

CRI

Helping You Shine
by Illuminating Solutions



RFP #19-027 – Forensic Audit or Analysis

professional services

PROPOSAL FOR

City of Brighton, Colorado

September 9, 2019

PROPOSER

Carr, Riggs & Ingram, LLC
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110
(505) 883-2727

SUBMITTED BY

Glenn Gillyard
Engagement Partner
ggillyard@cricpa.com



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com

AJ Bowers
Quality Control Partner
abowers@cricpa.com



TAB A: LETTER OF INTEREST.....	1
TAB B: PROJECT UNDERSTANDING	2
TAB C: PROJECT APPROACH.....	3
TAB D: CAPABILITIES AND EXPERIENCE	5
TAB E: REFERENCES	15
TAB F: FEE SCHEDULE	16
TAB G: PROJECT COMPLETION	18
TAB H: CERTIFICATION OF COMPLIANCE	19
TAB I: CERTIFICATE OF GOOD STANDING FROM THE STATE OF COLORADO.....	20
TAB J: PREVIOUS AFFILIATION WITH THE CITY.....	21
TAB K: ADDENDUM #1	22



Dear Evaluation Committee,

Carr, Riggs & Ingram, LLC ("CRI") appreciates the opportunity to propose on the forensic audit or analysis for the City of Brighton, Colorado ("the City"). We understand that the forensic audit or analysis covers the City's three Utility funds for years 2008 through 2018 as well as January through June 2019. The City has also outlined certain required procedures, which we understand will be finalized after interviews with the City Council. We are genuinely excited about the prospect of serving you and establishing a long-term relationship. We pride ourselves on getting to know our clients and illuminating solutions by providing innovative ideas to assist in identifying fraud risks, detecting fraudulent activities and preventing fraudulent activities while promoting transparency in the process.

We are committed to providing the requested scope of forensic audit or analysis services in a proactive, accurate, fair, professional and timely manner for the City. Outlined below are several major points, which we believe demonstrate that we are the most qualified group of professionals with the desire and ability to serve the City in meeting its objectives. The advantages to you are:

- **CRI has a superior team of professionals with extensive forensic, fraud risk assessment and governmental experience to commit to this engagement.** The engagement team has extensive experience in forensic investigations and fraud risk assessments including cases of contract compliance, employee maleficence and fraud. Members of the team have testified before federal, state and county courts and before grand juries. CRI also currently audits a significant number of cities and towns throughout the United States.
- **CRI will also bring a fresh perspective to the City.** Our extensive experience in performing a variety of fraud risk assessments, fraud investigations and internal audits for similar governments and organizations will enable us to bring fresh insights and innovative methods to help the City identify and quantify any abnormal or irregular financial or non-financial activities as well as the applicable fraud risks and vulnerabilities.
- **CRI will consider the City to be a significant client.** The City will therefore command the attention of the partners of our firm, including partner involvement in planning, review and supervision. **We assure you that you will receive the highest level of service.**

Glenn Gillyard is authorized to make representations, enter into negotiations for the firm and bind the firm to this proposal. His title, address, telephone number and e-mail address is included below. We 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 have also received Addendum #1 of the RFP #19-027, Forensic Audit or Analysis.

We are convinced that after you review our proposal, you will find that we have the experience, personnel and resources necessary to provide a superior level of service to the City that cannot be matched by any other firm. This proposal is a firm and irrevocable offer for 120 days.

Sincerely,

Glenn Gillyard, CPA, CFF, CFE

Partner

Carr, Riggs & Ingram, LLC

500 Grand Boulevard, Suite 210

Miramar Beach, FL 32550

(850) 837-3141

ggillyard@cricpa.com

**UNDERSTANDING OF THE FORENSIC AUDIT OR ANALYSIS**

CRI understands that the City has various concerns regarding the City's Water, Waste Water and Storm Drainage funds ("Utility funds"). These concerns began to arise due to the large unrestricted net positions in the Utility funds as well as various budgetary amendments to the Utility funds.

The scope of services will cover January 2008 through June 2019 for each of the Utility funds. Based upon our understanding of the scope of work listed in the RFP, the engagement will include analyses of the fund sources and the fund usage for each Utility fund. The analyses will also include confirmation of the financial statement balances reported in the City's Comprehensive Annual Financial Report during the review period as well as confirmation that the activities ties to the City's general ledger reports for January through June 2019. The fund usage will further be analyzed for appropriate authorizations. We will also provide analyses of the budget versus actual amounts for each Utility fund during the review period.

