



CITY OF GREAT FALLS
REQUEST FOR PROPOSALS
AUDIT SERVICES

December 9, 2024

Timeline:

- December 9, 2024 Request for proposals issued
- December 23, 2024 Written questions or requests for clarification concerning this RFP shall be submitted to Melissa Kinzler, Finance Director, via email mkinzler@greatfallsmt.net, no later than 3:00 p.m.
- December 30, 2024 Responses to written questions or requests for clarification shall be posted as an Addendum to this RFP on the City's website at <https://greatfallsmt.net/rfps> no later than 5:00 p.m.
- January 6, 2025 Proposals, including all attachments, must be delivered to Melissa Kinzler, Finance Director, City of Great Falls, 2 Park Drive South, Room 104, Great Falls, MT 59401, or P.O Box 5021, Great Falls, MT 59403 no later than 3:30 p.m.
- January 7-10, 2025 * Audit Selection Committee (Committee) meets to review proposals
- January 13–17, 2025* Scheduled interviews with Auditor's offering proposal, if determined Necessary
- February 4, 2025 * Contract brought before the City Commission for final approval

*The City reserves the right to modify the schedule.

TABLE OF CONTENTS

Section 1: Purpose and General Information

- 1.1 Purpose
- 1.2 Project Period
- 1.3 Contract and Auditor Responsibilities
- 1.4 Issuing Officer
- 1.5 Description of the Government

Section 2: Audit Service Requirements

- 2.1 Professional Services Required
- 2.2 Assistance to be Provided to the Auditor and Report Preparation
- 2.3 Working Paper Retention and Access to Working Papers
- 2.4 Anticipated Schedule for the Audits
- 2.5 Addenda

Section 3: Proposal Requirements

- 3.1 Proposal Requirements
- 3.2 General Organization of the Proposal
- 3.3 Proposal Submittal

Section 4: Contract Award

- 4.1 Selection Process

Exhibit A: Authorized Signature and Attestation for City Audit Services

Exhibit B: Form of Contract

SECTION 1: PURPOSE AND GENERAL INFORMATION

1.1 PURPOSE

The City of Great Falls, Montana (City) invites qualified independent municipal auditors, licensed by the State of Montana and having sufficient governmental and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP), to submit a proposal. The audits will encompass a financial and compliance examination of the City's Annual Comprehensive Financial Report (ACFR).

A report on agreed-upon procedures performed on local building code enforcement program is also required. This agreed-upon procedures needs to be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Montana State Department of Labor and Industry, as required by ARM 24.301.208. The fee for the agreed-upon procedures should be separated out from the audit services.

A report on agreed-upon procedures for an area of special emphasis as decided by City Management and Audit Committee may be required. The fee for the agreed-upon procedures should be separated out from the audit services.

The City will not reimburse Audit firms for any expenses incurred in preparing proposals in response to this audit.

1.2 PROJECT PERIOD

The project period for providing professional auditing services is for the three (3) fiscal years ending June 30, 2025, June 30, 2026 and June 30, 2027. The City shall retain the option to extend the contract through the 2028, 2029, and 2030 fiscal years.

1.3 CONTRACT AND AUDITOR RESPONSIBILITY

This RFP is being issued under the requirements outlined by the State of Montana, Department of Administration, Local Government Services (LGS). The Auditor selected on the basis of this RFP and City will execute a Standard Audit Contract, which is substantially consistent with the form of contract attached as Exhibit A, contract hereafter referred to as the Contract. The entire Contract between the City and Auditor will also incorporate this RFP and the Auditor's proposal as an integral part of the Contract, except to the extent that the Contract explicitly provides to the contrary. In the event that an issue is addressed in the proposal that is not addressed in the RFP, no conflict in language will be deemed to occur. In the event of a conflict in language among any of the documents referenced above, the provisions and requirements of the LGS Contract will govern first, this RFP second, and the Auditor's response last.

Prior to commencement of work, the City Commission must approve the audit contract. Up to 90% of the total fee may be billed through interim or progress billings prior to submission of the final report to the City Commission. The Auditor may submit final billings following the City Commission's approval of the audited financial statements in the ACFR.

The City will consider the Auditor to be the sole point of contact with regard to contractual matters. The Auditor must assume sole responsibility for providing the services offered in its proposal whether or not the Auditor is the supplier of said services or any component.

1.4 ISSUING OFFICER

The Issuing Officer or her designee will be the point of contact from the date of release of this RFP until selection of a successful Auditor. The Issuing Officer is:

Melissa Kinzler, Finance Director
 City of Great Falls
 PO Box 5021
 Great Falls, MT 59403
 Phone: [406] 455-8476, Fax: [406] 452-8048
 E-mail: mkinzler@greatfallsmt.net

Subsequent to issuance of a contract, the Auditor’s principal contact with the City of Great Falls will be the Finance Director, who will coordinate the assistance to be provided by the City of Great Falls to the Auditor. The Finance Director will be responsible for enforcing performance of the Contract terms and conditions and serve as liaison with the Auditor.

1.5 DESCRIPTION OF THE GOVERNMENT

City of Great Falls:

Incorporated	1888
Form of Government	Charter-based Commission/Manager
Population	60,422
Number of Employees	Approx. 527
FY25 Total Taxable Valuation	\$137,509,226
Budget Information FY 2025 Adopted Budget:	
Total General Fund Budget	\$ 40,814,699
Total Other Funds	\$123,676,950
Total All Funds*	\$164,491,649

* Includes all expenditure types including internal charges between funds, transfers out and agency funds.

Fund Information Anticipated for Fiscal Year 2025 (subject to change):

Major Funds:	
Governmental	5
Enterprise	4
Non-major (includes fiduciary funds)	53
Discretely Presented Component Units	3
Federal expenditures – Fiscal Year 2024	\$16,814,183
Computer System	PC based
Software	Tyler New World, and EnerGov
Applications: Financial Management, Utility Management, Human Resources, Community Development	
Fiscal Year 2023 Audit Information:	
Estimate Auditor hours	450
(All inclusive hours provided by KCoe Ison, LLP formerly Anderson ZurMuehlen & Co, PC)	

Audit Fees
City of Great Falls \$53,000

Number of Bank Accounts 5
(Master/Payroll/ Court Trust/Community Development/CourseCo)

Component Units - The City's reporting entity has three discretely presented component units. The Auditor must perform enough work in its opinion, to render an opinion on the component units' financial statements. Reliance on other auditors or work required by the Auditor is stated below.

Discretely Presented Component Units:

The Great Falls Business Improvement District (BID) is a separate legal entity that contracts for audit services on its own. Its current auditor is Douglas Wilson & Company, P.C. Audit services may change based on contract changes in the future. Audited statements have been received during November to early December of each year, but could change if situations arise. The Auditor's fee proposal for these audits must include enough work to render its opinion on the BID's financial statements included in the ACFR based on its own work or reliance on the work of the BID's audit firm. Reliance on the other auditors reports is acceptable.

