



Certified Public Accountants & Business Consultants



Proposal to Provide
Forensic Analysis
Services to the

CITY OF BRIGHTON, COLORADO

Subject

City of Brighton

Bidding Firm

RubinBrown LLP

Contact Person

Matthew J. Marino, CPA

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RFP #19-027

Original

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

September 13, 2019

Ms. Amber Gibbs
Procurement and Contracts Manager
City of Brighton
500 South 4th Avenue - Fifth Floor
Brighton, Colorado 80601

Dear Amber:

Thank you for the opportunity to present our proposal to provide forensic analysis services to the City of Brighton (the City). We welcome the opportunity to demonstrate the value and benefits RubinBrown can bring to the City.

RubinBrown is one of the nation's leading accounting and consulting firms. We have carefully assembled a team of experienced professionals with significant governmental and forensic analysis expertise to serve you.

We will ensure:

- **A Firm with Extensive Governmental Experience** – Our firm is well versed in providing value to our governmental clients by identifying ways to maximize efficiency and provide insight into any new and emerging risks that impact governmental entities. Matthew Marino, a Partner in RubinBrown's Public Sector Services Group, has over 14 years of experience providing professional services to various public sector entities.
- **A Firm with Extensive Fraud and Forensic Analysis Experience** – Our proposed team has many years of experience, including Matthew Wester, Christina Solomon and Kara Hershberger being Certified Fraud Examiners.
- **Depth of Data Analysis Resources** - Our data analytics team can assist with analyzing large data sets, pattern analysis and analytical support. We have the deep analytical experience needed to provide data-driven insight with an impact.

As detailed in our proposal, we are prepared to provide all services you requested, in such a way that our services are delivered on time, on budget and with value beyond the standard report and required communications. We maintain proactive communications, not only during the engagement, but before and after as well, to ensure all of your needs and concerns are addressed in a timely manner.

I, Matthew J. Marino, am authorized to contractually commit RubinBrown. I have read the relevant provisions of the Brighton Municipal Code relating to the prohibition of certain contracts and conflicts of interest associated therewith, and affirm and attest that the submittal of this proposal does not violate any applicable provisions thereof.

We are flexible in modifying our budget and projected hours, as we gain a better understanding of the detailed scope of testing. If selected to perform the services, we will provide a high level of service and dedication to the City while maintaining objectivity, sensitivity and flexibility. We look forward to serving the City.

Sincerely,

Matthew, J. Marino, CPA
Partner and Vice Chair, Public Sector Services Group
matthew.marino@rubinbrown.com
303.952.1221

B. Project Understanding



Provide your understanding of the project and the key issues involved, including the public process.

Understanding of the Project

We understand that RubinBrown will be performing forensic analysis of the sources and uses of funds related to the Water, Waste Water, and Storm Drainage Utilities (collectively, the "Utilities"). The scope of the engagement begins on January 1, 2008 and ends June 30, 2019. The primary objective is that the outcomes of the forensic analysis independently evaluate the source and uses of funds, by type and Utility, and reconciles the detail transaction information to amounts reported in the City's Comprehensive Annual Financial Report ("CAFR"), General Ledger, and budgets. This analysis, including any variances identified, will help inform the City's business decisions related to areas of concern that have been raised or identified.

Our team will be proactive in addressing the challenges that often accompany this type of forensic analysis engagement, including but not limited to, the following:

- Identifying the various stakeholders and synthesizing the key areas of concerns identified and desired outcomes;
- Establishing clear communication protocols;
- Balancing responsiveness with the need to adequately plan and assess the proper scope of the analysis;
- Assessing the existence and completeness of source and supporting documentation, including access to relevant electronic information;
- Documenting the analysis, findings, and workpapers so that they stand up to scrutiny by third parties;
- Obtaining relevant information from personnel who may be nervous, uncertain, or even non-compliant;
- Assessing new information or concerns that can lead to "scope-creep" and/or unnecessarily extend the analysis;
- Following the City's processes and policies related to public process, including board/committee approvals, required disclosures, and confidentiality considerations;
- Understanding the governance and public process differences and similarities with the Water Activity Enterprise and the City's general fund and operating activities; and
- Tailoring reporting to suit the needs of the stakeholders, including the public.

C. Project Approach



Demonstrate your approach to the proposed project. Include how you will resolve problems.

Forensic Analysis Approach

RubinBrown tailors its approach on forensic engagements to suit the facts and circumstances of each matter, but each project is structured using the following general framework.

Assess	Analyze	Report
<ul style="list-style-type: none"> Identify area(s) of concern and key stakeholders Conduct interviews Evaluate and aggregate information and data provided 	<ul style="list-style-type: none"> Perform data analysis, summarizations, and trend analysis Perform reconciliations, variance analysis, and tracing Perform detailed testing of underlying support, as applicable Identify and remediate obstacles or newly identified issues 	<ul style="list-style-type: none"> Regular communication throughout the engagement Preliminary and final reporting of findings

This framework ensures that the project scope, objectives, and stakeholders are clearly defined at the outset of an engagement. It is flexible enough; however, to adapt to issues or information identified during the course of our work. The Assess - Analyze - Report framework can be static or iterative, each with their own benefits. A static approach can work best when there diverse stakeholders with differing objectives. In this situation, the scope and detailed procedures would be agreed upon in advance and the findings reported. A more iterative approach which allows can stakeholders better control over the scope, scale, and cost of the forensic analysis.

We recommend that this project be performed in phases, as outlined below. Refer to section G, page 15, for additional information regarding the timing and level of effort for each phase.

