

Northwestern Connecticut Transit District
957 East Main St.
Torrington, CT
REQUEST FOR PROPOSAL (RFP)
Forensic Auditor Services

Proposals Due By 12 Noon on Friday July 15, 2022

The Northwestern Connecticut Transit District (NWCTD) is seeking qualified firms to provide a proposal to conduct forensic auditing services related to all financial accounts of the NWCTD, including, but not limited to, all financial account expenses, revenues, grants, credit cards, etc. The scope of the forensic audit shall cover the dates of January 1, 2019 through April 30, 2022, inclusive, and shall include a report of findings and recommendations based on the forensic audit.

The NWCTD Board of Directors requires the firm to have:

- Forensic accounting experience related to State agencies in Connecticut and / or non-profits affiliated with such agencies.
- Familiarity with QuickBooks Software.
- Ability to communicate and provide preparation list prior to Audit.
- Full Auditing and State compliancy services
- Certified Internal Auditors (CIAs) or other accounting professionals will be considered.

Purpose

The Board requests proposals from qualified individuals and accounting firms interested in providing internal forensic audit functions for the NWCTD. The internal audit function will be performed to ensure that all expenditures, revenues and grants of NWCTD funds are in accordance with applicable accounting standards, federal state and local laws and regulations, as well as NWCTD policy on approved expenditures.

NWCTD Profile

The District is a non-profit agency that provides transportation services to 11 member towns in Litchfield County, either by Dial-A-Ride for appointments, or fixed route service in Torrington and Winsted. Funding is primarily through the State of Connecticut Department of Transportation, with some contributions from member towns. Donations from riders are encouraged as well.

Day-to-day management of the district is currently provided by the Assistant Director and an interim Director. Oversight of the District is provided by a Board of Directors.

Scope of the Audit

The forensic audit will evaluate the financial activity and transactions, including contracting, requisition and purchase order processes, bank reconciliations, bid processes, purchasing, procurement, policies, procedures, and other financial activity, related to the period starting on or about January 1, 2019 and ending on or about April 30, 2022. During the course of the audit, the scope of work may be further altered at the recommendation of the auditor, with

written approval by the Board for any additional work not covered within the initial scope of the audit.

Cooperation of District Administration

The Board and office staff cooperate in providing access to or copies of documents or other records needed to perform the audit. Requests will be processed by the Audit Committee appointed by the Board within a reasonable period of time in light of the nature and scope of the request.

Audit Report Recommendations

Preparation of reports which analyze risk assessment findings, recommend changes for addressing risk assessment findings, and specify time frames for implementation of such recommendations.

1. Based upon the findings, assist the Board and staff in the design and implementation of recommended procedures to ensure the operating effectiveness of the internal control environment when managing the district's overall budget.
2. Following the completion of the audit, the auditor shall issue a written report communicating all discovered abnormal activity, past or present, its quantification, cause and consequence.
3. Immediately upon completion of the Forensic Audit, the auditor shall orally report its finding to the Board's Audit Committee.
4. For the forensic activity so engaged, the auditor will be required to quantify and document its results to a level consistent with Generally Accepted Accounting Principles and Government Auditing Standards.
5. It is further expected that the auditor will advise the Board and recommend to the Board appropriate actions to prevent further irregular activities.
6. All working papers and reports must be retained, at the auditor's expense for a minimum of seven (7) years unless the firm is notified by the Board in writing to extend that period. In addition the auditor shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing account and contractual significance.

After completion of the service contract with this request, further forensic investigation may be requested. Further, the auditor shall be available as a witness, both fact and expert, to support any and all legal action on behalf of the Board. Submissions must include quotes for hourly rates for additional services.

Proposal Submission

- Proof of appropriate insurance and bonding.
- Full detailed list of services.
- Resumes of individuals working on the municipal audit.
- Company Info and background.
- Current municipal client list, listing municipalities with contact information for reference
- Must include quotes for hourly rates for additional services.

The Board reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the Audit Committee and Board of Directors.

Your proposal must be received by **July 15, 2022** Please submit proposal to:

NWCTD 957 East Main Street Torrington, CT. 06790, ATTN: Audit Committee. NWCTD is an Equal Opportunity Employer. There is no expressed or implied obligation for the district to reimburse responding individuals or firms for any expenses incurred in preparing quotations, attending pre-quotation conferences, or interview(s) in responding to this request. Proposals not submitted on-time will not be considered, and will be returned to the firm unopened.

Additional proposal terms/conditions for your consideration:

- When the Proposal is executed and submitted by Proposer, the Proposer acknowledges it has full knowledge of and agrees with the general specifications, conditions and requirements of the Request for Proposal.
- Proposer shall comply with applicable laws, rules, regulations and policies of federal, state, and local governments. It shall be the responsibility of the Proposer to ensure that all personnel employed are familiar with all of the aforesaid laws, rules, regulations and policies as well as the contents of any manual or other rules, regulations and policies which the Board might publish.
- The Board reserves the right to consider cost, service and experience in conducting forensic audits, as well as the specific qualifications set out herein of the Proposer, in considering Proposals and awarding the contract for forensic audit services. The Board reserves the right to waive technical defects in Proposals, to reject any and all Proposals for any reason, to discuss the scope of Services with one or more bidders, and to make such modifications as the Board deems to be in its best interest even if such Proposal is not the low-cost proposal.
- Each Proposer is responsible for making sure it gets the information it needs to make a responsible Proposal that allows it to execute the Contract if it is awarded the Contract.
- Any interpretation of or modification to the Proposal Documents will be made by Addendum. Any Addendum will be posted on the Board's website. Each Proposer shall confirm prior to submitting its Proposal that it has received all Addenda.
- Proposals must be held firm and cannot be withdrawn for thirty (30) calendar days after the opening date.
- The Board reserves the right to negotiate with any or all Proposers or to cancel or withdraw in part, or in its entirety, the Proposal Documents, if it is in the best interest of the Board to do so. The Board specifically reserves the right to add or delete from the scope of services in the final Contract or from the scope of services described in these Proposal Documents. The Board may require the selected Proposer to participate in negotiations concerning the nature and scope of the provision of the Services. The results of such negotiations shall be incorporated into the Contract between the Board and the Contractor.
- The Board reserves the right to request any additional information pertaining to the ability, qualifications, and experience of a Proposer as it deems necessary after Proposals have been opened and reserves the right to interview one or more Proposers.
- Any exceptions or deviations from these conditions or specifications must be listed on a separate sheet attached to the Proposer's detailed conditions and specifications and referred to separately in the Proposals.
- Each Proposer shall provide any additional information it believes to be important in assisting the Board in evaluating its firm and its capabilities.

Proposal Submission Content: Forensic Audit Technical Details:

The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

We are looking for the following technical details:

1. **Independence:** The firm should provide an affirmative statement that it is independent of the district and has no prior auditing experience with the district. Further, the firm should be fully compliant with, the U.S. Comptroller General's Government Auditing Standards (1994).
2. **License to Practice in Connecticut:** An affirmative statement should be included indicating that the firm and all key professional staff are properly qualified to practice in Connecticut.
3. **Firm Qualifications and Experience:** The proposer should state the size of the firm, the size of the firm's audit staffs, 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 on a full-time basis and the number and nature of the staff to be so employed on a part-time basis
4. **Partner, Supervisory and Staff Qualifications and Experience:** The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is licensed to practice as a certified public accountant in Connecticut. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. Audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications **and** /or experience.
5. **Similar Engagements:** For the firm's office that will be assigned responsibility for the forensic audit, list the most significant engagements (maximum 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours and indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
6. **Specific Forensic Audit Approach:** The proposal should set forth a work plan, including an explanation of the forensic audit methodology to be followed, to perform the services required in the "Scope of the Audit" section.
7. **Identification of Anticipated Potential Forensic Audit Problems:** The proposal should identify and describe any anticipated potential forensic audit problems, the firm's approach to resolving these problems and any assistance that will be requested from the district.
8. **Schedule:** Provide a detailed schedule for completing the forensic audit.

Additional provisions for consideration:

- For purposes of these Proposal Documents, "Principals" mean persons possessing an ownership interest in the Proposer. If the Proposer is a corporation, "Principals" shall include each investor who would have any amount of operational control over the Proposer and every stockholder having an ownership interest of 10% or more in the firm. If the Proposer is a partnership or a joint venture or similar organization, provide comparable information as required above for each member of the partnership, joint

venture or similar organization.

- Each Proposer shall list all immediate relatives of Principal(s) (as defined above) of Proposer who are Board members or employees of the Board. For purposes of the above, “Immediate relative” means a spouse, parent, stepparent, brother, sister, child, stepchild, direct-line aunt or uncle, grandparent, grandchild, and in-laws by reason of relation.
- The Proposer shall provide rates for additional services, if any, beyond the scope of these Proposal Documents.
- The Proposer shall disclose whether any of the services will be subcontracted and, if so, a description of how the Proposer selects the subcontractors and what are the obligations of Proposer and subcontractor.

Proposal Submission Content: Cost Breakdown

1. **Total All-Inclusive Maximum Price:** The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost proposal. Such costs should not be included in the proposal.
2. **Fixed Fees by Category:** The dollar cost proposal should include a schedule of professional fees and expenses that support the total all-inclusive price.
3. **Requested Optional Cost:** Charge for adding additional years to the audit search (Cost broken out by each year).
4. **Rates for Additional Professional Services:** If it should become necessary for the Board to request the auditor to render any additional services not requested in this proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Board and the firm. Any such additional work agreed to between the Board and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal.

Evaluation Procedures

1. **Selection Personnel:** Proposals submitted will be evaluated by the Audit Committee.
2. **Initial Bid Opening:** The proposal needs to be emailed by Friday, July 15, 2022 at 12pm. We will publicly open the bids on Friday, July 15 at 12pm at the District’s Office.
3. **Evaluation Criteria:** The following represent the principal selection criteria which will be considered during the evaluation process of proposals
 - a. The audit firm is independent of the District or any member of the Board, and has no prior work that could be interpreted as a conflict of interest, and is licensed to practice in Connecticut.
 - b. The firm has no conflict of interest with regard to any other work performed

by the firm.

- c. The firm submits a copy of its most recent external quality control review/report and the firm have a record of quality forensic audit work.
- d. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal
- e. The firm's past experience and performance on comparable engagements
- f. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
- g. Experience with performing forensic audits
- h. Cost

4. Oral Presentations: During the evaluation process, the selection personnel may, at their discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the selection personnel may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

5. Final Selection: The selection personnel will recommend a firm for approval by the Board. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty (30) days of approval. The selected proposer will be expected to execute a contract substantially in the form attached hereto as [Attachment A](#) (the "Form of Contract"). If any proposer is unwilling or unable to meet any of terms and conditions set forth in the Form of Contract, such proposer must disclose that inability or unwillingness in its proposal submission. The Board reserves the right to make modifications to the Form of Contract as would best serve the interests.