

SOUTHEASTERN CONNECTICUT COUNCIL OF GOVERNMENTS

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REQUEST FOR PROPOSALS AUDITING SERVICES

The Southeastern Connecticut Council of Governments (SCCOG) is requesting proposals from qualified firms of certified public accountants to audit its general-purpose financial statements for the fiscal year ending June 30, 2017, 2018, and 2019, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years.

BACKGROUND

The Southeastern Connecticut Council of Governments is one of 9 regional planning organizations in Connecticut. Its membership includes the chief elected officials and professional managers of twenty-two municipalities. The southeastern region covers an area of 616 square miles and has a population of more than 286,000. SCCOG functions as the region's Metropolitan Planning Organization (MPO) and as such, receives federal and state funds to coordinate transportation planning throughout the region. Other funding sources include additional federal and state grants, dues from its member towns, and technical assistance contracts with member towns. More detailed information on SCCOG and its finances are contained in the attached FY 2017 Budget, and in the FY 2016 Annual Audit and 2016 Annual Report which may be found online at www.seccog.org (under Annual Reports/Audits).

SCOPE OF WORK TO BE PERFORMED

The document to be submitted shall be an audit of the general-purpose financial statements of the SCCOG and shall include the following information subjected to the auditing procedures applied in the audit: schedule of expenditures of federal awards; and schedule of expenditures of state awards. The audit is to be performed in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Government Accounting Standards Board Statement No. 34; the Federal Single Audit Act Amendments of 1996; the State of Connecticut Single Audit Act; and the provisions of OMB Circular A-133.

The auditor shall state that primary objective of the audit is to express an opinion as to whether the general-purpose financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional information referred to above when considered in relation to the general purpose financial statements taken as a whole.

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Objectives shall also include: reporting on internal control related to the financial statements and compliance with laws, regulations, and the provision of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*; reporting on internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Federal Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the *State of Connecticut Single Audit Act* (if required), and the Government Accounting Standards Board Statement No. 34.

The reports on internal control and compliance shall each include a statement that the report is intended for the information and use of management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities.

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

SCCOG RESPONSIBILITIES

The auditor's principal contact with SCCOG will be its Executive Director, who will coordinate the assistance to be provided to the auditor. SCCOG will make all financial records and related information available to the auditor. As required by OMB Circular A-133 and the State Single Audit Act, it will be the SCCOG 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.

AUDITOR RESPONSIBILITIES AND SERVICES REQUIRED

The first audit shall begin sometime after July 1, 2017 and shall be completed and all reports available no later than November 30, 2017. At the conclusion of the audit, the auditor shall have prepared for SCCOG the reporting package (including financial statements, schedule of expenditures of federal awards, summary of schedule of prior audit findings, auditor's reports, and a corrective action plan) along with the Data Collection Form (if required) to the designated federal clearinghouse and, if appropriate to pass through entities and other federal and state grantor agencies as required. At the conclusion of the audit, the auditor shall notify SCCOG as to where reporting packages should be submitted and shall provide the requisite number of copies for hard copy submission (For FY 2016, one (1) hard copy was required) and transmit the audit on SCCOG's behalf to those agencies requiring electronic submission. In addition, the auditor shall provide 10 copies of the reporting package to the SCCOG and an original, unbound audit for the SCCOG files.

All work papers for the audit shall be retained, at the auditor's expense, for a minimum of three (3) years or for any additional period requested by the federal or state cognizant agency for

SCCOG. The auditor shall be required to make these work papers available upon request to SCCOG or to the federal or state grantor agencies. In addition, the auditor shall respond to reasonable inquiries of successor auditors to review work papers related to matters of continuing accounting significance.

SUBMISSION REQUIREMENTS

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

1. Transmittal letter stating the proposer'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 period covered.
2. Information concerning 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 should be included that the firm is qualified to practice in Connecticut.
3. A list of the most similar engagements performed in the last five years that are similar to the engagement described in this Request for Proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Audits from at least two separate clients performed by the firm should be attached.
4. A work plan, including an explanation of the audit methodology to be followed, to perform the services required in this Request for Proposal.
5. A copy of the firm's most recent external quality control review report.
6. Evidence that the firm complies with the Equal Employment Opportunity Act.
7. A total, all-inclusive maximum price, which contains all direct and indirect costs, including out-of-pocket expenses for the first, second, and third year and for the optional next two years. *Note: SCCOG is not responsible for expenses incurred in preparing a response to the RFP; such costs should not be included in the proposal.*
8. A schedule of fees and expenses upon which the proposed fee is based and a statement that if it should become necessary for SCCOG to request the auditor to render any additional services, the auditor shall agree to a contract addendum to perform such services at these fees.

EVALUATION CRITERIA

The following represents the principal selection criteria, which will be considered during the evaluation of proposals.

1. The audit firm is independent and licensed to practice in Connecticut.
2. The firm's past experience and performance on comparable government engagements.
3. The quality of the firm's professional personnel to be assigned to the engagement.
4. Experience with the preparation of federal and state financial assistance and related reports.
5. Experience with the calculation of indirect costs and overhead rate as required by SCCOG's

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contract with the Connecticut Department of Transportation (called burden, fringe, and overhead rate).

6. Audit approach.

7. Price; however, cost will not be the primary factor in selection of an audit firm.

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 noted in the proposal submitted and confirmed in the contract between the SCCOG and the firm selected.

SCCOG reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the request for proposal.

SUBMISSION DEADLINE

Qualified firms should submit five (5) copies of their proposal to: **James S. Butler, Executive Director, SCCOG, 5 Connecticut Avenue, Norwich, CT 06360 by 4:00 p.m. on Friday, April 21, 2017.**

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