

City of Derby
Request for Proposals
Forensic Audit Services

Overview: The City of Derby, Connecticut (the “City”) is requesting proposals from qualified individuals and accounting firms, hereinafter referred to as the “Auditor,” to perform a forensic audit of City finances for the period December 1, 2017 to December 31, 2023. Such audit will include, but not be limited to, financial activity and internal controls and processes.

Purpose: The audit function will be performed to ensure that operating procedures, including all internal controls, are being followed and that all expenditures of City funds are in accordance with laws, regulations, and City policy.

Proposal Submission: Proposals must be clearly labeled “RFP for Forensic Audit Services” and all electronic copies must be submitted to Marc J. Garofalo, Town/City Clerk, 1 Elizabeth Street, Derby, CT 06418 on or before 12:00 p.m. on December 21, 2023 via the City’s secure web portal at <https://www.derbyct.gov/bids> . There is no express or implied obligation for the City to reimburse responding individuals or firms for any expenses incurred in preparing quotations, or attending any conference(s) interview(s) in responding to this request. Proposals submitted after the stated time and date will not be considered and will be returned unopened.

Scope of the Audit: The special-purpose audit should be conducted in accordance with the guidance, as applicable, set forth in the Statements on Auditing Standards. This audit will evaluate the City’s financial activity during the stated audit period; adequacy of the internal financial controls with emphasis on areas vulnerable to fraud and abuse; the adequacy of the City’s current financial policies and procedures; and the adequacy of the City financial and auditing organizational structure.

The Auditor will make use of and build upon the internal control evaluation work done by the City’s independent CPA firm during that firm’s annual financial statement audit. The objectives of this engagement are as follows: development of a risk assessment of the City’s financial operations, including but not limited to review of financial policies procedures and practices; evaluation of the City’s internal controls; preparation of reports which analyze significant risk assessment findings; recommend changes for strengthening internal controls and reducing identified risks; and specify time frames for implementation of such recommendations. Areas that may be addressed include but are not necessarily limited to payroll review; review of bank reconciliation; review check signing procedures and log; identification of unusual and/or questionable transactions; and review any observations regarding financial activity and internal controls with Mayor, Board of Apportionment and Taxation, and Board of Aldermen & Alderwomen.

Based upon the findings, the Auditor will assist the City in the design and implementation of recommended procedures to ensure the operating effectiveness of the internal control

environment. An individual or firm can schedule an appointment prior to submission of any proposal to meet with City officials to review the scope of services provided to the City. Please contact Marc J. Garofalo, Town/City Clerk, 1 Elizabeth Street, Derby, CT 06418, (203) 736-1462 Extension 0 to schedule an appointment.

All proposals must include those Management and Qualifications as set forth below, as well as complete contract cost and pricing information. Incomplete submissions will not be considered for award. Proposals should not be excessively long and should be submitted in a format that permits copying for review. Each page of the proposal must state the individual or firm submitting the proposal, the fact that the RFP is being submitted to the City, and the page number. All materials submitted in response to this request for quotations shall become the property of the City.

Management and Qualifications: In setting forth its qualifications, each individual or firm submitting a proposal shall: include an affirmative statement indicating that the firm and all key professional staff are properly qualified to practice in the State of Connecticut; state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement; describe the individual's or firm's experience and expertise focusing on internal controls; state the name(s) of the officer(s) and associate(s) in the firm; identify the nature of any potential conflict of interest the individual or firm might have in providing these services to the City; provide a comprehensive description of your approach to fulfilling the requirements of this RFP; describe forensic auditing techniques, data analysis techniques, use of Information Technology (IT) specialists to perform IT assessments and other auditing procedures, the type and extent of sampling to be employed, etc.; provide a copy of the individual's or firm's latest peer review; provide any other information that might be beneficial to the City; and provide a detailed schedule for completing the audit.

The proposal should also set forth: the rates at which the services of all partners, managers, senior accountants, staff accountants, or other personnel that would be provided to the City; which partners and/or staff are expected to perform the services; and the total cost for the engagement.

Evaluation and Selection Process: At the designated time and date, the Mayor shall open and list the proposals for the record. Responses received after 12:00 P.M. on December 21, 2023, shall not be considered.

Evaluation: During the evaluation phase, proposals are reviewed to determine which proposals address all the requirements of the RFP, and to technically review the proposals. Interviews may be requested of any and all firms that submitted proposals.

Termination of Contract: Any contract agreed to under this Request for Proposal is subject to termination by either party with thirty (30) days written notice. In the event of termination of

the contract, the City's responsibility shall be to pay for unpaid services performed and authorized costs incurred by the Auditor.

Right to Reject Requests for Proposal: The Auditor shall at all times in the proposal and contract process comply with all applicable City of Derby, state, and federal anti-discrimination laws, rules, regulations, and requirements thereof. The City of Derby reserves the right to reject without prejudice any and all quotations received under this Request for Proposal.

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