The Great Falls Tourism Business Improvement District (TBID) is a separate legal entity that contracts for audit services on its own. Its current auditor is Douglas Wilson & Company., P.C. Audit services may change based on contract changes in the future. Audited statements have been received during November to early December of each year, but could change if situations arise. The Auditor's fee proposal for these audits must include enough work to render its opinion on the TBID's financial statements included in the ACFR based on its own work or reliance on the work of the TBID's audit firm. Reliance on the other auditor's reports is acceptable.

The Great Falls Public Library Foundation (Foundation) is a separate legal entity that contracts for audit services on its own. This component unit's fiscal year ends March 31. Its current auditor is Douglas Wilson & Company., P.C. Audit services may change based on contract changes in the future. Audited statements have been received during July to August of each year, but could change if situations arise. The Auditor' fee proposal for these audits must include enough work to render its opinion on the Foundation's financial statements included in the ACFR based on its own work or reliance on the work of the Foundation's audit firm. Reliance on the other auditor's report is acceptable

Certificate of Achievement – The City has received a Certificate in Excellence in Financial Reporting every year since fiscal year 1994 and plans to continue to submit the ACFR for review by the Government Finance Officers Association. Budgets and ACFR's are available for review at Room 204, #2 Park Drive South, Great Falls MT 59403 or on the City's web site at:

<https://greatfallsmt.net/finance>

Auditors are highly encouraged to review the official website of the City of Great Falls at <https://greatfallsmt.net>. The website will provide a better understanding of the:

1. Responsibilities of the government
2. Types of services provided
3. City of Great Falls ordinances
4. Employee union contracts

The official website contains information to include:

1. The Mayor and City Commissioners
2. The City departments and their responsibilities
3. Adopted budgets for Fiscal Years 2025 - 2020
4. Fiscal Years 2023-2019 ACFR's

SECTION 2: AUDIT SERVICE REQUIREMENTS

2.1 PROFESSIONAL SERVICES REQUIRED

1. Periods to be Audited:
 - July 1, 2024 through June 30, 2025 - Fiscal Year 2025
 - July 1, 2025 through June 30, 2026 - Fiscal Year 2026
 - July 1, 2026 through June 30, 2027 - Fiscal Year 2027

The City shall retain the option to extend the contract through the 2028, 2029, and 2030 fiscal years.

2. The Auditor should be familiar with and prepared to advise City staff on how best to implement both current and proposed Government Accounting Standards Board (GASB) Statements. In addition, the Auditor is also expected to provide informal advice and consultation throughout the audit contract period on matters relating to accounting and financial reporting at no additional cost. This would not necessarily include any task that entails significant research or a formal report.
3. The Auditor shall meet with the City of Great Falls Audit Committee no less than two (2) times per year.
4. Should circumstances arise during the contract period that require additional unanticipated examination to be performed in excess of the amounts set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amended contract will be submitted for approval by the City Manager and, if necessary, the City Commission. There have been no amended contracts for past audit contracts.
5. Financial Statements to be Audited/Reviewed:
 - a. All statements will be included as part of the ACFR of the City of Great Falls as defined by the GASB. This must include all required sections such as the transmittal letter, MD&A, charts, statements, schedules, exhibits, notes, and supplementary information. City staff will prepare all sections.
6. Standards and Guidelines - The audit shall be conducted in accordance with:
 - a. Governmental Auditing Standards as issued by the Comptroller General of the United States,
 - b. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards "Uniform Guidance",
 - c. The Auditor shall comply with state laws contained in Title 2, Chapter 7, of the Montana Code Annotated and related rules set forth by Local Government Services of the Department of Administration as stated in the LGS Contract,

- d. Generally accepted auditing standards adopted by the American Institute of Certified Public Accountants,
 - e. The Single Audit Act of 1984 and all amendments, and:
 - f. Any other applicable laws, regulations or procedures for the audit of a local government's ACFR prepared in accordance with generally accepted accounting principles (GAAP).
7. The Auditor will complete the Single Audit Reporting Package, including the SF-SAC Single Audit Data Collection Form for the City to the Federal Audit Clearinghouse (FAC)..
 8. The Auditor shall be familiar with and comply with the provisions of any and all Federal, State and City orders, statues, ordinances, charter, debt covenants, and administrative rules and regulations which may pertain to the work required in the engagement.

2.2 ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

City of Great Falls

The City Finance Director is the primary contact point during each audit for the City. The Finance staff will provide assistance as part of the audit process, along with staff in all other departments. This includes the preparation of all necessary confirmations, completion of worksheets, retrieval and filing of source documents, preparation of reports and schedules prior to and during fieldwork. The Auditor will have access to all printed reports and the computer system to view records and print reports. Reasonable workspace, tables/desks and chairs will be made available for audit staff fieldwork. The audit staff will also be provided with access to photocopying and facsimile machines at no cost to the Auditor. Access to wireless internet can also be arranged.

It will be the responsibility of the City to provide copies of working papers for the fiscal year being audited. These copies shall be provided for each audit during the engagement. The Auditor should provide a list of required deliverables as early in the process as possible to give City staff time to compile them. The City will attempt to provide the information in formats requested by the Auditor unless not feasible. Most all financial transactions can be provided in downloads to Excel and/or Adobe Acrobat (PDF).

2.3 WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the Auditor's expense, for a minimum of five (5) years from the date of the audit report, unless the firm is notified in writing by the City of Great Falls or State of Montana of the need to extend the retention period according to the LGS Contract, section 23 (10/11 revision). The Auditor will be required to make working papers available upon request and respond to reasonable inquiries for no additional fees.

In addition, the Auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

2.4 ANTICIPATED SCHEDULE FOR THE AUDITS

1. The planning phase of the audit engagement may commence upon notification to the acceptance of their proposal. The Auditor shall meet with the Finance Director prior to the commencement of each fiscal year audit to discuss the Auditor's planned approach to the audit

and to provide a list of schedules to be prepared by City personnel prior to the beginning of the fieldwork.

2. Previous audits have followed the following approximate schedule.
 - August 30 – Fiscal year is closed
 - September 17 – Audit Committee entrance conference
 - September 23 – Field work for audit begins
 - October 15 – First draft ACFR substantially completed by staff
 - November 20 – Auditor’s review of final draft
 - 1st Week December – Draft ACFR presented to the Audit Committee and the official ACFR printed immediately after the audit committee approves.
 - Third Tuesday of December City Commission accepts ACFR.

The City would prefer the auditor to start work in time to be finished with field work and review a draft of the ACFR by approximately November 20th. The City has experienced short time frames to complete reviews of the early drafts of the ACFR for audit committee presentation and would like to increase this time frame.