C. Project Approach

Phase 1: Data and information assessment

During this phase of the engagement, we would seek to understand the data and information that currently exists related to the sources and uses of funds for each Utility.

We expect to request data, on a sample basis, to allow us to assess what level of detail is captured in the City's general ledger and the Utilities' billing system(s). We would also discuss how data may be limited or have changed based on changes to operations, general ledger systems, or billing systems over the scope of the engagement.

In addition to the relevant financial information, we would also collect and review information such as minutes from council meetings, news articles or press releases, and other information.

Assessing the information and data that is, or can be made, available to us, will help ensure that the Study Session during Phase 2 is productive and efficient.

Phase 2: Study Session with City Councilmembers

During this phase of the engagement, we will hold a study session with City Councilmembers. This will allow us to better understand each Councilmembers concerns and desired outcomes. This information will help ensure that the scope, scale, and specific procedures are established and expectations regarding reporting and communication are clearly defined. Following this session, RubinBrown will prepare a statement work for review and any necessary approvals.

Phase 3: Preliminary Analysis and Interim Reporting

In an effort to control the costs of the engagement, we propose analyzing the transaction level or batched information that is retained within the City's general ledger. To the extent, sources and uses of funds can be aggregated by type, we would be able to prepare summary reports and reconciliations to the CAFR and budgets, for each Utility.

This level of analysis may prove to be sufficient, or it may identify that additional transaction-level detail, from the Utilities' billing systems, may need to be analyzed. Regardless, providing interim reporting to the City Council, and other key stakeholders, as appropriate) will help ensure a transparent and candid report on the status of work and preliminary findings.

One challenge we often encounter on forensic projects is extracting relevant and usable information from the client's systems. We have found that having our data analyst experts coordinate with your Information Technology team and/or General Ledger Specialist achieves the best-desired outcomes of extracting the required data sets. We also perform data validations and reconciliations to ensure that the data set we are working with is complete and accurate before any analysis begins.

C. Project Approach

Phase 4: Additional Analysis

We expect that there will be a need for additional analysis at the end of Phase 3. The scope and procedures will be discussed with the City in advance, but may include:

- Follow-up and ad-hoc analysis related to the findings. In this instance, we will not need to create or analyze new data sets, but perform additional queries on the existing ones. We may also need to perform certain interviews with City personnel or review source documents, on a sample basis.
- Collecting and analyzing additional data sets, from the Utilities' billing systems and/or revenues and expenditures details that may otherwise be batched or aggregated in the City's general ledger. To the extent, it is necessary to obtain and analyze this type of detailed information, we expect that this will require a significant investment of hours and could substantially increase the scope and scale of the forensic analysis.

We will provide weekly status updates to provide updates on the progress, challenges, and level of effort to complete this phase of work.

Phase 5: Final Reporting

We will prepare a final report outlining the scope and findings of our work. There will be a separate report for each Utility unless otherwise agreed upon.

We often prepare an executive summary that is suitable for general distribution and a detailed analysis section that contains the specific analysis, reconciliations, and associated findings that certain stakeholders may require.

We will follow the City's instructions regarding the distribution of our report. We are also happy to present our findings at council meetings, in open or closed sessions, as appropriate.

D. Capabilities and Experience



a. Provide specific information regarding your experience and capabilities on similar projects or related services. Focus, to the greatest extent possible, on your past or present experience with projects similar to the scope of this project. Include experience with other past projects for the City of Brighton.

Fraud and Forensic Services Clients

RubinBrown's Business Advisory Services Group has performed forensic analysis services in many industries. Because of confidentiality agreements, we cannot list certain clients. However, below, we have describes the types of services our group has provided to clients similar in size and complexity to the City.

- We performed forensic accounting services for a county government after an official was suspected of misconduct. We reviewed the official's expense reports to assess compliance with policies. We also reviewed check disbursements and department contracts to ensure conformity with County guidelines. We performed data analytics on the entities' purchase card transactions, vendor master file, and purchase card master data to identify potentially duplicate or unauthorized transactions. As part of our work, we distributed an entity-wide survey to employees inquiring about County procurement practices.
- We performed investigations and data analysis of a governmental entity's purchase card transactions after the government identified inappropriate purchase card activity at one of its key departments. We performed interviews of staff, evaluated internal controls and segregation of duties concerns and performed data analysis on all department purchases for a four-year period to identify errors or irregularities.
- A large community college recently requested that we investigate the request for proposal process for a multi-million dollar award. We spoke to multiples individuals across a diverse array of departments in order to create a timeline of the proposal process. We obtained the hard drive of the deciding official and examined it for evidence of possible collusion with the vendor. We also reviewed emails of the deciding official, their supervisor, and a purchasing representative to ensure no collusion was occurring. At the end of the investigation, we provided a report with our findings as well as recommendations to strengthen their internal control environment.
- We have worked on an internal investigation that spanned more than 14 months that required regular communication with management, the company's external audit firm, external legal counsel, and the government. We performed forensic accounting, financial modeling, account reconciliations, complex accounting research, detailed journal entry testing, internal control assessments, and analysis of custodial email accounts across several business units.

D. Capabilities and Experience

- We performed a forensic investigation for a chemical distributor to uncover details and evidence, if available, of alleged "off the book" transactions such as unrecorded sales and vendor kick-backs. Fieldwork performed included the following: review of sales and inventory records pertaining to suspect unrecorded sales; review of vendor contracts and payments; examination of communications involving suspect employees; examination of the hard drives of suspect employees; question preparation and interviews of employees that may have had knowledge of the alleged activities; and a review of key processes such as accounts payable, accounts receivable and petty cash.
- RubinBrown has worked with a government organization, providing electric and water services, to develop a risk assessment that resulted in a 3 - year internal audit plan. We complete 6 - 8 internal audits each year working with a variety of departments - human resources, purchasing, accounting and electric and water operations. We present to the Audit Committee and the full board on a periodic basis.

