

CONTRACT TO AUDIT ACCOUNTS

OF

(TennCare Managed Care Organizations)

FOR THE PERIOD

FROM _____, _____ TO _____, _____

September 2019

CONTRACT TO AUDIT ACCOUNTS

OF _____
(Name of Organization)

This agreement made this _____ day of _____, _____ by and between

_____, of _____
(Auditor) (Full Address)

_____ hereinafter referred to as the "Auditor",

And _____, of _____
(Name of Organization) (Full Address)

_____ hereinafter referred to as the
"Organization", as follows:

1. In accordance with the requirements of the contract between the State of Tennessee and the TennCare Managed Care Organization(s), the Auditor shall perform an audit under generally accepted auditing standards of the financial statements of the Organization (the "Audit"). **The Audit shall comply with the requirements set forth in the NAIC Annual Statement Instructions for the Annual Audited Financial Reports for the period covered by the Audit.** The Audit shall cover the period _____ through _____.
2. The Auditor shall submit to the Organization's governing body a report in accordance with the terms and conditions set forth in the Engagement Letter, dated _____, _____, between the Organization and the Auditor attached hereto as Exhibit A (the "Engagement Letter").
3. If internal control matters are identified in connection with the Audit, the Auditor will communicate such matters to the Organization and its governing body in accordance with the Engagement Letter.
4. The Organization shall file three copies of the report with the Comptroller's Office. The report shall be filed by May 1, _____. Failure to file the report by the specified due date may result in liquidated damages assessed to the organization.
5. The Auditor agrees to retain working papers for no less than ten (10) years and that all audit working papers shall, upon request, be made available for review by the Comptroller of the Treasury, the Comptroller's representatives, agents, and legal counsel, or the TennCare Division of the Tennessee Department of Commerce and Insurance, during normal working hours while the Audit is in progress or subsequent to the completion of the Audit, provided that the Organization executes an authorization letter in a form acceptable to the Auditor and, further, that an access letter, in a form acceptable to the Auditor, is provided to the Comptroller of the Treasury, the Comptroller's representatives, agents, and legal counsel, or the TennCare Division of the Tennessee Department of Commerce and Insurance.
6. The Auditor shall communicate any fraud or illegal acts, including the effect, if any, on the financial statements and related disclosures, to the Organization and its governing body in accordance with the terms and conditions stated in the Engagement Letter. The Organization shall report the same to the Comptroller of the Treasury, State of Tennessee, who shall under all circumstances, have the authority, at the discretion of the Comptroller, to directly investigate such matters.
7. In consideration of the performance of the provisions of this Contract to Audit Accounts (the "Contract"), the Organization shall pay to the Auditor its fees and expenses relating to the Audit as stated in the Engagement Letter.
8. The Auditor, hereby affirms that it is currently registered with the Tennessee State Board of Accountancy and it has participated in a peer review of the system of quality control for its accounting and auditing practice ("Peer Review") at least once every three (3) years, conducted by a public accounting firm not affiliated with the Auditor, that a copy of the Auditor's most recent Peer Review shall be provided to the Organization upon execution of this Contract, and that all members of the Auditor's staff assigned to the Audit have obtained the necessary hours of continuing professional education required by the American Institute of Certified Public Accountants ("AICPA"). In addition, the Auditor also affirms that all of its personnel participating in the Audit are independent under the requirements of the AICPA.
9. This Contract and the Engagement Letter and the appendices attached thereto contain all terms of this Contract, as they pertain to the Audit of the financial statements of the Organization. There are no other agreements between the parties hereto relating to the subject matter hereof and no other agreements relative

hereto shall be enforceable, unless entered into in accordance with the procedures set out herein and approved by the Comptroller of the Treasury, State of Tennessee. In the event of any conflict, ambiguity or inconsistency between this Contract and the Engagement Letter, the terms of the Contract shall control.

10. The approved contract to audit accounts is due by December 1 of the audit period.

Auditor

Organization

Print of Type Signature Name

Print or Type Signature Name

By _____
Signature

By _____
Signature

Title/Position _____

Title/Position _____

Date _____

Date _____

Approved by the Comptroller of the
Treasury, State of Tennessee

By _____
For the Comptroller

Date _____

INSTRUCTIONS

Contract to Audit Accounts

1. All contracts for auditing and preparation of financial statements between an auditor and any Managed Care Organization receiving funds from the State of Tennessee require the prior approval of the Comptroller of the Treasury, State of Tennessee. (Such approval is not required for system improvement and similar services of a non-audit nature.)
2. If a paper version of the contract is used, the contract should be executed in triplicate and submitted to the Comptroller of the Treasury, State of Tennessee, Division of State Audit, Cordell Hull Building, 425 Rep. John Lewis Way N., Nashville, Tennessee, 37243.
3. If an electronic version of the contract is used, the completed paper copy should be scanned and converted to an electronic document. The completed document should be emailed to the Comptroller of the Treasury, State of Tennessee, Division of State Audit at: Sa.Contracts@cot.tn.gov.
4. Upon approval by the Comptroller of the Treasury, State of Tennessee, one contract will be returned to the organization, one forwarded to the auditor, and one retained by the Comptroller of the Treasury. The audit should not be started before the contract is approved.