This scope of services will be finalized after interviews with the City Council, which will allow us to understand each council member's concerns regarding the Utility funds. Questions posed by the council members as well as the underlying concerns regarding the Utility funds will be addressed in written reports for each Utility fund. These written reports will be detailed reports to help promote transparency in the City and to the public. CRI will also present these written reports and, if applicable, findings to the City Council upon completion of the work.



OVERALL APPROACH

We are proud of our hands-on, service-centric and results-oriented approach. Combining that approach with quality controls and superior talent allows us to help you achieve your goals and strengthen your management systems and processes. This approach is further emphasized through our three core values which guide our team's behavior and function as the foundation for interactions with our clients and each other.



While every forensic engagement is unique and requires a tailored plan, CRI's general approach, firm methodology, adherence to quality and segmentation of the engagement does not change.

GENERAL APPROACH

Our general approach is risk-based, specifically tailoring our procedures to the engagement's unique circumstances. We design the nature, timing and extent of our procedures based on a comprehensive planning process that includes evaluation of internal control and known risks, inquiries with client personnel, and internal strategy sessions. We involve partner and manager-level personnel in all phases of our engagement and use our experience, technology and experienced staff to execute an effective and efficient work plan.

FIRM METHODOLOGY

Our work product will be documented in our engagement management software, which provides effective and efficient documentation of our engagement and allows our team to work together, securely, in real-time. Virtually all of our documentation and copies of any evidence is maintained electronically. Our audit, tax, consulting and client accounting services documentation is maintained electronically for seven years.



All of our offices are connected through a wide-area network. This network in connection with our paperless documentation system and collaborative communication systems allows our professionals to prepare and review workpapers whether on site or in the office.

ADHERENCE TO QUALITY

Compliance with our methodology is regularly reviewed and evaluated as part of our internal quality program. Comprehensive policies and procedures governing all of our practices and addressing professional and regulatory standards and implementation issues are constantly updated for new professional developments and emerging issues.

As part of our quality control, all engagement workpapers will be reviewed and signed off by at least two (2) members of our engagement management team (Partner and/or Manager), and our work products will be subjected to a three (3) person review process.

ENGAGEMENT QUALITY REVIEW PARTNER (CONCURRING PARTNER)

Each engagement has an assigned engagement quality review (EQR) partner with the appropriate experience and training. This role is one of the most important elements of our quality assurance process, as it provides for a timely, independent review of all key accounting and other financial issues and findings. The EQR partner also reviews the final and all preliminary reports and conclusions.

SEGMENTATION OF THE ENGAGEMENT

We will segment the engagement into five separate stages: 1) planning, 2) communicating with the client, 3) fieldwork performance, 4) review, and 5) reporting. Each segment will include significant engagement partner and manager involvement, and we will staff each segment appropriately with personnel based on their experience level, knowledge of the subject matter, and performance abilities.

FORENSIC APPROACH

In forensic engagements, CRI employs a number of specialized techniques and forensic softwares that allow us to obtain independent data and perform a variety of forensic analytics. Forensic engagements often involve unique or unforeseen issues/problems that need unique solutions. CRI's Forensics team is known to develop and provide these unique solutions to governments, corporations, attorneys and law enforcement.

RESOLVING ISSUES

Consistent communication is key to completion of the forensic audit or analysis. By ensuring constant involvement, we are in a better position to respond to your issues timely and efficiently. Therefore, we plan to meet with the City Council to finalize the scope of work and understand the City Council's concerns.

We also plan to meet with City management to understand management's concerns and obtain an understanding of the City's internal controls and processes for the Utility funds. As the engagement progresses, we plan to communicate any issues and/or concerns to City management on a regular basis. This will allow the City to respond timely to any issues and/or concerns and take immediate action, if necessary.

TAB D: CAPABILITIES AND EXPERIENCE



CRI will deliver deep resources, ability and experience, ensuring first-class engagement management. A sample of CRI's Forensic Team's most recent forensic government experience is listed below.

