



**REQUEST FOR QUALIFICATIONS  
FINANCIAL AUDIT SERVICES  
CITY OF TORRINGTON  
RFQ #FAS-007-040716**

**PURPOSE OF REQUEST**

The City of Torrington (City) is requesting proposals for the purpose of retaining qualified independent public accountants licensed to practice in the State of Connecticut to provide financial audit services to the City of Torrington (City) for fiscal years ending June 30, 2016; June 30, 2017; and June 30, 2018.

**PROPOSALS**

All proposals received by the City in response to this RFQ will be retained. Submissions must:

- A. Constitute a complete response to this RFQ, using the Proposal Form provided in this document (see page 10).
- B. Include an original and eight (8) copies. The price proposal and/or fee structure (Appendix A) **must** be submitted in a separate sealed envelope from the base proposal.
- C. In accordance with the Government Auditing Standards (Yellow Book), **include** a copy of the latest results of the proposer's external quality control review with your proposal.
- D. Proposal must be received by:  
City of Torrington,  
Purchasing Agent  
140 Main Street, Room 206  
Torrington, CT 06790

no later than **11:00 A.M. on Thursday, April 7, 2016**. Envelopes must be clearly marked "**RFQ# FAS-007-040716, FINANCIAL AUDIT SERVICES.**" Proposals received after this date and time will be rejected. **Questions must be submitted by March 28, 2016 by 12:00 noon.** Firms mailing proposals should allow for normal delivery time to ensure timely receipt of their proposals. **Proposals may not be submitted by fax or e-mail.**

- E. Must be signed by an official authorized to bind the firm to its provisions.

- F. Must include a statement that the proposal remains valid for a period of at least ninety (90) days from the date of its submission.

**Rejection of Proposals:** The City reserves the right to reject any and all proposals received as a result of this RFQ, and to waive technical defects, qualifications, irregularities and omissions, if, in its sole judgment, the best interests of the City will be served by doing so.

**Communications Concerning RFO:** All questions determined to be of interest to all prospective firms will be answered in writing and provided to all firms by an addendum which will be posted on the City and state web sites. It is the responsibility of potential bidders to check these websites for addendum(s). All questions relevant to the development of a proposal are to be emailed directly to:

Ms. Pennie Zucco, Purchasing Agent  
Phone: (860) 489-2225;  
E-mail: pennie\_zucco@torringtonct.org.

**Term:** Based upon the outcome of this process, the City of Torrington will award a three-year contract. The option for a three-year renewal will be at the sole discretion of the City of Torrington. **The successful respondent will be expected to be able to commence services as soon as possible upon award, as determined by the City.** Any contract entered into by the City and the successful bidder shall provide that the City may terminate the contract upon thirty (30) days notice to the bidder.

**Additional Information:**

- A. **Incurring Costs:** The City will not be liable for any costs incurred by a firm in the preparation or submission of a proposal.
- B. **News Releases:** News releases pertaining to this RFQ or the services, study or project to which it relates will not be made without prior approval, and then only in coordination with the City.
- C. **Acceptance of Proposal Content:** The contents of the successful proposal may, at the City's option, become part of the contract entered into by the successful firm and the City.

**GENERAL INFORMATION**

The City of Torrington has a population of approximately 35,200 and a total fiscal year 2015/2016 budget of \$125,690,910. The City is governed under the provisions of its charter and the Connecticut General Statutes. The Mayor is the Chief Executive Officer of the City and also serves as chairperson for the six members of City Council. There is also a six member Board of Finance which consists of electors and taxpayers appointed by the Mayor. Torrington is the largest municipality in Litchfield County and serves as the county's industrial and commercial center.

As required by City Charter, an independent audit of the books and accounts of the City of

Torrington must be completed annually. The City Comptroller, Alice Proulx, is responsible for the financial management of the City. The City's June 30, 2015 Financial Statements are available on the City website. If needed, a copy of the June 30, 2015 audited financial statements and Single audit reports may be obtained by contacting the Comptroller's office.

### **DESCRIPTION OF RECORDS**

The records of the City of Torrington (including Board of Education) are maintained in accordance with generally accepted accounting practices for State and Local Governments. All records of financial activity are currently processed and maintained on the Logos.NET version of New World Systems software.

### **SCOPE OF SERVICES**

The audit engagement period shall cover fiscal years ending on June 30, 2016, June 30, 2017 and June 30, 2018. At the conclusion of the audit, a senior representative of the accounting firm shall appear before the Comptroller and the Board of Finance to discuss the findings of the audit and to present any recommendations for improving the City's systems of internal control.

Over the course of the audit engagement period, the accounting firm shall, at no additional cost to the City, make qualified staff members available for general consultation regarding financial accounting and reporting issues.

The independent auditor will prepare the annual financial statements for the City of Torrington, Connecticut in accordance with generally accepted auditing standards and in conformity with municipal audit requirements of the State of Connecticut Office of Policy and Management. The audit shall comply with the Single Audit Act requirements issued by the State of Connecticut and the Comptroller General of the United States. All duties and responsibilities of the independent auditor shall be conducted in accordance with all pertinent provisions of Connecticut General Statutes and City of Torrington Charter.

