. Draft compliance audit report shall be provided no later than 60 days from the last date of allowable period of federal performance, as defined by any federal guidance of the CRF Funds. The completed audit reports and management letter on compliance will be required no later than 90 days from the last date of allowable period of federal performance, as defined by any federal guidance of the CRF Funds.

   b. The Firm acknowledges that the Agency and OSA are relying on the timely completion of this contract in its scheduling and budgeting and that time is of the essence. If the Firm fails to meet the completion date prescribed herein, the Agency and/or OSA may, at their option, reduce the agreed compensation by an amount not to exceed ten percent (10%) of the total contract amount as liquidated damages for the failure to complete the contract by the completion date provided the failure to meet the report delivery deadline is not the result of Agency delays.

6. The contract shall expire one hundred twenty (120) days after the report release date of the Fiscal Year 2022 Single Audit so that any questions raised during the audit may be resolved.

7. The Firm shall submit a monthly progress report which details the work completed the preceding month to the Agency and OSA authorized representatives if requested. The report shall be delivered within ten (10) days after the end of the preceding month. The Firm also agrees to provide OSA and the Agency with Status Updates sporadically as requested by either party.

8. The Agency with the written consent of the OSA's authorized representative is empowered to accept or reject the services furnished by the Firm in compliance with the material provisions of this contract and the attached Audit Services schedule. However, any rejection of services must be based solely on the Firm's failure to comply with the material terms of this contract, and cannot be based on the nature of the Firm's opinion on the financial status of the Agency in its audit report. However, prior to termination of this contract by the Agency, the Agency must provide written justification to the OSA documenting the reasons for requesting the contract be terminated. The Agency must obtain written approval from the OSA prior to terminating the contract.

9. The Firm shall have a certified public accountant (CPA) as the certifying official of the final reports.

10. The work papers prepared in conjunction with the services under this contract are the property of the Firm, constitute confidential information and will be retained by the

Firm in accordance with its policies and procedures. These records shall be maintained for at least five (5) years; however, if any litigation or other legal action, by or on behalf of the State 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. The firm agrees to make its work papers available to subsequent fiscal year audit firms. Upon request by the Agency or OSA, any data, files and records collected by the Firm will be destroyed or returned to the Agency or OSA. The Firm may retain, however, copies of all such records required for recordkeeping purposes or for compliance with applicable professional standards. Pursuant to *Government Auditing Standards*, the Firm is required to make certain work papers available in a full and timely manner to Regulators upon request for their reviews of audit quality and for use by their auditors. In addition, the Firm may be requested to make work papers available to OSA pursuant to authority provided to it by law or regulation. Access to the requested work papers will be provided under supervision of the Firm's personnel. Furthermore, upon request, the Firm may provide photocopies of selected work papers to Regulators. Such Regulators may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

11. a. Termination for Cause. Upon the failure of either party to perform any obligation or observe any covenant required hereunder, the non-defaulting party, with the written consent of the OSA, shall have the right to send a written notice to the defaulting party specifying such failure and demanding cure within ten (10) days of receipt of such notice. If the defaulting party has not remedied such failure within the cure period, or has not made substantial progress toward remedying such failure within the cure period, then the non-defaulting party may terminate the contract immediately by sending a written notice of termination to the defaulting party. However, prior to termination of this contract by the Agency, the Agency must provide written justification to the OSA documenting the reasons for requesting the contract be terminated. The Agency must obtain written approval from the OSA prior to terminating the contract. In the event of termination for cause by the Agency and/or OSA, in addition to other remedies provided herein or available at law or in equity, the Firm shall bear all costs associated with the issuance of a new contract for audit services, including, but not limited to, the cost of reissuing another request for proposals and any additional costs resulting from an acceleration of services necessary for the timely completion of such auditing services.

b. Termination by Agency. The Agency, with the written consent of the OSA, may terminate this contract, with or without cause, by providing a fifteen (15) day written notice of termination to the Firm. However, prior to termination of this contract by the Agency, the Agency must provide written justification to the OSA documenting the reasons for requesting the contract be terminated. The Agency must obtain written approval from the OSA

prior to terminating the contract.

c. In the event of termination, the Firm will be entitled to payment for services in an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Firm covered by the contract, less payments previously made. In no instance, other than as specified in paragraph 2 will a payment be made in excess of the contract amount for each audited year. All finished or unfinished tests, surveys, checklists, forms, manuals, reports or other material prepared by the Firm under this contract shall become the property of the OSA.

12. The Agency, the OSA or the Firm may, from time to time, request changes in the scope of services of the Firm to be performed thereunder. Such changes, including any increase or decrease in the amount of the Firm's compensation, which are mutually agreed upon by and between the Agency, the OSA, and the Firm, shall be included in written amendments to this contract signed by all parties prior to the work being performed.