3. Scheduling and Procedures – Prior to the beginning of each audit the Auditor shall develop a time schedule and procedures to be observed during the audit.. The schedule and procedures will be developed in conjunction with the City and shall be subject to approval by the City. City staff will try to be as flexible as possible to meet the Auditor’s scheduling needs. The audit firm must state in its proposal if changes to the schedule would result in additional costs.
4. Audit Conference - The Auditor will have a conference with the Finance Director for the purpose of reviewing its audit findings and recommendations at least one week prior to the issuance of management letters, certifications, or reports.
5. Date Draft Report is Due – It is anticipated that the Auditor will deliver opinion letters, management letter, and all requested reports by December 1st prior to meeting with the audit committee.
6. Presentation to Audit Committee (First week in December) - Auditor shall present the audit report to the Audit Committee prior to the final regularly scheduled City Commission meeting of the calendar year (held on the third Tuesday in December). Preferably, Auditor will present the audit report to the Audit Committee in the first week of December.
7. Presentation to the City Commission – Third Tuesday Evening in December, date varies. The Auditor will only be required to attend this meeting if the Audit Committee or City Manager requests its presence. The Auditor has been required to be present in the past, and if requested will be required to attend at no additional cost.

2.5 ADDENDA

Any and all addenda to this RFP will be issued in writing and posted on the City’s website at: <https://greatfallsmt.net/rfps>. It is the responsibility of audit proposers to check the website for any posted addenda prior to submitting a proposal in response to this RFP.

SECTION 3: PROPOSAL REQUIREMENTS

3.1 PROPOSAL REQUIREMENTS

This document is intended to be used as the instrument to transmit proposals and to define the terms, conditions and specifications desired by the City to receive proposals for continuing external audit services. It is the intent of the City to select a single Auditor to supply the services necessary for successful completion of all projects, as defined herein for the City, beginning the date of award and ending three (3) years thereafter. The contract may be renewed at the sole discretion of the City Manager for each of three subsequent fiscal years. Each proposal submitted should be organized and arranged to correspond with the numbered sections of this RFP that require a response. Conciseness and clarity of content are emphasized and encouraged. The response must be complete. All pages of the proposal should be numbered.

3.2 GENERAL ORGANIZATION OF PROPOSAL

In order to standardize the review process, the Auditor's proposal must be presented in the following format and include the designated information.

Section A - Experience and Other Qualifications

The first section should address the requested information below. The corresponding response should begin with the number of the requested information.

1. Title Page - Show the RFP subject, the name of the proposer's firm, mailing address, location address, telephone number, name of contact person, and the date.
2. Provide a list of the Auditor's current and recent government audit clients, indicating the type(s) of services performed and the number of years served for each. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted by the City for reference. The City would prefer references from clients that prepare an ACFR.
3. Indicate the experience of the Auditor's local office in providing additional services to government clients by listing the type(s) of service performed.
4. Describe your audit organization's participation in AICPA-sponsored, or comparable quality, control programs (peer review). Provide a copy of the firm's current peer review including management letter and responses, if any. Indicate whether the review included government engagements.
5. Provide the following information for each senior and higher-level person assigned to the audit:
 - a. Experience - the professional experience in governmental audits of each senior and higher-level person assigned to the audit, including years on each job and his/her position while on each audit. Indicate the percentages of time each senior and higher-level person will be on site during the City's audit. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm. Those personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

- b. Education - Describe the relevant educational background of each person assigned to the audit, senior-level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
 - c. Resume - Provide a resume for each individual who may be assigned to the audit which describes his/her professional qualifications, licenses and experience in auditing relevant government organizations, programs, activities, or functions. Additional information should include any specialized skills, training, or background in public finance. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books. Provide the office location where the individual is located.
6. Identify proposed sub-contractors, if any, and the portions of the engagement for which they will be used.
 7. Describe how the firm meets professional independence standards.
 8. Describe liability insurance coverage arrangements to assure that it is sufficient to cover claims.
 9. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office, if any.
 10. Identify any potential audit difficulties such as inability to comply with any requirements listed above, along with the firm's proposed resolution and any additional assistance expected from City staff not listed above.
 11. Provide information concerning the audit approach that will be taken – i.e. proposed staffing plan for various segments of the engagement, proposed audit schedule, sampling techniques, and analytical procedures.
 12. Provide any other information you believe relevant to the decision of selection of the best auditing firm for the City.

Section B - Cost Proposal

Proposals should include cost estimates and other necessary cost information. The responsibility for submitting the proposal to the Finance Director on or before the above stated time and date is solely that of the Auditor. The City of Great Falls will in no way be responsible for delays in mail delivery or delays caused by any other occurrence. Include the following information:

1. Describe the organization of the audit team and the approximate percentage of time spent on the audit by each member.
2. Comment specifically on the timeline and how the City can assist in expediting the audit. Describe assistance expected from the City staff, if other than outlined in RFP.
3. State the approximate date the Auditor would be able to be on-site for the material portion of the field work.

4. Identify a tentative schedule for completing the audit within the specified deadlines.
5. Specify costs for audit services for the fiscal years ended June 30, 2025, June 30, 2026 and June 30, 2027. The cost for auditing fiscal years ended June 30, 2025, 2026 and 2027 are binding. Include estimated hours, hourly cost and total cost per level of personnel assigned, total personnel costs and any related costs such as travel, cost of supplies and materials, preparation costs and any other costs. If travel costs are necessary, the total cost must include the Auditor's full travel costs, with the audit firm assuming any additional costs related to travel cost changes (IE. The Auditor cannot request a change to the contract if travel costs or hours related to travel change for any reason). Please split out costs for the audit services and the two agreed upon procedures.
6. Identify and describe any other important cost-based information such as additional charges for unanticipated events and how they would be determined.
7. Include a signed "Authorized Signatures and Attestation" form (Exhibit A).

3.3 PROPOSAL SUBMITTAL

Six copies of the proposal shall be submitted at the time and place indicated below and on the cover page.

Proposals shall be submitted in two sealed envelopes. One envelope shall include "Section A – Experience and other Qualifications" of the audit firm's personnel in performing governmental audits. There shall be no dollar amounts or total costs included in Section A. The second envelope shall include "Section B – Cost Proposal". All proposals must be delivered to City at the address noted below no later than 3:30 p.m. on Monday, January 6, 2025. Late proposals will not be considered. All proposals must be recorded in the Finance's office on or before the time and date indicated on the RFP Document. The responsibility for submitting the proposal to the Finance Director on or before the above stated time and date is solely that of the proposer. The City will in no way be responsible for delays in mail delivery or delays caused by any other occurrence.

The City reserves the right to reject any or all proposals if there is good cause; to cancel the solicitation; waive technicalities; request clarification or additional information and be the sole judge of suitability of the services for its intended use and further specifically reserves the right to make the award and negotiate a final contract in the best interest of the City considering cost effectiveness. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the proposal. The City reserves the right to retain all submitted proposals.

Section A – Experience and other Qualifications Proposal:

Please provide six (6) complete copies of the written proposal in sealed envelope(s) -as follows:

(Name of Firm)

Proposal for External Audit of Annual Comprehensive Financial Report

Do Not Open Until January 6, 2025 after 3:30 p.m.