Data and Analytics Clients

- We assisted a State Public Defender System in developing a time tracking environment and completing a study of public defender workloads. The project included advanced survey design and administration, as well as large data set analysis. In addition, we developed a dashboard of system metrics to inform management of resource utilization and to potentially identify district anomalies. The dashboard was developed using SQL and Microsoft's Power Business Intelligence (Power BI) platform.
- We performed data analysis procedures on a governmental entity's purchasing transactions to identify potential duplicate or inappropriate transactions. Specifically, we summarized payments by the vendor and determined whether payments were properly approved. We identified potential duplicate payments as well as duplicate vendors. Finally, we summarized payments to employees and emergency contacts to identify potential conflicts of interest.
- We partnered with a client to consolidate various databases into a singular data environment in order to complete audit objectives. Specifically, the project included the following:
 - Assessing the existing data environment, technology and software available to the client.
 - Establishing initial connections to selected tables in the client's ERP system.
 - Consolidating the selected data tables into a SQL database.
 - Utilizing Microsoft's Power BI to complete the following audit objectives:
 - Identify duplicate payments.
 - Identify duplicate vendors.
 - Identify payments to employees.
 - Identify matches between the vendor and employee master file.

D. Capabilities and Experience

b. Provide a summary of your firm's local in-house capabilities in all disciplines that may be required for this project.

Business Advisory Services Group

RubinBrown has a dedicated consulting practice that includes team members with public sector services experience. While our practice extends across offices, our business advisory services team is comprised of 60 team members, located in Denver, St. Louis, Kansas City, Las Vegas and Chicago.

RubinBrown's Business Advisory Services team provides solutions-based services in the following areas:

- Business Improvement Services
- Business Reorganization and Financial Restructuring Services
- Cyber Security Advisory Services
- Enterprise Risk Management Services
- **Fraud and Forensics Services**
- Information Technology Risk Services
- Information Technology Services
- Litigation Services
- Mergers and Acquisitions Services
- Risk Services
- Valuation Services

Fraud and Forensic Services

RubinBrown maintains a team of forensic experts who are experienced in performing a wide range of fraud and forensic services. Our financial, operational, and investigative experience helps organizations identify financial irregularities, analyze complex issues, and mitigate losses. Our forensic experts hold specialty forensic credentials, including the CFE and CFF, or have specialty training in using data analytics to identify irregularities.

Our team has experience working with:

- Governmental entities
- Legal counsel
- Boards of directors
- Executive officers
- Audit and finance committees
- Insurance companies
- Individuals
- Business owners
- Not-for-profit organizations
- Financial institutions
- Closely held companies
- Publicly traded companies

D. Capabilities and Experience

Public Sector Experience

RubinBrown is a recognized leader in providing services to public sector organizations. To better serve our clients in this important industry, we established a Public Sector Services Group. Clients served by the firm include municipal governments; cities, counties; local school districts; colleges and universities; public libraries; public housing agencies; political districts and sub-districts; state governments and numerous other state and local public sector entities, including fraud and forensic analysis services. **Currently, RubinBrown serves over 150 public sector clients.**

As a testament to our commitment to quality, RubinBrown is proud to be an original member of the AICPA Governmental Audit Quality Center (GAQC). GAQC is a firm-based voluntary membership Center designed to help CPAs meet the challenges of performing quality audits in the unique and complex public sector industry. The primary purpose of the Center is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. Our participation in such organizations as the Governmental Audit Quality Center helps keep us abreast of issues and trends affecting governmental organizations.

Jeff Winter and Ted Williamson, the Chairman and Vice Chair of RubinBrown's Public Sector Services Group, respectively, are current and past members, respectively, of the AICPA's Private Company Practice Section's (PCPS) Technical Issues Committee (TIC). One of the objectives of TIC is to review proposed governmental accounting standards and provide feedback and suggestions to the Governmental Accounting Standards Board (GASB), with an eye toward the impact these standards will have on government entities such as the Department. Jeff is currently on the GAQC Executive Committee and Ted was the Chair of TIC's Zone 3 Governmental Subcommittee from 2014 – 2016.

Jeff and Ted are also frequent speakers on governmental accounting topics. The firm has provided speakers at the MSCPA's Governmental Accounting Conference and Schools Conference in Columbia in 2013 through 2016, the GFOA's national conference in San Francisco on June 2013, in Minneapolis on May 2014, in Philadelphia on June 2015 in Toronto on June 2016, in Denver on May 2017 and in St. Louis on May 2018. As discussed previously, Ted presented on GASB Statement No. 87 at the GFOA national conference in Los Angeles on May 2019. RubinBrown has also spoken at the GFOA's state conferences in Colorado, Kansas and Missouri.



RubinBrown is a recognized leader in providing services to public sector organizations throughout the country. To better serve our clients in this important industry, we established a Public Sector Services Group. **Clients served by the firm include local school districts, municipal governments, counties, colleges and universities, public libraries, public housing agencies, political districts and sub-districts, state governments and numerous other state and local public sector entities.**

D. Capabilities and Experience

Data Analytics

RubinBrown has invested significant time and resources to training to understand and analyze data as it relates to our clients. This focus has made RubinBrown a leader in performing data analysis.

As data sets grow, processes become more automated. As organizations become reliant on information technology, data becomes of greater and greater importance. It is our belief that this data houses unseen value and information that, when extracted, enables management to better understand its organizations, and identify areas of risk and opportunity.