13. The Firm shall not assign or otherwise transfer the obligations incurred on its part pursuant to the terms of this contract without the prior written consent of the Agency and OSA. Any attempted assignment or transfer of its obligation without such consent shall be wholly void. All obligations and duties of either party under this contract shall be binding on all successors in interest or assigns of such party.

14. The Firm shall comply, in all material respects, with all applicable laws, regulations, policies and procedures 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 and all applicable laws and regulations relating to discrimination based on age, race, creed, color, sex, and national origin or disability. The Agency will assist the Firm in identifying the policies and procedures promulgated by the State of Mississippi or any agency or political subdivision thereof that impact the services.

15. The Firm agrees to indemnify, defend, and hold harmless, the Agency and OSA from and against all third-party claims, demands, liabilities, damages and costs relating to our services under this agreement that are attributable to or resulted from intentional, deliberate misconduct or actionable gross negligence of the Firm and/or its partners, principals, agents, employees or subcontractors in the performance of this contract.

16. This contract shall be construed and governed in accordance with the laws of the State of Mississippi.

17. 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 the contract shall be valid and enforceable to the fullest extent permitted by law.

18. 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.

19. 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."

20. 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.

21. 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 a 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.

22. 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 Agency or the OSA. Any person assigned by the

Firm to perform the services hereunder shall be the employee of the Firm, who shall have the sole right to hire and discharge its employee.

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

Neither the Firm nor employees of the Firm are entitled to state retirement or leave benefits as a result of this contract.

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 Agency for any purpose from said contract sum except as permitted in Paragraph 5(b).

23. 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 the contract.

24. The parties expressly understand that the fulfillment of the payment obligations of the Agency under this agreement is conditioned upon the availability and receipt of State funds. In the event that funds are insufficient or otherwise unavailable to satisfy payments due under this agreement, the Agency shall not be obligated to make such payments, and all further obligations of the Agency and the Firm under this agreement shall cease immediately, without penalty, cost or expense to the Agency or the Firm of any kind whatsoever. In the event of such insufficiency or unavailability of funding, the Agency shall promptly notify the Firm and the OSA, in writing, of such event. The Firm shall be entitled to payment for services in the amount determined under paragraph 11(c) or the amount of available funds, whichever is less.

25. The Firm represents that it will maintain workers' compensation insurance which shall inure to the benefit of all the Firm's personnel provided hereunder, comprehensive general liability or professional liability insurance, and, where applicable, employee fidelity bond insurance.

26. 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 Agency, OSA 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 Agency and OSA 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 OSA 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.

27. This contract, including the documents and schedules previously discussed in paragraph 4.a. and paragraph 8, 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. A separate engagement letter is being issued covering items required to communicate professional standards that are not covered by the Contract for Professional Services.

28. 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 Agency 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 the firm to the following: (a) termination of this 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 the 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, the firm would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

29. In accordance with the Mississippi Accountability and Transparency Act of 2008, Section 27-104-151, et seq., of the Mississippi Code of 1972, as amended, the American Accountability and Transparency Act of 2009 (P.L. 111-5), where applicable, and Section 31-7-13 of the Mississippi Code of 1972, as amended, where applicable, a fully executed copy of this agreement shall be posted to the State of Mississippi's accountability website at: https://merlin.state.ms.us

30. Contractor agrees to accept all payments in United States currency via the State of Mississippi's electronic payment and remittance vehicle, if applicable. The agency agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Mississippi Code Annotated § 31-7-305.

31. Payments by state agencies using the State's accounting system shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of Contractor's choice. The State may, at its sole discretion, require Contractor to electronically submit invoices and supporting documentation at any time during the term of this Agreement. Contractor understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency.

32. Any notices required or authorized under this contract shall be delivered to the persons at the addresses designated in this paragraph. Each party may change the person and address designated by delivering written notice to the other party. Any notice shall be effective when actually delivered to the designated address.

For Agency: Michael Watson, Secretary of State
Secretary of State
401 Mississippi Street
Jackson, MS 39201

For Firm: Joseph May, Partner
Carr, Riggs & Ingram
400 West Parkway Place, Suite 300
Ridgeland, MS 39157

For OSA: Stephanie Palmertree, CPA, CGMA
Director, Finance and Compliance Division
State Auditor's Office
501 North West Street, 801 Woolfolk Building
Jackson, MS 39201

In witness whereof this contract has been executed.

SIGNED:

TITLE: Secretary of State

AGENCY:

DATE: 8/25/2020

SIGNED:

TITLE: Partner

FIRM:

DATE: 09.08.2020

SIGNED:

TITLE: Director, Department of Audit

FIRM: State Auditor's Office

DATE: 9/9/2020

AUDIT SERVICES SCHEDULE
Attachment A

Procedure:

The following procedures must be performed by the Firm after a contract has been awarded:

- Hold an entrance conference with the Firm's auditor-in-charge, Audit Committee, Internal Audit Staff, Executive Director, and OSA's authorized representatives prior to commencement of any work in order to determine the scope of services, sample sizes and other related factors. Give prior notice to the OSA's authorized representatives so that the OSA may have an opportunity to participate.