Section B - Cost Proposal:

Please provide six (6) complete copies of the Auditor's detailed price (maximum fee) in sealed envelope(s) as follows:

(Firm's Name)
Fee Quotation for Annual Audit – Annual Comprehensive Financial Report
Fee Quotation for the agreed-upon procedures on local building code enforcement program
Fee Quotation for the agreed-upon procedures on an area of special emphasis

Deliver the envelope(s) as follows:

City of Great Falls
Audit Services RFP
Melissa Kinzler, Finance Director
PO Box 5021
Great Falls, MT 59403 or
Hand-Deliver to 2 Park Drive, South, Room 104
Great Falls, MT

SECTION 4: CONTRACT AWARD

4.1 Selection Process

1. The award to the audit firm will also conform to the Administrative Rules of Montana, section 2.4.407, which states:

2.4.407 CRITERIA FOR THE SELECTION OF THE INDEPENDENT AUDITOR

- (1) In selecting an independent auditor to perform an audit under 2-7-503, MCA, a local government entity shall consider the following criteria:
 - (a) listing on department's roster of independent auditors authorized to conduct local government audits;
 - (b) independence, as defined by applicable auditing standards;
 - (c) demonstrated understanding of the work to be performed;
 - (d) technical experience of the independent auditor in conducting similar types of local government entity audits;
 - (e) qualifications of staff to be assigned to the audit;
 - (f) work history of the independent auditor; and
 - (g) the proposed audit fee.
 - (2) The department may require the local government entity to demonstrate that the independent auditor selected is qualified to conduct the audit based on an evaluation of:
 - (a) the criteria established in (1) above;
 - (b) any additional information requested by and used by the local government entity in selecting the independent auditor; and
 - (c) the results of oral interviews of independent auditors conducted by the local government entity, if appropriate.
2. The Auditor Selection Committee (Committee) will evaluate the proposals. Proposals will be evaluated using three (3) sets of criteria in part 6 below. Auditors meeting the mandatory criteria will have their proposals evaluated and scored for technical qualification and, if qualified, price. The Committee will use a point formula during the review process to score proposals. Each member of the Committee will first score each technical proposal by each of the criteria described below. The individual scores will then be combined to arrive at a composite technical score for each firm. At

this point, any firm with an unacceptably low technical score (35 points and lower) will be eliminated from further consideration.

3. After the composite technical score for each Auditor has been established, the cost proposal of firms meeting all qualification criteria will be analyzed and additional points will be added to the technical score based on the bid price. The maximum score for price will be assigned to the Auditor offering the lowest total all-inclusive maximum price. Appropriate fractional shares will be assigned to other proposals.
4. The City reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether the proposal is selected.
5. The City reserves the right to interview Auditor's offering a proposal in order to assist in the evaluation process.
6. The following represent the principal selection criteria, which will be considered during the evaluation process.
 - a. Mandatory elements – Auditor MUST demonstrate that:
 - i. The audit firm is independent, licensed to practice in Montana and listed on the State of Montana, Department of Administration roster.
 - ii. The firm has no conflict of interest with regard to any other work performed by the firm for the City and other entities.
 - iii. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
 - iv. The firm submits a copy of its last quality control review report and the firm has a record of quality audit work.
 - b. Technical qualifications (Maximum Points - 70)
 - i. Expertise and Experience
 1. The Auditor's past experience and performance on comparable government engagements.
 2. The quality of the Auditor's professional personnel to be assigned to the engagement and the quality of the Auditor's management support personnel to be available for technical consultation.
 - ii. Audit approach
 1. Adequacy of proposed staffing plan for various segments of the engagement
 2. Adequacy of proposed audit schedule
 3. Adequacy of sampling techniques
 4. Adequacy of analytical procedures
 - c. Price (Maximum Points - 30)

Cost will not be the primary factor in the selection of an audit firm.

Exhibit A

CITY OF GREAT FALLS
RFP - Audit Services

Authorized Signature and Attestation

I, the undersigned, an authorized representative of _____, whose address is _____ "have read and thoroughly understand the specifications, instructions and all other conditions of the RFP - Audit Services issued by the City of Great Falls for Audit Services for the fiscal years ended June 30, 2025, June 30, 2026 and June 30, 2027.

Acting on behalf of my accounting firm, which is listed above, I do attest that the services offered by us meet the City of Great Falls' specifications in every respect (check one):

_____ without exception / _____ with exception(s). (please note exception(s) below)

We, therefore, offer and make this bid to furnish the City of Great Falls the audit services detailed in this proposal, at the price indicated.

Date: _____

Signature: _____

Printed Name: _____

Title: _____

EXHIBIT B
DEPARTMENT OF ADMINISTRATION
STANDARD AUDIT CONTRACT

This Contract is made this _____ day of _____, 20_____, by and among

Certified Public Accountant

("Contractor"),

Governmental Entity

("Entity"),

and the **Montana Department of Administration, Local Government Services**, ("State"), acting under the authority of Title 2, Chapter 7, Part 5, of the Montana Code Annotated. **The State's mailing address, phone number and e-mail address are P.O. Box 200547, Helena, MT 59620-0547; (406) 444-9101; and LGSPortalRegistration@mt.gov.**

1. **Effective Date:** This contract is not effective with respect to any party until it is approved and signed by the State, as required by Section 2-7-506(3), MCA. The Contractor may not begin any audit work until the State gives this approval. If the Contractor begins work before the State's approval of the contract and the State subsequently does not approve the contract, the Contractor is not entitled to receive any compensation for the work performed.

2. **Audit Period and Payment:** This contract covers the following audit period(s):

_____, 20_____ to _____, 20_____.

A. The Entity shall pay the Contractor for the audit work on the basis of time and necessary out-of-pocket expenses, which will not exceed:

\$_____ for initial (or sole) audit covering ____/____/____ to ____/____/____.

\$ _____ for subsequent audit covering ____ / ____ / ____ to ____ / ____ / ____.

\$ _____ for subsequent audit covering ____ / ____ / ____ to ____ / ____ / ____.

The Entity shall pay the fees listed in Appendices A, B & C, as applicable, which are attached hereto and incorporated by reference. Any change to the audit fees requires a contract amendment.

B. The contract payments do not include the cost of additional work that may be required if the Contractor discovers a defalcation or material irregularity. Any change in the scope of the audit services to be provided under this contract requires a contract amendment.

C. The Contractor may submit interim bills to the Entity each month, based upon the estimated percentage of contract completion. The Entity may retain ten percent (10%) of each of these estimates until the Contractor has delivered the final audit report, at which time the Entity shall release the amount retained.

3. **Peer Review:** The Contractor shall provide the Entity with a copy of its most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the contract period.

4. **Audit Scope:** The Contractor shall perform the following:

A. The Contractor shall conduct the audit in accordance with (i) generally accepted auditing standards adopted by the American Institute of Certified Public Accountants and (ii) the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The Contractor shall opine on the presentation of the Entity's financial statements in accordance with the Entity's applicable financial reporting framework prescribed at Section 2-7-504, MCA.