Data houses unseen value and information that, when extracted, enables management to better understand its organization, and identify areas of risk and opportunity.

We take the time to learn the City's data environment and document the flow of data. In this manner, your engagement team not only understands the data but to understand the organization behind the data. The development of a data-driven analytics environment typically includes the following phases.

Discover

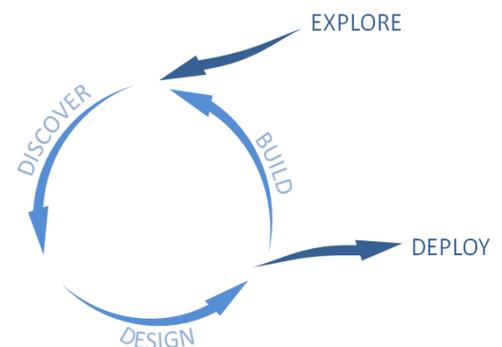
- Assess the existing data and analytics environment, including technology and software already available to the City.
- Define actionable steps to build or leverage the existing data and analytics environment to accomplish the forensic analysis objectives.

Design and Build

- Identify solutions and tools to tackle the objectives identified through the discovery phase.
- Develop prototype designs into preliminary products or solutions (i.e., scripts, methods, analysis, etc.).

Deploy

- Synthesize all insight gained from the discovery, design and build phases into a functioning data and analytics environment.
- Ensure the final deployment achieves the forensic analysis objectives while also increasing the efficiency and effectiveness of the forensic analysis process.



Our methodology and approach to data analysis allow you to start small, with discrete data analytics. When working with our fraud and forensics team, you will already receive ad-hoc and planned analytics in the execution of the forensic analysis plan. However, some organizations make the decision to leverage data analysis more strategically.

We can help you think bigger with analytics and leverage our tools into a sustainable, automated data analysis program that supplements or enhances current management control, forensic analysis and reporting functions.

D. Capabilities and Experience

c. Provide resumes for key personnel working on the project. The City desires to work with one point of contact within the firm or company.

Engagement Team

Our team of professionals possesses the knowledge and expertise to meet your needs. Building a strong relationship and promoting a sense of partnering with your team is essential to the success of this relationship. We will work closely with you to understand what is important to you. Full biographies of your proposed engagement team are included as Appendix A to this proposal. In addition, the total talent, depth and resources of our firm support your client service team throughout the year.



Matthew J. Marino, CPA
Engagement Partner

***B.S., Business Administration, Emphasis in Accounting,
University of Colorado at Colorado Springs***

Matt M. will serve as the engagement partner with overall responsibility for all services provided to the City. **He will be your primary point of contact for all services.**

Matt M. is a Vice Chair in RubinBrown's Public Sector and Assurance Services Groups. His diverse experience serves as an asset to the clients he serves, while also providing relevant industry expertise. In addition to serving clients in assurance services, he has provided consulting services to clients in numerous industries in areas such as forecasting, budgeting, financial analysis and process improvement.



Matthew Wester, CPA, CFE, CFF
Advisory Partner

B.S., Accounting, Marquette University
M.B.A., Colorado State University

RubinBrown believes in a team approach to serving our clients. As such, Matt W. will be responsible for advising, researching and counseling on technical and emerging issues that impact the City.

Matt W. is a Partner in RubinBrown's Business Advisory Services Group. His primary areas of concentration include the calculation of economic damages in commercial business disputes and fraud and forensic accounting investigations.

As a Certified Fraud Examiner, he has been retained by private and public companies to investigate cases involving the misappropriation and tracing of assets, financial statement fraud, white-collar crime, violations of the Foreign Corrupt Practices Act and other business as well as employee fraud schemes.

D. Capabilities and Experience



**Max Haberkorn, CPA
Engagement Manager**

B.A., Business Administration - Accounting, University of Notre Dame

M.A., Accounting, University of Denver

Max will serve your engagement manager. In conjunction with Matt M., Max will be responsible for all planning and directing of the analysis efforts, the development of the approach, and reviewing all phases of the engagement. Max will also maintain close contact with the City's management by keeping them advised on the status of the engagement.

Max is a Manager in RubinBrown's Assurance Group. He has over five years of professional accounting experience. Max works with clients in various industries including, but not limited to public sector entities, not-for-profit organizations, and manufacturing and distribution.



**Christina M. Solomon, CPA, CFE, CFF, CGMA
Subject Matter Expert**

B.S., Accounting, University of Missouri - Columbia

Christina will serve as a subject matter expert. She will be available for additional advice and consultation on technical matters.

Christina is a Partner in RubinBrown's Business Advisory Services Group, with over 20 years of experience. As a financial forensics expert, she performs forensic accounting analysis and fraud investigations. She has provided financial consultation to businesses in a variety of industries, including the public sector, manufacturing and distribution, professional service firms, healthcare, environmental and not-for-profit organizations.

D. Capabilities and Experience



Kara Hershberger, CPA, CIA, CISA, CFE
Subject Matter Expert

B.S., Accounting, Illinois State University

MAcc, University of Missouri - St. Louis

Kara will serve as a subject matter expert. She will be available for additional advice and consultation on technical matters.

Kara is a Manager in RubinBrown's Business Advisory Services Group with a focus on risk and IT risk services. Kara has over 14 years of internal audit experience performing controls reviews, forensic analysis and operational and financial audits. She has also provided data analysis services to tax, audit and risk services clients. Additionally, she is part of the firm's quality assessment evaluation team, which provides independent validations of client's internal audit quality assurance and improvement programs.



