



## **REQUEST FOR PROPOSALS/QUALIFICATIONS (RFP/RFQ) FOR FINANCIAL AUDITING SERVICES**

### **Introduction**

At its June 13, 2024, Annual Meeting, the Northwest Hills Council of Governments (NHCOCG) policy board found it prudent to seek bids on a periodic basis for financial auditing services and subsequently authorized the Executive Director to issue a request for proposals/qualifications.

Therefore, NHCOCG is now requesting proposals from qualified independent certified public accounting firms to audit its financial statements for the fiscal years ending June 30<sup>th</sup>, 2024, 2025 and 2026. Additionally, NHCOCG and the selected firm may extend the contractual agreement if deemed mutually agreeable by NHCOCG and the selected firm, for up to two (2) additional years beyond June 30<sup>th</sup>, 2026. As such, the agreement shall be for a three (3) year period, with an option for one-year extensions in the 4<sup>th</sup> and 5<sup>th</sup> years, effective immediately upon execution. Compensation for services shall be a fixed price for each year of the three-year term of the agreement. The fixed fee shall include a minimum number of hours to be allocated to the partner-in-charge, supervising manager, and field staff. Upon request, the firm will provide NHCOCG with a statement of chargeable hours to substantiate billings. Any annual optional extensions shall be performed at prices to be negotiated before the option is exercised.

There is no express or implied obligation for NHCOCG to reimburse firms for any expenses incurred in preparing proposals in response to this request.

DAS Certified Minority/Small Businesses are encouraged to participate.

### **Description of NHCOCG**

The NHCOCG was established as a regional planning organization on January 1, 2014, as authorized by the Connecticut General Statutes 4-124i to 4-124pa and comprises twenty-one (21) member municipalities within a region of 785 square miles and a total population of approximately 115,000.

NHCOG has six (6) full-time employees with an approximate \$2M NFP. The NHCOG's fiscal year starts July 1<sup>st</sup>, ends June 30th, and receives funding from various sources, including federal, state, and local government.

Further information on the agency can be found at [www.northwesthillscog.org](http://www.northwesthillscog.org) and most recent financial reports can be found through the OPM EARS database at <https://ears.opm.ct.gov/Public/Report.aspx> and search by entity with "Northwest Hills Council of Governments".

### **Scope of Services Required**

The auditor shall submit an audit of the NHCOG's general purpose financial statements. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and (OMB) Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act. Also, any required supplementary information statements, as required by the Government Accounting Standards Board (GASB).

The audits shall include a calculation of indirect costs and overhead rate as required by the NHCOG's contract with the Connecticut Department of Transportation (called burden, fringe, and overhead rate), and as provided in OMB Circular A-87.

The auditor shall state on the record that the primary objective of the audit is to express an opinion on the general-purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue reports, as required by generally accepted auditing standards, *and* Government Auditing standards, *OMB Circular A-133*, *and the Connecticut General Statutes*, including, but not limited to, the following:

- a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- a report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
- a report on compliance with applicable laws and regulations.
- a report on the supplementary schedules of federal and state financial assistance.
- a report on the internal control structure used in administering federal and state financial assistance programs; and
- a report on compliance with laws and regulations related to major and non-major federal and state financial assistance programs. This report should

include an opinion on compliance with specific requirements applicable to major federal and state financial assistance programs, a report on compliance with general requirements applicable to major and non-major federal and state financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal and state financial assistance program transactions tested.

- ***DELIVERABLES:*** Online filings with State and Federal reporting requirements and procedures as necessary and on time. Digital reports and two (2) hard copies to be submitted to NHCOC Executive Director.
- ***Attendance at a NHCOC board meeting for the purpose of discussing the audit, management letter and conclusions.***

The auditor shall communicate in a letter to the NHCOC reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

### **NHCOC Responsibilities**

The NHCOC will make all financial records and related information available to the auditor. The NHCOC will provide the auditor with space at the NHCOC offices (if needed) during the limited period the auditor is reviewing the NHCOC financial records and related information. Telephones will be made available as well as the use of a copy machine during this time. The auditor will be required to provide their own equipment and other office materials.