CLIENT NAME	ENTITY / RELEVANCE	SCOPE OF SERVICES PROVIDED
City of Madeira Beach, Florida	Local Government	We performed certain investigative procedures on the City Marina's books and records which included, but were not limited to, interviews with key employees, analysis of general ledger reports and audit trails, examination of billings and daily sales reports, review of invoices, supporting documentation and cancelled checks, and analysis of the Madeira Beach Municipal Marina's operations to evaluate the effectiveness of the City's current internal controls over the Marina. CRI identified over \$550,000 in estimated losses and recommended that the City implement the 25 different internal controls to improve oversight and to help prevent and detect fraud at the Marina.
City of Mount Dora, Florida	Local Government	We performed procedures to investigate allegations that the City's funds were misappropriated and the amount of any misappropriated funds. Procedures included interviews with key employees, analysis of contracts and related purchase orders for selected vendors and comparison to the invoices paid for these vendors, review of bank statements and cancelled check images for selected vendors for suspicious disbursements, analysis of invoices for selected vendors for suspicious charges, examination of p-card statements and supporting documentation for unauthorized or questionable charges. Based upon the procedures performed, we determined that City personnel regularly disregarded the City's policies and procedures. We also identified a high risk for fraud within the City and provided internal control recommendations to mitigate those risks.
Florida Department of Elder Affairs	State Government	We performed multiple site visits and investigated different avenues of funding appropriation to address complaints and concerns regarding the use of grant funds. Our procedures included the following: interviews with key personnel, test of controls, substantive tests of costs and participants and tests to substantiate personnel compliance. CRI prepared an in depth report of findings identifying problem areas and compliance issues. CRI recommended several internal controls be implemented to help prevent and detect fraud from occurring in grant reimbursements.
Florida Department of Economic Opportunity	State Government	We performed certain investigative procedures on selected grantees. These investigative procedures included analysis of general ledger reports, review of supporting documentation, examining grantee's compliance with grant agreements and analysis of fund usage. CRI identified several areas of grant noncompliance and fund misuse. CRI prepared detailed reports and calculated damages for selected grantees. CRI also assisted DEO's attorney in depositions and mediations that resulted in successful resolutions of these cases.



FIRM QUALIFICATIONS AND EXPERIENCE

Established in 1997, Carr, Riggs & Ingram, LLC (CRI) is a regional certified public accounting and consulting firm with roots going back to 1972. CRI has over 1,900 professionals in over 60 offices throughout Florida, Alabama, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Tennessee and Texas. CRI provides a wide variety of high-quality, cost-effective accounting, assurance, tax and consulting services to governmental entities, non-profit organizations, individuals and businesses (both publicly and privately held) throughout the United States. We are proud members of the following organizations:

- The American Institute of Certified Public Accountants (AICPA);
- The Governmental Audit Quality Center of the AICPA;
- AICPA Private Companies Practice Section;
- Employee Benefit Plan Audit Quality Center of the AICPA;
- The Center for Audit Quality of the AICPA; and,
- The Public Company Accounting Oversight Board.

Members of the above voluntary organizations are select CPA firms recognized in the profession to be of the highest caliber. As a result, we are subject to stricter quality control standards than firms that choose not to take this voluntary step to improve the quality of their practices.

CRI delivers a depth of resources that ensures our understanding of your challenges and innovative solutions for overcoming them. Our governmental team's 1,100+ years of combined experience is derived from providing audit and accounting outsourcing services to a client base that includes:

- **450+ governmental entity clients across the South totaling approximately \$20 billion in revenues;**
- **Performing single audits for approximately 30% of all governmental clients; and,**
- **Municipality clients of up to \$1.2 billion in total revenues.**

CRI has an accredited and experienced forensic team that provides a spectrum of forensic and litigation services ranging from prevention to detection in response to fraud. Our forensic team includes members who have received forensic accountant designations from the most widely recognized forensic associations. These designations include Certified Fraud Examiner, Certified in Financial Forensics and Certified Forensic Accountant. As such, our forensic team routinely works with government agencies, law firms and law enforcement agencies on a variety of civil and criminal matters. Members of our forensic team also regularly speak on the topic of fraud.

The City will be served by a team comprised of forensic auditors out of the CRI Albuquerque, New Mexico and Miramar Beach, Florida offices who have extensive forensic investigation, fraud risk, governmental and internal audit expertise. This also allows CRI to maintain its independence and avoid any potential outside influences. Currently ranked among the top 20 public accounting firms in the United States, CRI is the South's largest regional firm.

We parlay this vast experience and derived best practices into proven solutions that benefit you.





CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

CRI FIRM FACTS

FOUNDED IN 1997 • 10 STATES  • 25+ MARKETS

Stretching from New Mexico to North Carolina, Carr, Riggs & Ingram CPAs and Advisors (CRI) is a top 20 nationally ranked full-service accounting and advisory firm offering innovative tax, accounting, audit, consulting, and advisory services to more than 100,000 clients in the U.S., Canada, Mexico, Puerto Rico, and overseas military installations.



1900+
PROFESSIONALS



300+
PARTNERS



TOP 20 CPA FIRM
(as ranked by Accounting Today)

100,000+
CLIENTS



20+ YEARS
OF CONSISTENT GROWTH
SINCE FORMATION

CRI FIRM VALUES:
CLIENT SERVICE.
RESPECT.
INTEGRITY.



SERVICES

Accounting & Auditing
Advisory
Business Support & Transactions
Business Tax
Employee Benefit Plans
Governance, Risk & Assurance
Individual Tax & Planning
IT Audits & Assurance

INDUSTRY EXPERTISE

Captive Insurance
Construction
Financial Institutions
Governments
Healthcare
Institutional Real Estate
Insurance
Manufacturing & Distribution
Nonprofits

CRI FAMILY OF COMPANIES

-  Auditwerx
-  CRI Advanced Analytics
-  CRI Capital Advisors
-  CRI Solutions Group
-  CRI TPA Services
-  Level Four Advisory Services
-  Paywerx

CRI is a proud member of Prime Global, an international association of independent accounting firms.

 **CRIcpa.com**



GOVERNMENT CREDENTIALS

CRI'S GOVERNMENTAL EXPERTISE



Audit
450+ governmental
 entities with annual revenues
 totaling **\$20 Billion**



150+ governmental
 entities with federal funds
 totaling **\$2.2 Billion**

140+ Single audits for
 governmental entities



Single Audit Resource Center's
 Award for Excellence in Knowledge,
 Value, and Overall Client Satisfaction



Member of AICPA's Government
 Audit Quality Center



Governmental Partner Designations

Including: CPA, CGFM, CITP, CFE, CMA, CISA,
 CGEIT, CTGA, CFF, CGMA, and CGAP

CLIENTS WITH ANNUAL REVENUES UP TO:



School Districts
\$1 Billion



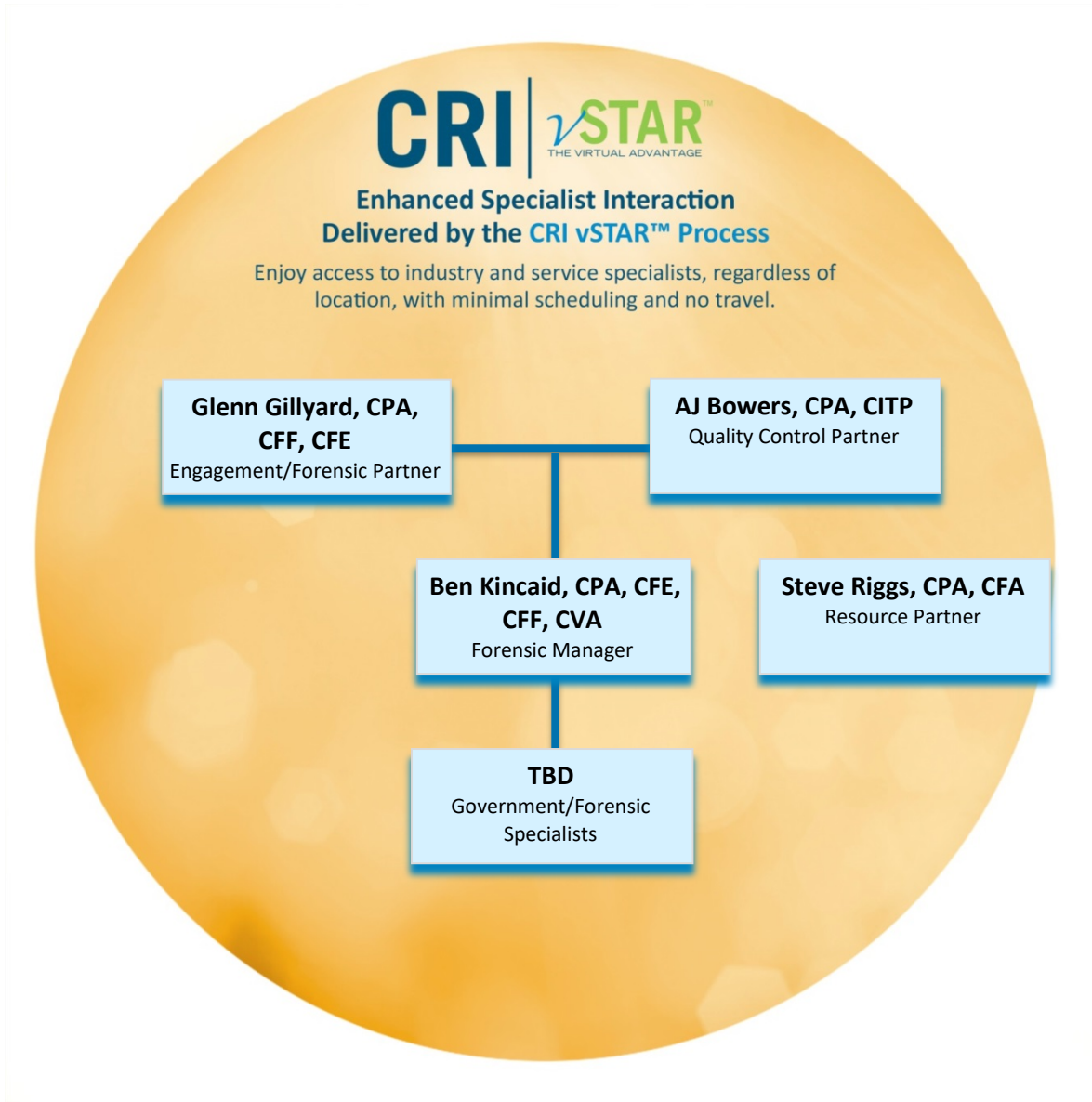
Municipalities
\$1.2 Billion



Agencies/Authorities
\$3 Billion



We have assembled a team of professionals who will ensure the highest level of personal dedication and professional excellence to you. Our team delivers exceptional services through a balanced blend of skills (service-driven, industry-specific, technical, and business) and experience that we know are important to you. Brief profiles of each key member of the forensic audit team identified below follow on subsequent pages.





Glenn Gillyard, CPA, CFE, CFF
Forensic Partner

(850) 837-3141 phone

ggillyard@cricpa.com

Representative Clients

- Florida Department of Economic Opportunity
- Florida Department of Elder Affairs
- Florida Department of Lottery
- City of Mount Dora, Florida
- City of Key West, Florida
- City of Madeira Beach, Florida
- St. Johns County Sheriff's Office
- Okaloosa County Sheriff's Office
- Okaloosa County Property Appraiser
- Florida's Office of Early Learning
- Miami-Dade County, Florida

Experience

Glenn Gillyard has 20 plus years of experience in providing forensic accounting services to organizations throughout Florida. Glenn performs financial fraud investigations, expert witness testimony and litigation support. He provides both fraud detection and fraud prevention services. Glenn has served as a consultant for area law enforcement agencies and with the criminal investigation division of the Internal Revenue Service, the State Attorney's Office and the U.S. Attorney's Office. Previous to becoming a CPA, Glenn served several years in direct law enforcement as a Deputy Sheriff with the Orange County Sheriff's Office.

Glenn is a frequent speaker at Florida Institute of Certified Public Accountants and The Florida Bar sponsored events on the topics of fraud, money laundering, Bank Secrecy Act and the Patriot Act.

Glenn also provides tax compliance, tax consulting and business consulting services to businesses in Northwest Florida. Specifically, he provides years of experience in dealing with bankruptcy and liquidation cases, as well as marital dissolutions. Glenn specialized in representations before the Internal Revenue Service in audit, collection matters, and offers in compromise.

Education, Licenses & Certifications

- BS, Florida State University
- BS, University of West Florida
- Masters of Accountancy, Webster University
- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF)

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Association of Certified Fraud Examiners (ACFE)



Alan D. "AJ" Bowers, Jr., CPA, CITP
Quality Control Partner

505.883.2727 phone
505.379.5408 mobile

abowers@cricpa.com

Representative Clients

- City of Birmingham, AL
- City of Gainesville, FL
- City of Jacksonville, FL
- Nassau County, FL
- Raton Public Service Company
- City of Alamogordo, NM and Housing Authority
- City of Gallup, NM and Housing Authority
- City of Hobbs, NM
- City of Las Cruces, NM
- City of Las Vegas, NM and Housing Authority
- City of Lovington, NM and Housing Authority
- City of Raton, NM and Raton Public Service
- City of Santa Fe, NM
- City of Sunland Park, NM and Housing Authority
- City of Tucumcari, NM and Housing Authority
- Manatee County FL
- Nassau County, FL

"What a pleasure to work with you! It hasn't all been easy but through it all I have been privileged to know you and I have absolutely respected your integrity and have appreciated your kindness! Thank you."