Jimmy Young, CPA, CFE
Subject Matter Expert

B.A., Accounting, Rockhurst University

M.B.A., Accounting Focus, Rockhurst University

Jimmy will serve as a subject matter expert. He will be available for additional advice and consultation on technical matters.

Jimmy is a Manager in RubinBrown's Assurance Group with a focus on data analytics. His client base covers a wide range of industries with a specialization in manufacturing and distribution. Jimmy provides services such as statistical analysis, financial modeling and forecasting, business analytics, and large data set analysis and visualizations. Jimmy is part of the methodology team for the AICPA, tasked with designing features for the new Dynamic Audit Solution tool, which is an initiative to improve the audit profession through the use of data analytics strategies.

E. References



Provide at least five (5) client references, newest to oldest, (including contact person and phone number) for projects that are similar to the proposed project and best demonstrate your ability to complete the proposed project successfully.

We encourage you to contact the references below who can discuss the quality of our services and our expertise serving similar clients.

METROPOLITAN COMMUNITY COLLEGE OF KANSAS CITY

Sandra Garcia, Chief Legal Officer

Phone: 816.604.1588

CITY OF SPRINGFIELD, MO

David Hotlmann, Director of Finance

Phone: 417.864.1632

CITY OF LEE'S SUMMIT, MO

Bette Wordelman, Director of Finance

Phone: 816.969.1101

COLORADO STATE UNIVERSITY-PUEBLO

Dan Ryan, Executive Director/University Controller

Phone: 970.491.6694

CITY OF INDEPENDENCE, MO

Bryan Kidney, Director of Finance and Administration

Phone: 816.325.7000

F. Fee Schedule



The fee schedule is part of this proposal and shall be submitted with the RFP documents. The schedule shall contain a per hour charge for all work as required. The per-hour charge shall include all on-site meetings, report preparation, copies, travel time, photographs, schedule reporting, final inspections, occupancy coordination, etc.

Estimated Fees

We recognize your desire for professional service providers who are not only highly qualified but who are also cost-conscious about the work they perform. We are mindful that cost is always a consideration in selecting a professional services firm. We developed our fee estimates based on our current understanding of the services required and our strong desire to develop a long-term relationship with the City.

If you have any questions or concerns about our estimates, we would appreciate the opportunity to discuss our estimates with you to provide further clarity about the value behind the numbers.

Fees will be billed at the following discounted rates:

PROFESSIONAL LEVEL	HOURLY RATE*
Partner	\$325
Manager	\$200
Staff	\$160

*We anticipate a blended hourly rate of \$200 - \$225.

Billing Practices

Our billing philosophy is based on a simple premise – **No Surprises.**

We believe that strong client relationships require open and effective lines of communication. We never want our clients to feel hesitant about calling us because they are concerned about “the clock ticking.” An effective relationship also requires an attitude of fairness and a spirit of “give and take.” Accordingly, RubinBrown views routine telephone calls and short meetings to be part of our fee arrangement.

For this purpose, we define “routine telephone calls and short meetings” as those that do not require extensive additional research or follow-up time. We work diligently to structure our work in the most cost-effective manner possible.

G. Project Completion



The Proposal shall contain a Gantt chart or similar type chart showing the progression of services, number of hours, and dates for completion.

Proposed Project Timeline

We will develop a formal project schedule with the City as part of the project start-up activities, updating and modifying the plans as needed. The following timeline is proposed as a starting point for discussions with the City:

PHASE DESCRIPTION	TIMING	HOURS ESTIMATE
Phase 1: Data and Information Assessment	Weeks 1 & 2	20 – 35
Phase 2: Study Session with City Councilmembers	Week 3	25 – 35
Phase 3: Preliminary Analysis and Interim Reporting (1)	Weeks 4-6	80 – 100
Phase 4: Additional Analysis (2)	Weeks 7-9	35 - 200
Phase 5: Final Reporting	Week 10-12	40 - 80
Total	-	200 - 450

- (1) Timing may vary based on the time needed to extract the General Ledger Detail
- (2) Timing and hours are significantly impacted based on potential scope and extent of data extraction required

The engagement will be billed hourly and we will work closely with the City to keep them apprised of the hours and fees incurred. The scope's level of effort will be formalized in a statement of work following the completion of phase 2.

Our team is prepared to begin work, as soon as practical, upon award of the engagement.

H. Certification of Compliance



The Proposal shall contain a completed, notarized Certification of Compliance document. A blank Certification of Compliance document is located at the end of the RFP.

Please see Appendix B for our completed and notarized Certification of Compliance.

I. Certificate of Good Standing from the State of Colorado



The Proposal shall contain a current Certificate of Good Standing from the State of Colorado.

Please see Appendix C for our current Certificate of Good Standing from the State of Colorado.

J. Previous Affiliation with the City



Provide a detailed list of known affiliations with the City, including any work completed for the City as a whole, its Officers, Elected Officials or Senior Management. Be specific and include dates as well as project descriptions.

Independence

RubinBrown has not had any professional relationships involving the City, any of its agencies, component units or primary government. In addition, RubinBrown shall give the City written notice of any professional relationships entered into during the period of this agreement, if any.

Furthermore, we hereby affirm that RubinBrown is independent of the City, as defined by the AICPA under generally accepted auditing standards and the provisions of *Government Auditing Standards* promulgated by the Government Accountability Office.