The auditor's principal contact with the NHCOC will be the NHCOC's Executive Director. As required by OMB Circular A-133 and the State Single Audit Act, it will be the NHCOC's Executive Director's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

### **Additional Auditor Responsibilities and Services Required**

The annual audit shall begin sometime after the June 30<sup>th</sup> Fiscal Year End. The audit shall be completed and all reports available no later than December 1st, or as agreed with NHCOC under any applicable extensions that are available. At the conclusion of the audit, the auditor shall prepare and distribute a reporting package including financial statements, schedule of expenditures, summary schedule of prior audit findings, auditor's reports, and a corrective action plan to the designated federal clearinghouse and, if appropriate, to pass through entities and other federal and state grantor agencies. At the conclusion of the audit, the auditor shall notify NHCOC as to which agencies the reporting packages should be submitted, and the auditor shall send the reporting package directly to the required agencies.

All work papers for the audit shall be retained, at the auditor's expense, for a minimum of three years or for any additional period requested by a federal or state grantor agency. Upon request, the auditor shall make these work papers available to the NHCOCG or to the federal or state grantor agencies. In addition, the auditor shall respond to inquiries of successor auditors to review work papers related to matters of continuing accounting significance.

### **Proposal Submission Requirements**

The following information must be submitted as part of the proposal:

- Transmittal letter stating the firm's understanding of the work to be done, a commitment to perform the work within the required time period, a statement why the firm believes itself to be the best qualified to perform the services, and a statement that the proposal is a firm and irrevocable offer for the time period covered.
- Information on the size of the firm, the size of the firm's governmental audit staff, and the qualifications of the key individuals to be assigned to this audit.
- An affirmative statement must be included that the firm is qualified to practice in Connecticut.
- A list of audits performed in the last five years that are similar to this proposed audit. For these audits, describe the scope of work and list the dates, the staff who worked on the audit, and the name and telephone number of the client contact person. Audits from at least two of these audits should be included with this proposal.
- A work plan, including an explanation of the methodology to be followed, to perform the services required in this RFP.
- A copy of the firm's most recent external quality control review report.
- Evidence that the firm complies with the Equal Employment Opportunity Act.
- A total, all-inclusive maximum price, which contains all direct and indirect costs, for the initial three-year agreement period with any estimated annual increases.
- A schedule of fees and expenses upon which the proposed fee is based and a statement that if the NHCOCG requires additional services from the auditor, the auditor shall agree to a contract addendum to perform such services at these fees.

### **Evaluation Criteria**

The following are the principal selection criteria which will be used in evaluating the proposals.

- The audit firm is independent and licensed to practice in Connecticut.
- The firm's past experience and performance on comparable government audits.
- The qualifications of the firm's professional personnel to be assigned to this audit.
- Experience with the preparation of federal and state financial reports.
- Experience with the calculation of indirect costs and overhead as required by the NHCOCG's contract with the Ct. Department of Transportation.

- Audit approach.
- Cost, however cost will not be the primary factor in selection.
- References and/or results of interview.
- Firms must comply with EEO/CHRO.

### **Right to Reject Proposals**

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically stated in the proposal submitted and confirmed in the contract between the NHCOCG and the firm selected.

The NHCOCG reserves the right:

- to reject without prejudice any or all proposals for any reason.
- to negotiate changes to proposal terms; and
- to waive minor inconsistencies between this request for proposals and the proposals submitted.

### **Questions**

Questions regarding this RFP shall be submitted **only by email** to [rphillips@northwesthillscog.org](mailto:rphillips@northwesthillscog.org). Questions and answers will be provided in addendum form to all interested parties who wish to respond by contacting NHCOCG via the email provided above.

### **Submission Deadline**

Qualified firms should submit their proposal in digital form to Robert A Phillips, AICP, Executive Director at [rphillips@northwesthillscog.org](mailto:rphillips@northwesthillscog.org) **The deadline for submission is by 4PM on Wednesday, October, 9<sup>th</sup>, 2024**

### **Review of Responses**

All bids shall be reviewed at 9AM on October 10th. All bids received prior to the deadline shall be held by the NHCOCG and shall remain unopened until the time and date set forth herein. Bids received after the submission deadline will not be considered.