

AUDIT  
SUBCONTRACT  
BETWEEN

\_\_\_\_\_  
(Agency)  
AND  
\_\_\_\_\_  
(Auditor)

This Subcontract is entered into between \_\_\_\_\_, located at \_\_\_\_\_ hereafter referred to as the "Agency" and \_\_\_\_\_, Certified Public Accountant, located at \_\_\_\_\_ hereinafter referred to as the "Auditor",

WHEREAS, Miami-Dade County through its Department of Housing and Community Development has entered into a contract with the Agency, and

WHEREAS, for federally assisted Agencies, the United States Office of Management and Budget Circulars A-128 and A-133 and Non-Federal Governmental Audit Requirements (24 CFR Part 44) set forth audit requirements, and

WHEREAS, the Agency desires to engage the Auditor to perform an organization wide audit to include the required auditing services, as described in Section I of this Subcontract, for the Agency for the fiscal year \_\_\_\_\_, 20 \_\_\_\_ through \_\_\_\_\_, 20 \_\_\_\_

NOW, THEREFORE, the Agency and the Auditor agree as follows:

I. BASIC SERVICES

- A. The Auditor shall examine and report on the financial statements to include certain supplemental financial schedules as described below:
  - 1. The Auditor's report on financial statements and on a schedule of federal and nonfederal assistance showing the total expenditures for each federal and nonfederal assistance program.
  - 2. The Auditor's report on the study and evaluation of internal accounting and administrative control systems which must identify the organization's significant internal accounting controls, those controls that were not evaluated, and the material weaknesses identified as a result of the evaluation.

3. The Auditor's report on compliance containing:
  - a. A statement of positive assurance with respect to those items tested for compliance including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements,
  - b. Negative assurance on those items not tested,
  - c. A summary of all instances of noncompliance, and
  - d. An identification of total amounts questioned, if any, for each federal and nonfederal assistance award, as a result of noncompliance.
- B. The Auditor's report shall cover the entire operation(s) of the Agency.
- C. It shall be the responsibility of the Agency to prepare and furnish trial balances, schedules, account analysis, and supporting documentation required for the audit. The Agency shall appoint an audit liaison in order to facilitate the audit process.
- D. The three (3) parts of the report are to be bound together and presents to the Agency.
- E. All fraud, abuse, or illegal acts of indications of such arts, including all questioned costs found as the result of these acts that the Auditor becomes aware of, is to be covered in a separate written report attached to the audit report.
- F. The Auditor shall make these reports available to the Agency for preliminary review within thirty (30) calendar days after the completion of the audit.

## II. ADDITIONAL WORK

- A. Additional audit work shall be performed under the following circumstances:
  1. The Agency has received and evaluated the Auditor's written notification of the conditions justifying such additional audit work.
  2. The Auditor has received a written request from the Agency for performance of additional audit work.
  3. The Auditor's written notification and the Agency's written request or acceptance shall become an integral part of this Subcontract and shall be affixed to all counterparts of this Subcontract.
- B. Under no circumstances shall any additional approved audit work fee exceed ten percent (10%) of the originally quoted audit fee. Additional work fees shall be determined as the produce of the estimated required number of hours to complete such additional audit work times the average hourly rate stipulated in Part IV. of this Subcontract.

III. WORK PAPERS

For a period of three (3) years from the date of the completed audit report, unless the Auditor is notified in writing by the Agency or by Miami-Dade County to extend the retention period, audit work-papers shall be made available to the Agency or its designee or to Miami-Dade County. The Agency shall bear any costs associated with reproducing the work-papers.

IV. COMPENSATION

- A. The Auditor or the Agency, whichever is to receive payment, shall be compensated after Miami-Dade County’s Department of Housing and Community Development evaluates the completeness of the Auditor’s report and determines the report to be accepted and in compliance with applicable laws and regulations. No progress billings shall be paid by the Agency or by Miami-Dade County.
- B. The Auditor’s fee, exclusive of any additional work to be performed, shall be the dollar amount arrived at as the sum of the quoted hourly rate per classification times the quoted number of hours (per classification). Such classification and rates shall be depicted as follows:

<u>Classification</u>	(a) <u>Hourly Rate</u>	(b) <u>Budgeted Number of Hours</u>	(c) <u>Fee</u>
Partners	_____	_____	_____
Managers	_____	_____	_____
Senior Accountants	_____	_____	_____
Staff Accountants	_____	_____	_____
Office Personnel	_____	_____	_____
	<b>TOTAL</b>	_____	_____
Average rate (c) / (b) = \$ _____ per hour _____			

Audit work billing must depict the number of hours worked (by classification) times the quoted hourly rate.

Additional work shall be billed separately. Such billing shall depict the number of hours applied times the average hourly rate.

Under no circumstances shall the Agency honor any Auditor’s billing exceeded one hundred ten percent (110%) of the quoted audit fee as per IV. (B) of this Subcontract.

- C. No per diem compensation is to be paid by the Agency to the Auditor.

V. GENERAL

- A. This Subcontract, or any portion herein, shall not be assigned, transferred, or otherwise encumbered, under any circumstances.
- B. The Auditor shall comply with the provisions of any and all federal, state, and county orders, statues, ordinances, rules, and regulations that may pertain to the work required under this Subcontract, including specifically those, which pertain to conflict of interest and employment discrimination.
- C. This Subcontract is subject to all the regulatory and other requirements of the contract between Miami-Dade County’s Department of Housing and Community Development and the Agency.
- D. The Agency is not responsible for any insurances or other fringe benefits, e.g., social security, income tax withholdings, retirement or leave benefits, for the Auditor or employee of the Auditor that are normally available to direct employees of the Agency. The Auditor assumes full responsibility for the provision of all insurances and fringe benefits for himself or herself and to employees retained by the Auditor in order to provide the services described in this Subcontract.

VI. EFFECTIVE DATE

This Subcontract shall begin on \_\_\_\_\_, 20 \_\_\_\_ and shall expire on \_\_\_\_\_, 20 \_\_\_\_.

VII. TERMINATION

The Agency and the Auditor agree to cooperate in carrying out the purpose of this Subcontract. Failure to do so by either party or violation of any terms and conditions of this Subcontract by either of the parties shall warrant termination of this Subcontract provided notification is given in writing within ten (10) calendar days prior to the termination date.

IN WITNESS THEREOF, the parties hereto have caused the four (4) page Subcontract to be executed by their undersigned officials as duly authorized.

AUDITOR

BY: \_\_\_\_\_  
Signature

NAME: \_\_\_\_\_

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

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

AGENCY

BY: \_\_\_\_\_  
Signature

NAME: \_\_\_\_\_

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

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

WITNESSES

\_\_\_\_\_

\_\_\_\_\_