*Gayle Dean, Executive Director
San Juan College Foundation*

Experience

AJ is a Partner with CRI, who has provided audit services to numerous municipalities during his 12 years of experience. He oversees all services provided to our government industry clients in the Southwest SPU and reviews CAFRs for our clients firm-wide.

AJ's experience includes all aspects of audit engagement performance and management, including reporting compliance with Government Auditing Standards, GASB pronouncements, and OMB Uniform Guidance requirements. He is a regular presenter for NM ASBO, the New Mexico, Albuquerque, and El Paso AGA chapters. He has performed consulting engagements for local governments, including developing and presenting customized training classes.

AJ is a member of the Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting Program with the GFOA and reviews CAFR's for various governmental entities as part of his duties.

AJ serves as engagement partner for the City of Las Cruces, NM municipal audit, which includes utilities, the Metro Narcotics activities, and the RoadRUNNER Transit Department. AJ also serves as the EQCR Partner for the City of Lubbock - City Transit Management Co, Inc. (Citibus).

Education, Licenses & Certifications

- BBA, Accounting, University of New Mexico
- Certified Public Accountant
- Certified Information Technology Professional

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- New Mexico Society of Certified Public Accountants (NMSCPA)
- Association of Government Accountants (AGA) – Albuquerque Chapter Board Member
- Member of the Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting Program with the GFOA



Steve Riggs, CPA, CFA
Resource Partner

(850) 837-3141 phone

sriggs@cricpa.com

Representative Clients

- Florida Department of Economic Opportunity
- Florida Department of Elder Affairs
- Florida Department of Lottery
- St. Johns County Sheriff's Office
- City of Madeira Beach, Florida
- Miami-Dade County, Florida

Experience

Steve Riggs has over 40 years of experience in public accounting and consulting services. He specializes in taxation, representation before the Internal Revenue Service (IRS), divorce settlements and litigation, forensic accounting, mergers and acquisitions, and court appointed corporate/trustee engagements. In January 2009, Steve was appointed to the Florida Board of Accountancy. Steve also served as Chairman of the Florida Board of Accountancy in 2014.

Steve is a founding partner of one of the top 20 accounting firms in the country, Carr, Riggs & Ingram, LLC (CRI). CRI employs more than 1,800 professionals in 43 offices across Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, New Mexico and Texas. Prior to co-founding Carr, Riggs & Ingram, Steve worked for the IRS as a field agent for four years in Jacksonville, Florida.

Steve has been appointed by various Courts as a corporate trustee or custodian and has managed and sold businesses under the supervision of the Court. Steve has also been appointed by the Courts as an expert witness and as an executor.

Steve is a graduate from the University of West Florida in Pensacola with a Bachelor of Science Degree in Accounting.

Education, Licenses & Certifications

- BS, Accounting, University of West Florida
- Certified Public Accountant (CPA)
- Certified Forensic Accountant (Cr.FA)

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)



Ben Kincaid, CPA, CFE, CFF, CVA
Forensic Manager

(850) 837-3141 phone

bkincaid@cricpa.com

Representative Clients

- Florida Department of Economic Opportunity
- Florida Department of Elder Affairs
- Miami-Dade County, Florida
- Okaloosa County, Florida
- Okaloosa County Sheriff's Office
- St. Johns County Sheriff's Office
- City of Madeira Beach, Florida
- City of Mount Dora, Florida

Experience

Ben Kincaid has over seven years of experience in providing forensic accounting, litigation support and business valuation services. These services have included investigating employee malfeasance, hidden asset schemes, breach of contract claims, business interruption losses, economic damages and valuation disputes. Ben has provided these services to a wide range of clients and industries; such as, state, county and local governments as well as private companies, non-profit organizations and publicly traded companies.

Ben has also worked with various law firms on civil and criminal matters and presented findings to various law enforcement agencies including the FBI. Ben also provides IRS representation services.

Ben is a graduate from Pensacola Christian College with a Bachelor of Science Degree in Business with a double concentration in Accounting and Finance. Ben serves on the FICPA's Valuation, Forensic Accounting and Litigation Committee and is a member of his church's leadership team.