If the Contractor's opinion on the Entity's financial statements is other than unmodified, the Contractor shall fully discuss the reasons with the Entity in advance of issuing a report. If, for any reason, the Contractor is unable to complete the audit or is unable to form or has not formed an opinion, the Contractor may decline to express an opinion or decline to issue a report as a result of the engagement.

B. The Contractor shall perform tests of internal control over financial reporting. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards

C. The Contractor shall perform tests of the Entity's compliance with provisions of laws, regulations, contracts, and grant agreements. The Contractor shall use the local government compliance supplement prepared by the State, as required by Section 2-7-505(2), MCA, in conjunction with Government Auditing Standards to determine the compliance testing to be performed during the audit. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards. If the Contractor becomes aware of fraud, waste or abuse, the Contractor shall report related findings in accordance with Government Auditing Standards. The Contractor shall perform tests, including but not limited to the following, to determine whether:

- (1) The Entity has complied with all appropriate statutes and regulations, as required by Section 2-7-502, MCA;
- (2) The Entity has complied with the provisions of each of its debt covenants and agreements;
- (3) If the audit is of a county, city or town, the Entity has retained money in a local charge for services fund contrary to the requirements of Sections 17-2-301 through 17-2-303, MCA, as required by Section 17-2-302, MCA. **The Contractor shall report any findings of noncompliance with the provisions of these statutes, regardless of materiality; and**
- (4) If the audit is of a county or consolidated city/county government, the Entity has complied with state laws relating to receipts and disbursements of agency or custodial funds maintained by the Entity, as required by Section 2-7-505, MCA.

If required by the State, the Contractor shall provide documentation of testing performed to comply with (3) and (4), above.

D. When applicable, the audit must meet all requirements of the Federal Single Audit Act of 1984, as amended, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). If these federal regulations are amended, the amended regulations will prevail.

E. The audit scope with regard to federal financial assistance for each fiscal year covered by this contract must be as specified in Appendices A, B and C. Any change to the audit scope with regard to federal financial assistance requires a contract amendment.

F. Except as provided below, for purposes of determining the scope of the audit, the Entity is considered the financial reporting entity as defined in the Entity's applicable financial reporting framework prescribed at Section 2-7-504, MCA. This provision does not preclude the Entity from engaging a different audit firm for the audit of a segment, fund or component unit of the Entity. However, both the Entity and Contractor shall notify the State whenever the Entity elects to engage a different audit firm for the audit of a segment, fund or governmental component unit. Such additional audit must

be contracted for on the State's Standard Audit Contract, and the audit firm shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State.

If this contract is for an audit of a segment, fund, or governmental component unit of the primary government, the Entity is considered to be the segment, fund or component unit.

- G. Any school district audit must also include auditing procedures sufficient to provide an opinion as to whether the following supplemental information is fairly stated in relation to the basic financial statements:
- (1) The school district's enrollment for the fiscal year or years being audited as reported to the Office of Public Instruction in the Fall and Spring "Student Count for ANB" reports; and
 - (2) When applicable, the extracurricular funds for pupil functions.
- H. If the Entity is a school district or associated cooperative, the Contractor shall contact the State Office of Public Instruction and the county superintendent of schools before or during the audit of the Entity. The Contractor shall determine whether those offices are aware of potential financial or legal compliance problems relating to the Entity that could affect the scope of the audit.
- I. The Contractor shall immediately notify the Entity and the State in writing of any material irregularities it discovers. If the Entity is a school district or special education cooperative, the Contractor shall also immediately notify the State Office of Public Instruction in writing. To notify the State, Contractors shall email LGSPortalRegistration@mt.gov to the attention of the Local Government Services Bureau Chief. To notify the State Office of Public Instruction, Contractors shall email OPIAuditReport@mt.gov to the attention of the OPI Auditor.
- J. The Contractor shall notify the Entity of all proposed audit adjustments and, if the Entity concurs, shall obtain written acceptance of these proposed adjustments. The State reserves the right to request documentation of these proposed and accepted audit adjustments.

5. **Entity's Responsibilities:** The Entity shall be responsible for:

- A. Its basic financial statements, including note disclosures;
- B. All supplementary information required by its applicable financial reporting framework prescribed at Section 2-7-504, MCA and by provisions of this contract;

- C. Establishing and maintaining effective internal control over financial reporting, including internal controls related to the prevention and detection of fraud;
 - D. Ensuring that it complies with the laws, regulations, contracts and grant agreements applicable to its activities;
 - E. Making all financial records and related information available to the Contractor;
 - F. The schedule of expenditures of federal awards required for audits conducted under Uniform Guidance;
 - G. Approving all proposed audit adjustments before posting, if the Entity concurs with the proposed adjustments;
 - H. Adjusting the financial statements and accounting records to correct material misstatements and to agree with the audited financial statements; and
 - I. Providing the Contractor, at the conclusion of the audit engagement, with a letter that confirms certain representations made during the audit, including an affirmation that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
6. **Dates for Annual Financial Report or Trial Balance of Accounts:** The Entity shall prepare its annual financial report or a trial balance of accounts no later than the dates specified in Appendices A, B and C. If the Entity is unable to prepare its annual financial report or trial balance by the date specified in the Appendices, the Entity shall notify the Contractor and the State in writing prior to the specified dates.
7. **Beginning the Audit:** The Contractor shall begin the audit field work based on the schedule established in Appendices A, B and C. Under Section 2-7-503(3)(a), MCA, all audits must commence within nine months from the close of the last fiscal year of the audit period.
8. **Completion of Audit:** The Contractor shall deliver the audit report to the Entity and the State, based on the schedule established in Appendices A, B and C. If the Contractor cannot deliver the audit report to the Entity and the State on the date specified in the Appendices, the Contractor shall notify the Entity and the State in writing of that fact, and the reason(s) for the delay. Under Section 2-7-503(3)(a), MCA, all audits must be completed and the reports issued within one year from the close of the last fiscal year covered by the audit. If the audit is conducted in accordance with the provisions of Uniform Guidance, the Contractor shall complete the audit and issue the audit report within the time period required by that federal regulation, unless a longer period has

been agreed to in advance by the federal cognizant or oversight agency for audit. If the Entity has requested and received an extension of the due date of the Uniform Guidance from a federal agency, the Entity shall submit a copy of the approved extension to the State.

9. **Due Date Extension:** The State may grant an extension to the Entity for filing the audit report beyond the one- year due date provided for in paragraph 8, above. To do so, the Entity shall make a request to the State in writing and shall show good cause for the delinquency or demonstrate that the failure to meet the deadline provided for in paragraph 8, above, was the result of circumstances beyond the Entity's control. The State will determine good cause or circumstances beyond the Entity's control based on the facts of each case.