Appendix A



Team Member Biographies

Matthew J. Marino, CPA

PARTNER

matthew.marino@rubinbrown.com | 303.952.1221



Matthew Marino is a Partner in RubinBrown's Assurance Services Group. His diverse experience serves as an asset to the clients he serves, while also providing relevant industry expertise. In addition to serving clients in assurance services, he has provided consulting services to clients in numerous industries in areas such as; forecasting, budgeting, financial analysis and process improvement.

Matthew also has several years of experience in tax return preparation for individuals, partnerships, s-corporations, corporations and not-for-profit organizations.

Specific Experience / Expertise

- For profit entities
- Manufacturing and distribution
 - Food and beverage
- Public sector entities, including:
 - Municipalities
 - Counties
 - School districts
 - Special districts
 - Colorado Office of the State Auditor Engagements
- Not-for-profit organizations
- Colleges and universities
- Uniform Guidance single audits
- Condominium and homeowners associations
- Employee benefit plans

Education

- Bachelor of Science, Business Administration, emphasis in Accounting, University of Colorado at Colorado Springs (UCCS)

Professional Organizations

- Colorado Chamber of Commerce
- Colorado Advanced Manufacturing Association
- Member, American Institute of Certified Public Accountants
- Member, Colorado Society of Certified Public Accountants
- Member, Colorado Government Finance Officers Association

Speaking Engagements

- Colorado Government Finance Officers Association Continuing Education
- Colorado Special Districts Association Conference
- Colorado Association of School Business Officials Conference
- RubinBrown Public Sector Conference
- Regional conferences

Community Involvement

- Accounting and Finance Advisory Board Member UCCS College of Business

Matthew Wester, CPA, CFE, CFF

PARTNER

matt.wester@rubinbrown.com | 303.952.1277



Matthew Wester is a Partner in RubinBrown's Business Advisory Services Group. He has over 20 years of varied experience in accounting and litigation consulting services and provides assistance to counsel and business management on a variety of legal disputes. His primary areas of concentration are the calculation of economic damages in commercial business disputes and fraud and forensic accounting investigations. Matthew's background also includes computer modeling, trial graphics, bankruptcy, solvency, business valuation and out-of-court debt restructurings.

In the area of economic damages, Matthew has served as a testifying expert and assisted counsel with services ranging from pre-litigation damage assessments to mediation, arbitration and trial proceedings. He has also been a speaker for two economic damage courses approved for continuing legal education in Colorado and other states.

Matthew is a Certified Fraud Examiner and has extensive experience in fraud and forensic accounting investigations. He has been retained by individuals, closely-held companies, public companies, and law enforcement authorities to investigate cases including the misappropriation and tracing of assets, financial statement fraud, white-collar crime, violations of the Foreign Corrupt Practices Act, and other business and employee fraud schemes.

Matthew also has experience in the area of computer forensics, including data recovery, data conversion, data mining and database models. Matthew has been interviewed by accounting magazines on the topic of forensic accounting and is a frequent guest speaker on workplace fraud.

Education

- Master of Business Administration, Colorado State University
- B.S. Accounting, Marquette University (Milwaukee, WI)

Credentials & Professional Affiliations

- Certified Public Accountant (CPA): Colorado
- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF)
- American Institute of Certified Public Accountants (AICPA)
- Colorado Society of Certified Public Accountants (CSCPA)
- Association of Certified Fraud Examiners (ACFE)
- Beta Gamma Sigma

Publications & Speeches

- RubinBrown LLP, Denver Workplace Fraud Update (2018)
 - Rocky Mountain Paralegal Association, Family Law Section, Business Valuation Basics (2014)
 - National Association of College & University Business Officers, Designing a Proactive Financial Aid Fraud Prevention Plan (2014)
 - Denver Business Journal Online, Strategies: How to detect and prevent workplace fraud (Nov 2013)
 - Colorado Society of Certified Public Accountants 2012 Governmental Conference, Identifying and Preventing Fraud in the Workplace (2012)
 - Association of News Media Internal Auditors, Tying Fraud, Investigations, and the Litigation Process Together (2012)
- The Colorado Bar Association & CBA Business Law Section, How to Avoid Post-Closing Disputes in M&A Transactions: An Accountant's Perspective (2010)

Max Haberkorn, CPA

MANAGER

max.haberkorn@rubinbrown.com | 303.952.1262



Max Haberkorn is a Manager in RubinBrown's Assurance Group. He has over five years of professional accounting experience. Max works with clients in various industries including, but not limited to: public sector entities, not-for-profit organizations, and manufacturing and distribution.

Specific Experience / Expertise

- Risk-based audit services
- Federal compliance audits
- OMB Uniform Guidance compliance audits and related internal control assessments
- Audits of public sector entities, including:
 - Counties
 - Cities
 - School districts
 - Special districts
- Not-for-profit organizations
- Manufacturing and distribution

Education

- M.A., Accounting, University of Denver
- B.A., Business Administration – Accounting, University of Notre Dame

Professional Organizations

- Member, American Institute of Certified Public Accountants
- Member, Colorado Society of Certified Public Accountants
- Associate Member, Colorado Government Finance Officers Association

Community Involvement

- Volunteer, Food Bank of the Rockies
- Volunteer, Family Tree
- Volunteer, Samaritan House of Denver
- Volunteer, Mental Health Center of Denver
- Volunteer, Vintage Theatre

Christina M. Solomon, CPA, CFE, CFF, CGMA

PARTNER

christina.solomon@rubinbrown.com | 314.290.3497



Christina Solomon is a Partner in RubinBrown's Business Advisory Services Group. As a financial forensics expert, she performs forensic accounting analysis and fraud investigations. She has provided financial consultation to businesses in a variety of industries, including manufacturing and distribution, professional service firms, healthcare, environmental and not-for-profit organizations.

