

- D. ACCOUNTANT shall submit to BOARD an invoice for payment which shall be signed by ACCOUNTANT and contain adequate supporting documentation such as: **detail of hours worked by each auditor classification (e.g., partner, manager, supervisor, senior, staff, etc.) in major audit areas or supervisory/administrative functions.**

V. SUPPLEMENTAL AGREEMENTS

- A. The scope of the audit may be increased or decreased by written supplemental agreement of BOARD and ACCOUNTANT if the reasons for the increase or decrease have first been reported in writing by ACCOUNTANT to COMMITTEE. The audit fee may be adjusted for the increase or decrease in the scope of the audit in accordance with Section IV.C. COMPENSATION.

VI. AUDIT EXTENSION REQUEST

- A. If the audit cannot be completed by November 15, 2013, due to factors beyond the control of ACCOUNTANT, ACCOUNTANT shall electronically submit an Audit Extension Request form, fully completed by both ACCOUNTANT and the district, to KDE by October 1, 2013. The form is provided in **Appendix I - Audit Extension Request**.

VII. DELIVERY OF AUDIT REPORT

- A. ACCOUNTANT agrees to begin the audit of accounts of BOARD on or about August 2, 2013 or 15 days from execution date of this contract, whichever is later, and further agrees to complete and deliver a signed paper copy of the audit report to BOARD, two signed paper copies to COMMITTEE in care of KDE, and an electronic copy to KDE in accordance with **Appendix II - Instructions for Submission of the Audit Report** on or before November 15, 2013, or at a later date approved by the COMMITTEE. All electronic and paper copies of the audit report must be at KDE by November 15, 2013 for it to be considered filed timely. If the audit report has not been received by KDE by November 15, 2013 or by the later date approved by the COMMITTEE, the audit will be considered late and penalties as outlined in Section VIII. PENALTIES **shall** be imposed at the discretion of COMMITTEE.

VIII. PENALTIES

- A. There **shall** be a 10% reduction of the audit fee if any one or more of the following occur: (1) the audit report is not submitted in accordance with VII.A. DELIVERY OF AUDIT REPORT; or (2) the audit report does not contain the information shown under Audit Report Requirements.
- B. ACCOUNTANT may be ineligible to conduct a school district audit for the upcoming fiscal year if any one or more of the stipulations in section A occur.
- C. COMMITTEE may waive penalties for delays caused by circumstances beyond the control of ACCOUNTANT.

IX. EFFECTIVE DATE

- A. This agreement, between the ACCOUNTANT and the BOARD, shall not become effective until the COMMITTEE has approved the audit contract.

X. TERMINATION

- A. The BOARD shall have the right to terminate and cancel this contract at any time without cause upon 30 days written notice served on the ACCOUNTANT by registered or certified mail. The BOARD shall have the right to terminate and cancel this contract for cause upon 5 days written notice served on the ACCOUNTANT by registered or certified mail.

- B. If cause exists to terminate and the BOARD does not terminate, the COMMITTEE may terminate and cancel this contract for cause upon 5 days written notice served on the ACCOUNTANT by registered or certified mail.
- C. "Cause" includes, but is not limited to:
 1. Failure to commence work within 15 days of execution of the contract or August 2, 2013, whichever is later;
 2. Previous history of extension requests by the same ACCOUNTANT for the same district;
 3. Failure to submit the audit by November 15, 2013;
 4. Failure to communicate to KDE in a timely manner problems encountered in conducting the audit.

Cause shall not include any factor wholly the fault of the BOARD.

XI. CONFLICTS OF INTEREST

- A. ACCOUNTANT represents and warrants that (a) ACCOUNTANT is legally able to enter into contracts with BOARD, (b) the performance of this agreement would not violate any conflict of interest statutes, and (c) that ACCOUNTANT has no personal interest in the financial affairs of BOARD or any of its officers or employees.

AGREED TO BY:

<p><u>Pike County</u> BOARD OF EDUCATION</p> <p>BY: <u>Frank D. Rattiff</u> SCHOOL BOARD CHAIRMAN</p> <p><u>Shirley Reynolds</u> SECRETARY</p>	<p><u>Wallen, Puckett & Anderson</u> ACCOUNTANT</p> <p>BY: <u>James D. Wallen</u> FIRM</p> <p><u>James D. Wallen CPA</u> PARTNER</p>
<p>STATE COMMITTEE FOR SCHOOL DISTRICT AUDITS</p> <p>BY: <u>[Signature]</u> STATE COMMITTEE CHAIRMAN</p>	

One (1) original audit contract signed in blue ink is due to KDE by close of business on May 28, 2013. Please send to:

Division of District Support
Kentucky Department of Education
500 Mero Street, CPT 15th Floor
Frankfort, KY 40601

Audit Acceptance Statement

State Committee for School District Audits
Frankfort, Kentucky

The Pike County Board of Education requests the financial accounts of the Board be audited for FY 2012-2013 in accordance with the procedures adopted by the State Committee for School District Audits. The Board has chosen the firm of:

Auditor: Wallen Puckett & Anderson

Phone: 606-432-8833

Address: P.O. Box 1349 Pikeville, KY 41502

Fax #: 606-432-8466

Address: _____ **Email:** jdwallen@wpa-cpa.com

The cost of the audit is: \$24,500

If there is any increase in the audit cost from last year, please provide an explanation:

SUBMITTED, April 9th, 2013 Pike County

Board of Education

X Frank DiRatuff Chairman

Alison Reynolds Secretary

ONE (1) original statement signed in blue ink is due to KDE by close of business May 28, 2013. Please send to:

**Division of District Support
Kentucky Department of Education
500 Mero Street, CPT 15th Floor
Frankfort, KY 40601**