10. **Presentation of Audited Financial Statements:** The final audit report must contain basic financial statements and supplementary information consistent with the applicable financial reporting framework prescribed at Section 2-7-504, MCA. In addition, other supplementary information required by provisions within this contract and by Uniform Guidance must also be included, if applicable.
 - A. The final audit report must also contain any supplementary or other information as agreed upon by the Entity and Contractor.

 - B. If the Entity's accounting records or other circumstances do not permit financial statements to comply with the applicable financial reporting framework prescribed at Section 2-7-504, MCA, the Contractor shall notify the State of those conditions and describe the financial statements that will be presented. The applicable auditor's reports must be modified in accordance with professional standards to reflect a departure from the applicable financial reporting framework.

 - C. If the audit is of a school district with separate elementary and high school district general funds, the general funds must be combined as a single major fund. All other funds must be separately considered for major fund criteria.

 - D. If the audit is a biennial audit covering two years, the Contractor shall present complete financial statements as specified above for each year covered by the audit. However, note disclosures for both fiscal years may be in one set of notes, with separate fiscal year disclosures as necessary. The two years must be presented under one audit report cover and opined upon in one Independent Auditor's Report.

11. **Auditor's Reports:** All audit reports must contain the following auditor's reports, which must comply with applicable professional standards in effect for the fiscal year or years being audited:
 - A. A report on the financial statements of the Entity;

 - B. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial

statements performed in accordance with Government Auditing Standards.

- C. A reference to a report disclosing any deficiencies in internal control or instances of noncompliance with provisions of contracts or grant agreements or abuse that have a less than material effect on the financial statements but warrant the attention of management or those charged with governance. This report must be referred to in the report required in 11.B. above.

- D. A report on any supplementary or other information presented in the audit report. This report must be given in an “other matters” paragraph(s) of the auditor’s report on the financial statements (11.A. above), and shall identify, if applicable:
 - (1) Any Required Supplementary Information (RSI), as required by the Governmental Accounting Standards Board.

 - (2) Any Supplementary Information (SI) included in the report to comply with provisions of laws, regulations, contracts, or grant agreements. For the following schedules, the Contractor shall report on whether the information is fairly stated, in all material respects, “in relation to” the financial statements as a whole, unless the condition of the financial records do not allow the auditor to render such an opinion:
 - a) Schedule of school district “Student Count for ANB” required in paragraph 13.A.;

 - b) Schedule of school district extracurricular fund financial activities required in paragraph 13.B.;

 - c) Schedule of expenditures of federal awards required by Uniform Guidance and in paragraph 12.A.; and

 - d) Any supplementary information for financial reporting frameworks required by A.R.M. 2.4.401.

 - (3) Any Other Information (OI) for financial reporting frameworks required by A.R.M. 2.4.401.

 - (4) Any Other Information (OI) that is included in the audit report, if deemed appropriate in accordance with professional standards.

- E. A report disclosing the action taken by the Entity to correct any deficiencies or implement any recommendations contained in the prior audit report. This report must be in a format that specifically identifies, by title or summary, each deficiency or recommendation contained in the prior audit report and the action taken by the Entity on each such deficiency or recommendation.

- F. If the Contractor includes audit findings in the reports referenced in 11.B. and 11.C. above, the views of Entity officials and their planned corrective actions must also be included, as required by Government Auditing Standards, if they are available at the time the Contractor submits the audit report to the State. If the views and planned corrective actions are not available at that time, the Contractor shall so indicate in the reports.

12. **Single Audits:** All audit reports for single audits done in accordance with Uniform Guidance must contain the following:
- A. A schedule of expenditures of federal awards, prepared by the Entity, which must contain all elements required by Uniform Guidance.
 - B. A report on the schedule of expenditures of federal awards. This report may be combined with other reports as provided by Uniform Guidance and professional standards. This report must comply with applicable professional standards in effect for the fiscal year or years being audited.
 - C. A report on compliance for each major program and a report on internal control over compliance in accordance with Uniform Guidance. These reports must refer to the separate schedule of findings and questioned costs described in paragraph 12.D. of the contract and must comply with applicable professional standards in effect for the fiscal year or years being audited.
 - D. A schedule of findings and questioned costs which must include the information required by Uniform Guidance.
 - E. An Entity-prepared document, separate from the Contractor's findings, that describes the Entity's corrective action plan in accordance with Uniform Guidance for each current-year audit finding, if that plan is available at the time the Contractor submits the audit report to the State. This document should be submitted on Entity letterhead and should include a corrective action plan for each finding, regardless whether the finding is identified in accordance with Uniform Guidance or Government Auditing Standards.
13. **School Districts:** School district audit reports must include the following as supplementary information/schedules:
- A. A schedule of the district's enrollment as reported to the Office of Public Instruction for the fiscal year or years being audited. The schedule must contain the enrollment both as reported in the Fall and Spring "Student Count for ANB" reports and as documented by the school district's enrollment records; and
 - B. A detailed schedule of extracurricular fund financial activities.
14. **Local Governments Reporting on Non-GAAP Financial Reporting Framework:** Audit reports of local governments that report on a non-GAAP financial reporting framework as provided in A.R.M. 2.4.401 must include any Supplementary Information and Other Information required in that administrative rule.
15. **Written Report to Entity:** The Contractor shall render a single, written report for the Entity audited, including the reports and schedules referenced in paragraphs 11 through 14 above.

16. **Exit Conference:** Before submitting the final audit report, the Contractor shall hold an exit review conference in which the audit results are discussed with those charged with governance and other appropriate Entity officials and employees. The Contractor shall ensure that all members of the governing body and key members of management are notified of this exit conference. The Contractor further agrees that before the exit conference, it will not discuss the audit findings with anyone other than the Entity or the State. Once the Contractor delivers the final audit report to the Entity, the report is deemed to be a public record.
17. **Report Distribution:** The Contractor and Entity shall file copies of the audit report as specified below:
- A. The Contractor shall provide the Entity with the number of copies of the audit report specified in Appendices A, B and C. The cost of those copies is included in the total price for the engagement as set out in paragraph 2.A., above, and in the Appendices.
 - B. The Contractor shall submit one of the copies referred to in 17.A., above, to the attorney for the Entity.
 - C. Upon request by the Entity, the Contractor shall provide additional copies of the audit report at a price per copy agreed upon by the Entity and Contractor.
 - D. The Contractor shall provide the State with a text-searchable, unlocked, and unencrypted electronic copy of the audit report at no charge. The report must be submitted to the State at the same time when the Contractor delivers the final audit report to the Entity. Any report delivered separately to management or those charged with governance identifying findings and recommendations as described in 11.C. above must be submitted electronically at the same time the audit report is submitted. The Contractor shall advise the State, at the time of submitting the electronic report, of the date the final report was delivered to the Entity, the date of the audit report, the actual number of hours the Contractor spent conducting the audit, the total audit fee billed the Entity, and whether the audit was conducted in accordance with the provisions of Uniform Guidance.
 - E. If the Entity is a school district or associated cooperative, the Contractor shall provide at no additional charge copies of the audit report to the Office of Public Instruction, the county superintendent of schools, and the county attorney.
 - F. If the Entity is a city or town fire department relief association disability and pension fund, the Contractor shall provide at no additional charge one copy of the audit report to the city or town clerk.
 - G. If the audit is a single audit conducted in accordance with the provisions of Uniform Guidance, the Entity shall provide copies of the reporting package defined in Uniform Guidance and the data collection form to the federal clearinghouse designated by OMB.
18. **Entity Response:** If not included in the audit report as provided in paragraphs 11.F. and 12.E., within 30 days after receiving the audit report, the Entity shall notify the State in writing as to what action it plans to take to correct any deficiencies or implement