Christina's consulting services include developing financial analyses, quantifying damages, writing reports and providing deposition and trial testimonies. In addition, she has internal audit, financial modeling and data analysis experience.

Specific Experience / Expertise

- Damage calculations
- Forensic accounting
- Fraud investigations
- Internal auditing
- Internal controls
- Data analysis
- Expert witness testimony
- Financial modeling

Education

- B.S., Accounting, University of Missouri – Columbia

Professional Organizations

- Member, American Institute of Certified Public Accountants
- Member, Missouri Society of Certified Public Accountants
- Member, Association of Certified Fraud Examiners
- Member, Institute of Internal Auditors

Professional Accomplishments, Awards & Publications

- Recipient, RubinBrown Community Service Award (2011)

Community Involvement

- Former Board Member, Shearwater Education Foundation
- Former Adjunct Instructor, St. Louis Community College

Kara Hershberger, CPA, CIA, CISA, CFE

MANAGER

kara.clement-bayard@rubinbrown.com | 314.678.3512



Kara Hershberger is a Manager in RubinBrown's Business Advisory Services Group with a focus on risk and IT risk services. She is responsible for leading internal audit, Sarbanes-Oxley and consulting engagements. Her client base covers a wide range of industries, with specializations within the public sector, manufacturing and distribution, commercial and tribal gaming.

Kara has over 14 years of internal audit experience performing controls reviews, operational and financial audits. During her time with RubinBrown, Kara has performed IT risk audits in addition to performing internal audits. She has also provided data analysis services to tax, audit and risk services clients. Additionally, she is part of the firm's quality assessment evaluation team, which provides independent validations of client's internal audit quality assurance and improvement programs.

Before joining the RubinBrown team, Kara worked at the St. Louis District, Army Corps of Engineers as the Chief of Internal Review where she performed internal audits and reviews of internal controls. Prior to working for the Corps, she worked for the Army Audit Agency, the internal audit department of the Army as an Auditor-in-Charge and Staff Auditor.

Specific Experience / Expertise

- Operational reviews and risk services for Public Sector
- Performance audits
- Internal control risk assessments
- Certified SOX expert
- IT risk services and data analysis

Education

- B.S., Accounting, Illinois State University
- MAcc, University of Missouri – St. Louis

Community Service

- Volunteer Money Manager, Lutheran Senior Services

Professional Organizations

- Member, Institute of Internal Auditors
- Chair Elect, Professional Outreach Taskforce, Missouri Society of Certified Public Accountants, St. Louis Chapter
- Member, American Institute of Certified Public Accountants
- Member, Information Systems Audit and Control Association
- Member, Association of Certified Fraud Examiners

Jimmy Young, CPA, CFE

MANAGER

jimmy.young@rubinbrown.com | 314.290.3231



Jimmy Young is a Manager in RubinBrown's Assurance Group with a focus on data analytics. His client base covers a wide range of industries with a specialization in manufacturing and distribution. Jimmy provides services such as statistical analysis, financial modeling and forecasting, business analytics, and large data set analysis and visualizations. Jimmy has been at RubinBrown since 2013.

Specific Experience / Expertise

- Benefit plan audits
- Operational audits
- Business performance analysis
- Data analytics
- Data visualization
- Due diligence engagements
- Fraud and forensics
- SEC Registrations and filings

Education

- M.B.A., Accounting Focus, Rockhurst University
- B.A., Accounting, Rockhurst University

Professional Organizations

- Member, American Institute of Certified Public Accountants
- Member, Association of Certified Fraud Examiners
- Member, Missouri Society of Certified Public Accountants

Appendix B



Certification of Compliance

**CERTIFICATION OF COMPLIANCE RE:
COMPLIANCE WITH IMMIGRATION LAWS**

The undersigned, for and on behalf of the Professional, does hereby certify:

- X 1. The undersigned is familiar with the employment practices of the Professional.
- X 2. The Professional does not and will not knowingly employ or contract with unauthorized workers or aliens.

RubinBrown LLP

Company Name

Matthew, J. Marino, Partner

By: Name: Title:

September 11, 2019

Date

ATTEST:



SEAL

Secretary/Treasurer

STATE OF COLORADO)
)§
COUNTY OF _____)

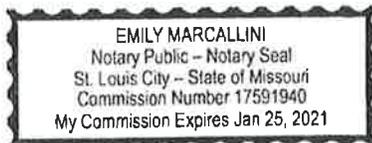
Subscribed and sworn to before me this 11 day of September , 20 19 ,
by Matthew, J. Marino (name), the Partner (title),
of RubinBrown LLP , Professional.

My commission expires: 1/25/21

SEAL



Notary Public



Appendix C



Certification of Good Standing from the State of Colorado

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that,
according to the records of this office,

RubinBrown LLP

is an entity formed or registered under the law of MISSOURI , has complied with all
applicable requirements of this office, and is in good standing with this office. This entity has
been assigned entity identification number 20051178089 .

This certificate reflects facts established or disclosed by documents delivered to this office on
paper through 09/04/2019 that have been posted, and by documents delivered to this office
electronically through 09/06/2019 @ 13:41:48 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this
official certificate at Denver, Colorado on 09/06/2019 @ 13:41:48 in accordance with applicable law.
This certificate is assigned Confirmation Number 11786365 .



Jena Griswold

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

Appendix D



Addendum #1

ADDENDUM #1
Forensic Audit or Analysis
RFP#19-027
August 26, 2019

RECEIPT OF THIS ADDENDUM MUST BE ACKNOWLEDGED IN THE SPACE PROVIDED ON THE PROPOSAL SIGNATURE PAGE AND MUST BE SUBMITTED WITH THE RFP. THIS ADDENDUM CONSISTS OF FOUR (4) PAGE.