The financial audit will be conducted in accordance with generally accepted auditing standards as set forth in the Statements on Auditing Standards published by the American Institute of Certified Public Accountants, General Accounting Office's Government Auditing Standards, Provisions of the Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes of the Connecticut State Single Audit Act. The primary purpose of the audit will be to express an opinion on the financial statements. If conditions are discovered which lead to the belief that material errors or other irregularities exist, the independent auditor will promptly advise City management.

The compliance audits will be made in accordance with general accepted auditing standards, audit requirements of the respective organizational units for which the audit is being conducted, and any other necessary procedures to test compliance with specified laws, regulations, and contracts.

The specific financial statements will include those required for a comprehensive annual financial

report as adopted by the Governmental Accounting Standards Board (GASB) and set forth in Statement 1 of the National Council on Governmental Accounting.

The financial statements, schedules and footnotes required by GASB and the City of Torrington, currently are as follows:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements:
  - Government –wide Financial Statements:
    - Statement of Net Position
    - Statement of Activities
  - Fund Financial Statements:
    - Governmental Funds:
      - Balance Sheet
      - Statement of Revenues, Expenditures and Changes in Fund Balances
    - Proprietary Funds:
      - Statement of Net Position
      - Statement of Revenues, Expenses, and Changes in Fund Net Position
      - Statement of Cash Flows
    - Fiduciary Funds:
      - Statement of Fiduciary Net Position
      - Statement of Changes in Plan Net Position

#### Notes to the Financial Statements

- Required Supplementary Information
  - Schedule of Revenues and Other Financing Sources – Budget and Actual
  - Schedule of Expenditures and Other Financing Uses – Budget and Actual
  - Schedule of Changes in Net Pension Liability and Related Ratios
  - Schedule of Employer Contributions
  - Schedule of Investment Returns
  - Schedule of City's Proportionate Share of the Net Pension Liability-Teachers Retirement Plan
- Combining and Individual Fund Statements and Schedules:
  - General Fund
    - Comparative Balance Sheet
    - Report of Tax Collector

Non-major Governmental Funds:

Combining Balance Sheet

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Internal Service Funds

Combining Statement of Net Position

Combining Statement of Revenues, Expenses and Changes in Net Position

Combining Statement of Cash Flows

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Other Schedule

Statement of Debt Limitation

**REPORTING REQUIREMENTS**

Reports shall be prepared and submitted by the independent auditor as required by regulations to the appropriate local, State and Federal agencies as follows:

- ED001 and other audit reports as required by the State Department of Education
- Municipal Audit Questionnaire as required by the State of CT Office of Policy and Management
- Annual Financial Report
- Federal and State Single Audit Report
- Report on Internal Control over Financial Reporting, Compliance and other matters
- Management letter of comments and recommendations
- Extension Request (if needed)
- Audit adjustments along with a thorough explanation will be provided to the Comptroller

An independent auditor report to include statement of auditor responsibility, scope of audit and any significant audit findings will also be provided to the City Council, Board of Finance and management of the City.

The auditor will provide (30) printed copies of the entire annual report as well as providing the report in an electronic format to the City of Torrington.

**APPENDIX A**  
**REQUIREMENT OF FINANCIAL AUDIT SERVICE PROPOSAL**  
**RFQ #FAS-007-040716**

The audit service proposals must include:

The audit firm's plan to provide audit services to the City of Torrington, including the methods of evaluating internal controls, testing transactions and balances, audit sampling techniques, compliance testing techniques, and a timetable for providing the requested audit services.

Include a profile of the audit firm with particular attention to prior municipal audit experience within the State of Connecticut. Provide (3) municipal references, providing the names and phone numbers of the appropriate municipal official to contact.

The qualifications of the principle persons within the audit firm who will be working on the Torrington audit. A commitment must be expressed by the audit firm to make every effort to provide the same personnel throughout the three year engagement with Torrington.

A schedule of all-inclusive fixed fees to be charged for each of the years ending June 30, 2016, June 30, 2017 and June 30, 2018.

Proposed Audit Fees for Year ending June 30, 2016 \$ \_\_\_\_\_

Proposed Audit Fees for Year ending June 30, 2017 \$ \_\_\_\_\_

Proposed Audit Fees for Year ending June 30, 2018 \$ \_\_\_\_\_

The City and/or Board of Education staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor. Office space will also be provided in as close proximity as possible to financial records. There will be access to electronic equipment as needed.