any recommendations identified or contained in the audit report as required by Section 2-7-515, MCA, and ARM 2.4.409. This notification must also address any findings and recommendations identified in any report to management or those charged with governance described in 11.C. above. If the audit is a single audit conducted in accordance with Uniform Guidance, this corrective action plan must also meet the requirements of Uniform Guidance. If the Entity is a school district or special education cooperative, the Entity shall also send a copy of this notification to the Office of Public Instruction.

19. **Entity's Attorney:** If requested by the State, the attorney for the Entity shall report to the State on the actions taken or the proceedings instituted or to be instituted relating to violations of law and nonperformance of duty as required by Section 2-7-515(4), MCA. The attorney shall report to the State within 30 days after receiving the request.

20. **Certification of Auditor Independence:** The Contractor certifies that, as required by generally accepted government auditing standards, it and its principals and employees are independent in all matters regarding this engagement. This contract must not include non-audit services. The Contractor shall neither arrange for nor accept other work with the Entity that could in any way impair the Contractor's compliance with professional independence standards. If required by the State, the Contractor shall provide documentation that independence has been maintained in both mind and appearance as required by professional auditing standards.

21. **Contractor and Subcontractors:** The Contractor shall not assign any rights, or subcontract or delegate any duties of the contract without the Entity's and State's prior written consent.

The Contractor is the prime contractor and is responsible, in total, for all work of any subcontractors. Any subcontractors performing audit work shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State. The Contractor is responsible to the Entity and the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors or agents. There is no contractual relationship between any subcontractor and the State.

22. **State Participation in Conferences:** The State may participate in all entrance and exit conferences between the Entity and Contractor, as well as all major conferences held in conjunction with the audit of the Entity.

23. **Access to Records:** The Contractor shall give the State and, when required by law, the Montana Legislative Audit Division, access to the Contractor's work programs, supporting working papers, time records, and all other documents relating to the audit. Access to these documents must be provided at the State's offices in Helena, Montana. Access to working papers includes the right of the State to obtain copies of working papers, as is reasonable and necessary. The Contractor shall make the work programs and supporting working papers available to the State for use by the State or other public accounting firms as directed by the State in future audits of the Entity. The Contractor shall make the audit programs and supporting working papers available to the cognizant or oversight agency for audit or its designee, federal agencies providing direct or indirect funding, or the U.S. General Accounting Office, if requested. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary. The Contractor shall retain the audit report, work programs, and supporting working papers for a minimum of five years from the date of the audit report, unless the State notifies the Contractor to extend the retention period. If professional standards or other applicable laws, rules, or regulations require a longer retention period, the Contractor shall retain the above materials for that specified period.

24. **State Review of Report:** As provided by Section 2-7-522, MCA, the State shall review the Contractor's audit report. If the State determines that reporting requirements have not been met, it will notify the Entity and the Contractor of the significant issues of noncompliance. The Contractor shall correct the identified deficiencies within 60 days of notification.
25. **Independent Contractor:** The Contractor is an independent contractor and neither its principals nor its employees are employees of the State or Entity for any purposes.
26. **Workers' Compensation:** The Contractor certifies that it carries Workers' Compensation for its employees and that it has either elected Workers' Compensation or has an approved Independent Contractor's Exemption covering the Contractor while performing work under this contract. (Montana Code Annotated, Title 39, Chapter 71).
27. **Indemnity:** The Contractor shall defend and indemnify the State and Entity, their elected and appointed officials, agents, and employees from and against all claims, causes of action, damages, liabilities, court costs and attorney fees in favor of the Contractor's employees or third parties for bodily or personal injuries, death, or damage to property arising from the acts or omissions or alleged acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors under this contract. This defense and indemnify obligation does not apply to acts or omissions arising from the sole negligence of the State or Entity under this contract. This defense and indemnity obligation survives termination or expiration of this contract.

If the Contractor is or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of the Entity's intentional or knowing misrepresentation or provision to the Contractor of inaccurate or incomplete information in connection with this engagement, and not any failure on the Contractor's part to comply with professional standards, the Entity shall defend and indemnify the Contractor against such obligations.

28. **Insurance – Commercial General Liability:** The Contractor shall maintain for the duration of the contract, at its cost and expense, occurrence coverage insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Contractor, and/or its agents, employees, representatives, assigns, or subcontractors. The Contractor's insurance coverage shall be primary insurance for the Contractor's negligence with respect to the State and Entity and their elected officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the State and Entity and their officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Insurance - Professional Liability: The Contractor shall purchase and maintain occurrence coverage to cover such claims as may be caused by any act, omission, negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

If occurrence coverage is unavailable or cost-prohibitive, the state will accept 'claims made' coverage provided the following conditions are met: 1) the commencement date of the contract must not fall outside the effective date of insurance coverage and

it will be the retroactive date for insurance coverage in future years, and 2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

The State and Entity may require complete copies of certificates of insurance during the term of this contract.

29. **Compliance with Laws:**

- A. The Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. The Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subcontracting by the Contractor subjects subcontractors to the same provisions.

- B. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016 the Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this contract.

30. **Work Accommodations:** The Entity shall provide the Contractor with reasonable space in which to conduct the audit and shall respond promptly to requests for information as well as for all necessary books and records. Support for clerical, equipment, reproduction services shall be agreed upon by the Entity and the Contractor as specified in Appendices A, B and C.

31. **Termination before Audit Commences:** Before the commencement of the audit, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach.

The Contractor and the Entity may agree to terminate this contract without cause before the commencement of the audit. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

The State, however, will not consent to the cancellation of an audit contract for the sole purpose of allowing the Contractor and Entity to then enter into a new contract that extends the number of fiscal years to be audited by the Contractor. Unless there are extenuating circumstances, the existing audit contract must be completed first. This provision does not prohibit the cancellation of a contract for the purpose of replacing an annual audit with a biennial audit.

32. **Termination after Audit Commences:** After the audit has commenced, but before the audit report has been issued, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach. If the Contractor is the breaching party and fails to remedy the breach, the Contractor is not entitled to the fee set out in this contract. This is the Entity's and the State's sole remedy. If the Entity is the breaching party, the Entity shall pay the Contractor a pro rata portion of the fee set out in this contract, based on the percentage of work completed at the time of termination. This is the Contractor's sole remedy.