- Express an opinion on the Agency's compliance requirements in conformity with applicable federal and state regulations.

- Provide a copy of the Firm's most recent peer review report, as required by *Government Auditing Standards*.

The Firm shall perform the following procedures at the request of the OSA:

- Provide OSA the methodology and details of any sample populations. Firm should coordinate with OSA and use the sample size that will provide high level of assurance with a 90-95% Confidence level. Population should also be assumed to have high inherent risk. These samples should be performed monthly, without prorating the sample amount. OSA will have final judgement if sample size is sufficient.

- Prepare for each program selected for audit, compliance specific audit reports on compliance with requirements that could have a direct and material effect on each program and on internal control over compliance in accordance with the Uniform Grant Guidance, Subpart F. The program selected for audit is the Coronavirus Aid, Relief, and Economic Security Act – Coronavirus Relief Funds, CFDA #21.019.

- Prepare management letters in accordance with instructions provided by the OSA.

- Conduct an exit conference upon giving prior notice to the OSA.

- Obtain a plan of corrective action from the Agency in accordance with instructions provided by the OSA.

- Submit to the OSA a completed "Request for Representations from Other Auditor."

- A Management Letter

In accordance with *Government Auditing Standards*, the Firm will also issue a management letter to communicate instances of noncompliance with provisions of contracts or grant agreements or abuse that have an effect on the compliance that is less than material but warrant the attention of those charged with governance. The management letter will detail audit findings and recommendations regarding internal controls, accounting, information systems, legality of actions, instances of noncompliance with laws and regulations, and any other material matters the auditor believes to be of potential benefit to the entity or has been requested to communicate.

- A report on irregularities and illegal acts, if applicable

  In accordance with *Government Auditing Standards*, the Firm is also required in certain circumstances to report fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse directly to parties outside the auditee.

Upon completion of the audit services, the audit conclusion memoranda and any other required reports should be submitted to the OSA's authorized representatives in accordance with the contractual provisions. All final documentation of services shall be submitted no later than the date specified.

As requested, the Firm shall provide the following documents to OSA:

- Draft and Final reports on the Compliance with Applicable Requirements
- A report, Combined Report on Compliance With Applicable Requirements and Internal Control Over Compliance, Performed in Accordance With Government Auditing Standards (GAGAS report), on the Firm's consideration of internal controls. Management of the Agency is responsible for providing the Firm with written responses in accordance with Government Auditing Standards to the findings included in the GAGAS report within 30 days of being provided with draft findings. If such information is not provided on a timely basis prior to release of the report, the GAGAS report will indicate the status of management's responses.
- Engagement Letter
- Signed Representations of Management as of the date of the Report and an update of representations as of the date of the CAFR report and Single Audit report.
- Independence and Related Party statements for The Firm.
- Letters to Those Charged with Governance, including any management comments made regarding control deficiencies.
- Written findings to be included in the report, as applicable. *
- Summary of verbal findings presented to client.

- Firm representations to OSA
- Workpapers detailing materiality used during the audit process.
- Corrective Action Plans, if applicable. *
- Additional information as needed by OSA to satisfy the requirements of AU-C 600.

** Information must be provided as prescribed by OSA. Submissions not in accordance with Auditing Standards, Uniform Guidance, or prescribed form by OSA will be returned to The Firm and The Firm will be required to resubmit the information until OSA is satisfied that it has been completed in accordance with the requirements as listed above.*

Agency's Authorized Representatives:

- Lisa Moore
  Secretary of State
  125 S. Congress Street
  Jackson, MS 39201
  Phone: 601-359-1603

State Auditor's Authorized Representatives:

The State Auditor has empowered the following to act as his duly authorized representative:

- Stephanie Palmertree, CPA, CGMA
  State Auditor's Office
  501 North West Street
  801 Woolfolk Building
  Jackson, MS 39201
  Phone: 576-2606

Legal Compliance Provision:

Any preliminary findings of possible fraud, misapplication or misappropriation of funds shall be promptly reported in writing to the Agency's and OSA's authorized representative. Notwithstanding anything herein to the contrary, nothing shall prevent the Firm from reporting such findings to the appropriate persons in accordance with professional standards.

If the Firm is required to give advice, testimony or other such activity not within the scope of rendering, confirming or justifying a report of audit services rendered, such arrangements shall be set forth in a separate arrangement letter.

**AGENCY AUDIT INFORMATION**
**Attachment B**

**Secretary of State of Mississippi**
Schedule of Selected Funds and Programs for Audit
For the Fiscal Year Ending June 30, 2020, June 30, 2021, as applicable

| FEDERAL PROGRAM | CFDA # | Bill Number |
|---|---|---|
| Coronavirus Relief Fund | 21.019 | HB 1789 |