

SAMPLE AUDIT AGREEMENT

1. This Agreement, between _____ (the Organization) and _____ (the Contractor), shall be effective as of the date of execution below.
2. The Contractor will audit the financial records, accounts and statements of (the Organization) as of _____ and for the year ended _____. All programs to be audited are as contained in Exhibit A, which is attached to and is a part of this contract.
3. The audit will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Audit Guide for Audits of DECD Programs ("DECD Audit Guide"). In addition, if applicable, the audit will be conducted in accordance with the State Single Audit Act (CGS 4-230 to 4-236) and/or the Federal Single Audit Act, Office of Management and Budget (OMB) Circular A-133.
4. The audit will include tests of the accounting records and such other audit procedures as necessary to express an independent opinion on the financial statements and Reports on Compliance with Laws and Regulations and the Internal Control Structure.
5. The Contractor will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Under the concept of reasonable assurance, the Contractor will exercise its judgement about the number of transactions to be examined and the areas to be tested. There is, therefore, a risk that material errors, irregularities or illegal acts, including fraud or defalcations, may exist and not be detected. The Contractor will, however, advise immediately the DECD of any such matters that come to its attention. The Contractor's responsibility is limited to the period covered by the audit and does not extend to matters that might arise during any later periods.
6. The Contractor, as part of the engagement, will request written representations from (the Organization) attorneys. Prior to the conclusion of the audit, the Contractor will also request certain written representations from (the Organization) management about the financial statements and related matters. It is understood that these financial statements are the responsibility of management. This responsibility includes the maintenance of adequate records and related internal control structure policies and procedures, the selection and application of accounting principles, and the safeguarding of assets. The Contractor will advise management about the appropriate accounting principles and their application, and will assist in the preparation of the financial statements, if necessary.
7. The Contractor understands that it has the responsibility:
 - a. to prepare the audit reports in accordance with the requirements of Government Auditing Standards, the DECD Audit Guide (and the State Single Audit Act (CGS 4-230 to 4-236) and/or the Federal Single Audit Act (OMB Circular A-133) as applicable); and
 - b. to notify DECD within five (5) business days of its termination or cessation of services to the (organization).
8. If the Contractor ascertains that the (organization's) books and records are not in a sufficiently satisfactory condition for performing an audit, the Contractor shall disclose this