The Contractor and the Entity may agree to terminate this contract without cause after the audit has commenced but before the audit report has been issued. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

33. **Contractor Compliance with CPE and Quality Control Review:** The Contractor certifies compliance with the continuing professional education requirements and the external quality control review requirements as set out in Government Auditing Standards, as established by the Comptroller General of the United States. The State may require the Contractor to provide evidence that it has met the above requirements.
34. **Single Audit Act Certification:** If the audit is required to meet the requirements of the Single Audit Act of 1984, as amended, and Uniform Guidance, the Contractor certifies that neither it nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from performing audits by any Federal department or agency.
35. **Time is of the Essence:** Time is of the essence regarding all provisions of this contract.
36. **Governing Law and Venue:** This contract is governed by the laws of Montana. The parties agree that any litigation concerning this contract in which the State is named as a party must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract. The parties also agree that any litigation concerning this contract in which the State is not named as a party must be brought in the State of Montana Judicial District in the County in which the Entity is located. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract.
37. **Notice:** All notices under this contract must be in writing and will be deemed given if delivered personally, by mail, certified, return receipt requested, or by e-mail. All notices will (a) if delivered personally, be deemed given upon delivery, (b) if delivered by mail, be deemed given upon receipt, or (c) if delivered by e-mail be deemed given upon receipt.
38. **Invalid Provision:** If any provision of this contract is held to be illegal or unenforceable and the parties' rights or obligations will not be materially and adversely affected, such provision will be (a) severed from the contract, (b) the contract will be interpreted as if such provision was never a part of the contract and (c) the remaining provisions will stay in effect.

39. **Authority:** Each party represents that the person signing this contract has the authority to bind that party.

40. **Entire Agreement and Amendment:** This contract and the attached Appendices contain the entire understanding and agreement of the parties. No modification or amendment of this contract is valid unless it is reduced to writing, signed by the parties, and made a part of this contract.

Contractor, Entity, and State have executed this Standard Audit Contract on the date first above written:

Certified Public Accountant

Firm Name

By: _____

Date: _____

Authorized Representative

Governmental Entity

Entity Name

By: _____

Date: _____

Authorized Representative

Montana Department of Administration,

Local Government Services

By: _____

Date: _____

Approved By

APPENDIX A

Initial or Sole Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY):

_____ Address: _____
Telephone: _____ (Street Address or P.O. Box)
_____, MT 59 _____
(City/Town) (Zip Code)

Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT/ACCOUNTING

FIRM (CONTRACTOR) :

_____ Address: _____
Telephone: _____ (Street Address or P.O. Box)
_____, MT 59 _____
(City/Town) (Zip Code)

Contact Person(s) and E-Mail Address(es)

1. Audit Period and Dates of Engagement:

A. This audit will cover the fiscal year(s) ending

_____, _____ (and _____).
(Month & Day) (Year) (Year)

B. Date to commence audit work: _____

C. Date to submit final audit report
to Entity and State: _____

2. Time and Price for Engagement:

A. Estimated total hours - _____

B. Price for audit personnel \$ _____

Price for Travel _____

Price for typing, clerical
and report preparation _____

Total price for this
engagement \$ _____

3. The reporting entity contains the following discretely presented component units: _____

4. Date Annual Financial Report or a trial balance will be available: _____

5. Number of copies of audit report Contractor will provide to Entity: _____

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

- The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of \$750,000** during the fiscal year(s), or such other dollar amount (\$_____) that is effective for the fiscal year(s) being audited.

OR

- The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of **less than \$750,000** during the fiscal year(s), or such other dollar amount (\$_____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Firm Name

By: _____

Date: _____

Authorized Representative

Governmental Entity

Entity Name

By: _____

Date: _____

Authorized Representative

Montana Department of Administration,

Local Government Services

By: _____

Date: _____

Approved By

APPENDIX B

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): _____

_____ Address: _____

Telephone: _____ (Street Address or P.O. Box)

_____, MT 59 _____

(City/Town) (Zip Code)

Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT/ACCOUNTING

FIRM (CONTRACTOR) : _____

_____ Address: _____

Telephone: _____ (Street Address or P.O. Box)

_____, MT 59 _____

(City/Town) (Zip Code)

Contact Person(s) and E-Mail Address(es)

1. Audit Period and Dates of Engagement:

A. This audit will cover the fiscal year(s) ending

_____, _____ (and _____).
(Month & Day) (Year) (Year)

B. Date to commence audit work: _____

C. Date to submit final audit report
to Entity and State: _____

2. Time and Price for Engagement:

A. Estimated total hours - _____

B. Price for audit personnel \$ _____

Price for Travel _____

Price for typing, clerical
and report preparation _____

Total price for this
engagement \$ _____

3. The reporting entity contains the following discretely presented component units: _____

4. Date Annual Financial Report or a trial balance will be available: _____

5. Number of copies of audit report Contractor will provide to Entity: _____

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of \$750,000** during the fiscal year(s), or such other dollar amount (\$_____) that is effective for the fiscal year(s) being audited.

OR

The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of **less than \$750,000** during the fiscal year(s), or such other dollar amount (\$_____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Firm Name

By: _____

Date: _____

Authorized Representative

Governmental Entity

Entity Name

By: _____

Date: _____

Authorized Representative

Montana Department of Administration,

Local Government Services

By: _____

Date: _____

Approved By

APPENDIX C

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): _____

_____ Address: _____

Telephone: _____ (Street Address or P.O. Box)

_____, MT 59 _____

(City/Town) (Zip Code)

Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT/ACCOUNTING

FIRM (CONTRACTOR) : _____

_____ Address: _____

Telephone: _____ (Street Address or P.O. Box)

_____, MT 59 _____

(City/Town) (Zip Code)

Contact Person(s) and E-Mail Address(es)

1. Audit Period and Dates of Engagement:

A. This audit will cover the fiscal year(s) ending

_____, _____ (and _____).
(Month & Day) (Year) (Year)

B. Date to commence audit work: _____

C. Date to submit final audit report
to Entity and State: _____

2. Time and Price for Engagement:

A. Estimated total hours - _____

B. Price for audit personnel \$ _____

Price for Travel _____

Price for typing, clerical
and report preparation _____

Total price for this
engagement \$ _____

3. The reporting entity contains the following discretely presented component units: _____

4. Date Annual Financial Report or a trial balance will be available: _____

5. Number of copies of audit report Contractor will provide to Entity: _____

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of \$750,000** during the fiscal year(s), or such other dollar amount (\$_____) that is effective for the fiscal year(s) being audited.

OR

The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of **less than \$750,000** during the fiscal year(s), or such other dollar amount (\$_____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Firm Name

By: _____

Date: _____

Authorized Representative

Governmental Entity

Entity Name

By: _____

Date: _____

Authorized Representative

Montana Department of Administration,

Local Government Services

By: _____

Date: _____

Approved By