Education, Licenses & Certifications

- BS, Business, Pensacola Christian College
- Certified Public Accountant (CPA) - Indiana
- Certified Fraud Examiner (CFE)
- Certified Valuation Analyst (CVA)
- Certified in Financial Forensics (CFF)

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Association of Certified Fraud Examiners (ACFE)
- National Association of Certified Valuators and Analysts (NACVA)



STAFF RETENTION

Engagement partners, managers, or other supervisory staff and specialist may be changed if those personnel leave the firm, are promoted or are assigned to another office.

These personnel and other consulting personnel may be changed at the discretion of CRI, and agreed to by the City, provided that the replacements have substantially the same or better qualifications or experience

COMMITMENT TO PROVIDE TIMELY SERVICE

CRI is committed to meeting any necessary deadlines. We have the staffing capacity to assure timely completion of the engagement and delivery of our reports. We will not require any outside support to perform the engagement.

CONTINUING PROFESSIONAL EDUCATION

Continuing education is a top priority for CRI. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients. Each of CRI's professional staff's CPE records is reviewed annually to ensure that they are in compliance with Continuing Professional Education (CPE) requirements.

Individuals on our forensic team must also obtain 20 hours of forensic or fraud related CPE each year. Members of the engagement team contain individuals who work on audits subject to *Government Auditing Standards* who must obtain, every two years, at least 80 hours of CPE that directly enhance the auditor's professional proficiency to perform audits and/or attestation engagements. At least 20 of the 80 hours must be obtained annually. Individuals responsible for conducting substantial portions of the fieldwork, planning, directing, or reporting on audits subject to *Government Auditing Standards* must obtain 24 of those hours in subjects directly related to the government environment and government auditing. Inclusion of team members with ongoing focus on governmental education ensure the team is up-to-date on new and emerging risks impacting governments.

EXTERNAL QUALITY REVIEW

Experienced partners and professional staff of our Firm conduct quality control reviews of our audits. Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program, including a review of specific government engagements. External peer reviews are performed every three years by another independent public accounting firm.



REFERENCES FOR GOVERNMENT CLIENTS

City of Madeira Beach, Florida	
Address:	300 Municipal Drive, Madeira Beach, Florida 33708
Contact Name and Title:	Walter Pierce, Finance Director
Contact Phone:	(727) 391-9951
Contact Email:	wpierce@madeirabeachfl.gov

St. Johns County Sheriff's Office	
Address:	4015 Lewis Speedway, St. Augustine, Florida 32084
Contact Name and Title:	David Shoar, Sheriff
Contact Phone:	(904) 824-8304
Contact Email:	dshoar@sjso.org

Okaloosa County Sheriff's Office	
Address:	50 2 nd Street, Shalimar, Florida 32579
Contact Name and Title:	Larry Ashley, Sheriff
Contact Phone:	(850) 651-7410
Contact Email:	lashley@sheriff-okaloosa.org

Florida Department of Elder Affairs	
Address:	4040 Esplanade Way, Tallahassee, FL 32399
Contact Name and Title:	Taroub Faraj, Inspector General
Contact Phone:	(850) 414-2013
Contact Email:	farajt@elderaffairs.org

City of Trinidad, Colorado	
Address:	135 North Animas Street, Trinidad, CO 81082
Contact Name and Title:	Cheryl Navarette, Finance Director
Contact Phone:	(719) 846-9843 ext. 112
Contact Email:	cheryl.navarette@trinidad.co.gov



COMBINED FEE SCHEDULE

Based on our review of the requested scope of services, we propose the following for the forensic audit or analysis of the City's Utility funds:

CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	100	\$ 32,500
Forensic Manager	\$215	240	51,600
Forensic Staff	\$150	480	72,000
Total		820	\$ 156,100

FEE SCHEDULE BY TASK

Task A – Analyze Fund Source for 2008-2018			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	30	\$ 9,750
Forensic Manager	\$215	50	10,750
Forensic Staff	\$150	120	18,000
Total		200	\$ 38,500

Task B – Analyze Fund Source for Jan.-Jun. 2019			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	5	\$ 1,625
Forensic Manager	\$215	10	2,150
Forensic Staff	\$150	20	3,000
Total		35	\$ 6,775

Task C – Prepare Written Reports on Fund Source			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	10	\$ 3,250
Forensic Manager	\$215	20	4,300
Forensic Staff	\$150	10	1,500
Total		40	\$ 9,050