TO: All Prospective Firms and All Others Concerned:

The following shall add to, modify, and/or delete portions of the specifications for the project noted above.

This addendum becomes part of the Contract Documents. All other conditions and requirements of the specifications will remain unchanged.

The specifications shall be modified as follows:

QUESTIONS & ANSWERS: Answers all questions received before the final Q&A deadline of August 21, 2019

Q1. What type of format (i.e. hard copy or soft copy) is the supporting documentation for the areas to be examined available in?

A1. Both hard and soft copy.

Q2. If available documents are not in a digital format (i.e. soft copy), will city staff be able to scan and produce electronically at the vendor's request?

A2. No, if records exist only in hard copy, it is unlikely staff will be available to produce electronically.

Q3. Are there separate bank accounts for Water, Waste Water and Storm Drainage Utility?

A3. No.

Q4. How many bank accounts will be subject to the forensic analysis?

A4. One.

Q5. Will city accounting employees be made available for discussions on the accounting procedures for Water, Waste Water and Storm Drainage Utility?

A5. Yes.

Q6. Sec. 13, p. 6 of 11 What is the anticipated start date of forensic review?

A6. It is anticipated the contract will be awarded prior to the end of the year.

Q7. Sec. 13, p. 6 of 11 How soon would the City for the review to be finished? What's the end date?

A7. Staff would like to conclude this process by 2nd quarter 2020, however, timing of completion will depend on the final scope of work as established by City Council and the firm selected.

Q8. Sec. 14.F, p. 7 of 11 "The proposals shall be submitted on all tasks and on individual tasks." – For the individual tasks, what's the level of effort? How many transactions/line items per individual tasks: A, B, D, E, and F?

A8. Section 14.F will not apply to this engagement, please disregard.

Q9. Sec. 14.D.c, p. 7 of 11 "The Project Manager shall have the responsibility for construction inspection, meeting attendance, as well as other requirements as set forth in the RFP." – Please clarify level of experience, number and type of construction site inspections involved in the forensic analysis.

A9. Section 14.D will not apply to this engagement, please disregard.

Q10. Sec. 15.A, D, & H, p. 8 of 11 Per Sec. 15.A, does proof of current insurance need to be included in the response? Per Sec. 15.D, the insurance needs to references/cover this Agreement with the City of Brighton and per Sec. 15.H, the City of Brighton needs to be named as Additional Insured party entitled to coverage.

A10. It is not necessary to provide proof of insurance in the response to the RFP. Proof of insurance will be required at the time of award and should note the award/agreement with Brighton named as an Additional Insured party.

Q11. Has the City established a budget or not to exceed limit for this RFP?

A11. No.

Q12. In Section 4.E of the RFP, the RFP indicates that the quote must be firm for 90 days, but 120 days is also listed. Which is correct?

A12. 120 is the correct number of days.

Q13. In Section 13.C, G, and H, the RFP indicates that the provider prepare 3 reports (one for each Utility) for each of the 3 major scope categories (fund source, fund usage and budget vs. actual) for a total of 9 reports. For efficiency and clarity, may the provider issue just 3 reports total (one for each Utility) that addresses the 3 major scope categories?

A13. Yes.

Q14. Has the City performed a fraud risk assessment in the past? If so, will that assessment be available for review?

A14. No.

Q15. Is the City's historical data for the identified time periods in electronic form or hard copies?

A15. Both electronic and hard copies.

Q16. What ERP system does the City used? Did the ERP system change during the identified time periods?

A16. Innoprise currently. Yes, Caselle was used previously for the general ledger and for Utility Billing. Tree was used for Community Development/Building Permits.

Q17. How many accounting systems does the City of Brighton use to record and process the receipt and disbursement transactions subject to the RFP and what are the accounting systems?

A17. Currently one system with multiple modules, Innoprise. See response to question A16 for systems used in the past.

Q18. How readily available is the accounting data (e.g., earlier years archived on-/off-site)?

A18. A combination of on-site, electronic and off-site.

Q19. The RFP is silent regarding the City of Brighton's desired level of comfort that transactions are recorded, processed, and reported in the financial statements (e.g., sampling to achieve low desired comfort, sampling to achieve high desired comfort). Because this will directly impact the level of analysis required, what level of comfort does the City of Brighton require from the analysis?

A19. This will need to be determined in the professional opinion of the firm selected which will be influenced by the firm's interview with City Council to develop the final scope of work.

Q20. How readily available are the underlying receipt and disbursement documents for the periods subject to the forensic audit?

A20. Many records are electronic, some are hard copy on-site and others are hard copy off-site.

Q21. Broadly speaking, what is the typical volume of monthly receipts and disbursements for each of the three utilities?

A21. In 2008, there were over 9,300 customers billed once per month, at the end of 2018, there were over 11,000 customers, also billed once per month. Development fees (plant investment fees) are collected at the time a permit is issued for a new building or home in the City, growth was slow during the last recession and for several years after. Growth has picked up in the last 2 years. Please see the following for copies of the City's annual CAFR's for the years 2008 to 2018 to get perspective on spending by year in the utility funds.

<https://www.brightonco.gov/245/Financial-Reports>

Q22. Why does the City of Brighton need me to have that much coverage on my automobile policy?

A22. Auto coverage isn't necessary for the COI related to this project.

END OF ADDENDUM #1

All questions regarding this project and this addendum shall be forwarded Estella Gallegos, Procurement and Contracts Manager, at agibbs@brightonco.gov .