**The City/Board of Education staff will prepare the following:**

- Trial balance for all City/Board of Education funds
- Detailed revenue, expense, deferred revenue, accrued expense, accounts payable, accounts receivable, and encumbrance schedules.
- Detail of balance sheet and subsidiary account activity
- Bank reconciliation for all accounts (Cash Pool)
- Investment activity
- Fixed asset schedules
- Debt service schedules
- Compensated leave balances
- ED001 Report and all supporting schedules
- ED141 for Prepaid State and Federal Grants
- Cash reconciliations for all accounts
- Check registers for payroll and accounts payable
- Open purchase order reports
- Schedule of State Payments including General Ledger Detail
- Tax Collector Services Reconciliation
- Additional account analysis and schedules as requested
- Actuarial reports
- Student activity records for all schools

**INDEMNIFICATION**

To the fullest extent permitted by law, the Firm shall indemnify and hold harmless the City and the Board of Education and their respective consultants, agents, and employees from and against all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of engineers, attorneys and other professionals and court and arbitration costs) arising out of or resulting from the performance of the Firm's work, provided that such claim, damage, loss or expense is caused in whole or in part by any negligent act or omission by the Firm, or breach of its obligations herein or by any person or organization directly or indirectly employed or engaged by the Firm to perform or furnish either of the services, or anyone for whose acts the Firm may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

As to any and all claims against the City or any of its consultants, agents or employees by any

employee of Firm, by any person or organization directly or indirectly employed by Firm to perform or furnish any of the work, or by anyone for whose acts Firm may be liable, the indemnification obligation under this Article V shall not be limited in any way by any limitation on the amount of type of damages, compensation or benefits payable by or for Firm under worker's or workman's compensation acts, disability benefit acts or other employee benefit acts.

**NON-DISCRIMINATION:**

The respondent agrees and warrants that in the performance of the contract pursuant to this solicitation he/she will not discriminate or permit discrimination against any person or group of persons on the grounds of sex, race, color, religion, age, marital status, ancestry, national origin, past history of mental disorder, mental retardation or physical disability or other basis in any manner prohibited by the laws of the United States, the State of Connecticut or the City of Torrington.

**NON-APPROPRIATION:**

All funds for payment by the City under this contract are subject to the availability of an annual appropriation for this purpose by the City. In the event of non-appropriation of funds by the City Council for the goods or services provided under the contract, the City will terminate the contract, without termination charge or other liability, on the last day of the then-current fiscal year or when the appropriation made for the then-current year for the goods or services covered by this contract is spent, whichever event occurs first. If at any time funds are not appropriated for the continuance of this contract, cancellation shall be accepted by the Seller on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the City shall not be obligated under this contract beyond the date of termination.

**INSURANCE REQUIREMENTS**

**Certificate of Insurance:** All insurance policies must include a Waiver of Subrogation whereby the insured waives its right to subrogate against the City, its subsidiaries, employees, volunteers, directors and officers. Proof of proper insurance coverage, Workers Compensation Insurance, Liability and Property damage, and Vehicle Insurance shall be filed with the City of Torrington Purchasing Agent within 10 days after the award of the bid. The Certificate of Insurance must name the City of Torrington, 140 Main St., Torrington, CT, its subsidiaries, employees, volunteers, directors & officers as the "Additional Insured" and filed with the Purchasing Agent prior to commencement of work. Renewal Certificates of Insurance must be mailed to the Purchasing Agent 10 days prior to the expiration of the required coverage.

**SELECTION PROCESS**

**Review Process:** All proposals will be reviewed by a selection committee as appointed by the Mayor.



The City reserves the right to waive non-material deficiencies in any proposal.

Proposals will be evaluated based on what is deemed to be in the best interests of the City, including such factors as the bidder's experience and expertise in providing auditing services for municipalities. Cost will not be the sole factor in evaluating bids.

A short list of finalists will be developed and firms may be interviewed by the Selection Committee after the proposals are received. Specific information required for the interviews will be provided to finalists at the time of notification.

If interviews are held, they will be 30-45 minutes long. Initial presentations will be limited to 15 minutes. The final 15-30 minutes will be reserved for questions from the Selection Committee and subsequent discussion. The key person to be assigned to this project must be present at this interview.

The Selection Committee expects to recommend a firm to the Torrington City Council and Board of Finance for approval.

The City expects to complete its review of all proposals and select the tentative bidder within two weeks after the receipt of proposals. If necessary, the City may extend that review period.

Selection as the preferred proposal does not provide any contract rights to that firm. Any such rights shall accrue only if and when the City and the firm execute a binding contract. The City reserves the right to negotiate with the successful firm in any manner necessary to best serve the interests of the City. If the City fails to reach an agreement with the successful bidder, the City may commence negotiations with an alternative bidder or reject all bids and reinstitute the RFQ process.

**CITY OF TORRINGTON**  
**RFQ #FAS-007-040716**  
**PROPOSAL FOR FINANCIAL AUDIT SERVICES**

The undersigned has read, understands, and agrees to comply with the requirements contained in the Request for Qualifications for Financial Audit Services. The undersigned submits this proposal in good faith and without collusion with any other person, individual or firm.

Name and Address of Firm:

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Name, Title and Contact Information (phone, fax, email) of Authorized Representative:

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Social Security or Federal ID# \_\_\_\_\_

Signature of Authorized Representative:

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(Attach additional sheets as necessary)