Task D – Analyze Fund Usage for 2008-2018			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	20	\$ 6,500
Forensic Manager	\$215	70	15,050
Forensic Staff	\$150	170	25,500
Total		260	\$ 47,050



Task E – Analyze Fund Usage for Jan.-Jun. 2019			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	5	\$ 1,625
Forensic Manager	\$215	10	2,150
Forensic Staff	\$150	35	5,250
Total		50	\$ 9,025

Task F – Analyze Fund Use Authorization			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	10	\$ 3,250
Forensic Manager	\$215	30	6,450
Forensic Staff	\$150	85	12,750
Total		125	\$ 22,450

Task G – Prepare Written Reports on Fund Usage			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	10	\$ 3,250
Forensic Manager	\$215	20	4,300
Forensic Staff	\$150	10	1,500
Total		40	\$ 9,050

Task H – Prepare Written Reports on Budget versus Actual			
CLASSIFICATION	HOURLY RATE	HOURS	TOTAL
Forensic Partner	\$325	10	\$ 3,250
Forensic Manager	\$215	30	6,450
Forensic Staff	\$150	30	4,500
Total		70	\$ 14,200



PROJECT COMPLETION CHART

Based on our review of the requested scope of services, we propose the below progression of services for the forensic audit or analysis of the City's Utility funds. It is important to notate that this progression of services is highly dependent on receiving documentation and cooperation from City staff on a timely basis as well as the final scope of work. This also assumes a January 2, 2020 start date, which may fluctuate depending upon when the award is issued and the City Council's availability for a kick-off meeting.

TASKS	2019				2020									
	Dec				JAN				FEB				MAR	
	Wk - 1	Wk - 2	Wk - 3	Wk - 4	Wk - 1	Wk - 2	Wk - 3	Wk - 4	Wk - 1	Wk - 2	Wk - 3	Wk - 4	Wk - 1	Wk - 2
Appointment of forensic audit firm														
Meeting and finalization of scope with City Council					10 Hrs.									
Meeting with City Staff					30 Hrs.									
Task A – Analyze Fund Source for 2008-2018					160 Hrs.									
Task B – Analyze Fund Source for Jan.-Jun. 2019					35 Hrs.									
Task C – Prepare Written Reports on Fund Source													40 Hrs.	
Task D – Analyze Fund Usage for 2008-2018					260 Hrs.									
Task E – Analyze Fund Usage for Jan.-Jun. 2019					50 Hrs.									
Task F – Analyze Fund Use Authorization					125 Hrs.									
Task G – Prepare Written Reports on Fund Usage													40 Hrs.	
Task H – Prepare Written Reports on Budget versus Actual													60 Hrs.	
Presentation of Written Reports and Meeting with City Council														10 Hrs.

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

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

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

Carr, Riggs & Ingram, LLC
Company Name

By: Glenn Gillyard Name: Partner Title:

August 22, 2019
Date

ATTEST:

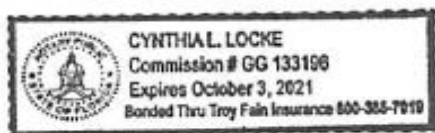
Glenn Gillyard SEAL
Secretary/Treasurer

STATE OF ~~COLORADO~~ FLORIDA
COUNTY OF WALTON

Subscribed and sworn to before me this 22 day of August, 2019,
by Glenn Gillyard (name), the Partner (title),
of Carr, Riggs & Ingram LLC Professional.

My commission expires: 10/3/2021

SEAL



Cynthia L. Locke
Notary Public

TAB I: CERTIFICATE 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,

Carr, Riggs & Ingram, LLC

is an entity formed or registered under the law of Alabama, 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 20171075347.

This certificate reflects facts established or disclosed by documents delivered to this office on
paper through 08/21/2019 that have been posted, and by documents delivered to this office
electronically through 08/23/2019 @ 08:05:54.

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 08/23/2019 @ 08:05:54 in accordance with applicable law.
This certificate is assigned Confirmation Number 11758494.



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."



PREVIOUS AFFILIATION

CRI and the members of the proposed forensics team do not have any known affiliations with the City including its Officers, Elected Officials or Senior Management.



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.

Addendum #1
 Forensic Audit or Analysis
 RFP #19-027
 Page 1 of 4



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.

Addendum #1
Forensic Audit or Analysis
RFP #18-027
Page 4 of 4