



TOWN OF MANSFIELD, CONNECTICUT

**REQUEST FOR PROPOSALS FOR:
Fraud Risk Assessment**

ADDENDUM # 2 – AUGUST 19, 2015

RFP NUMBER: 2016-Fin01

RFP OPENING DATE: August 31, 2015

RFP OPENING TIME: 2:00PM

RFP OPENING PLACE: Audrey P. Beck Building, Finance Department

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Question #1:

On Page 2 the scope is described as a review of other departments/entities primarily where cash is collected and where there is use of Town equipment and supplies. On page 3 under scope it states that the Firm will review the report previously issued and issue a report that....

Is the fraud risk assessment limited to the two areas mentioned on page 2?

Response:

Not necessarily. We would like a proposal based on the review the Financial and Operational Controls Review that was done, provide us with recommendations on what else should be assessed for risk of fraud. We believe the primary areas would be cash and town assets, but we would be looking for your recommendations as to what other areas should be reviewed and provide a proposal to do that work.

Question #2:

Under scope of services on page 3, are we expected to review the report issued and comment on the items listed?

Response:

We request that you review the report issued and make a recommendation for a fraud risk assessment that would supplement that review. No comments on the prior report are required however your proposal should include suggestions for any improvements and additional areas of assessment.

Question #3:

Is the risk assessment to be done on each different cash receipt revenue stream or focused at the department level?

Response:

We would look for your recommendation on the best approach.

Question #4:

Are all departments/revenue collection areas or revenues sources to be reviewed regardless of the amount of revenues?

Response:

Yes, a review of all collection areas would be desired.

Question #5:

What is the estimated total of departments or revenue sources to be reviewed?

Response:

The Town has cash collections at a number of locations – primarily the Library, Transfer Station, Senior Center, Community Center, and Town Hall (which has collections in approximately 10 offices). Our Mansfield Board of Education has collections for food service and other miscellaneous collections at the four schools. Our Region 19 Board of Education has collections for food service, other miscellaneous collections (primarily in the Superintendent’s office), and in several educational departments (Agricultural Education, Music, etc). Eastern Highlands Health District collects fees at the main office in the Town Hall and at satellite offices, however the procedures are standard between the offices.

Question #6:

Is Student activities included in the scope and if so, is the cash disbursement process included in the scope.

Response:

We ask that you review the assessment done in the previous report regarding the Student Activities accounts and make a recommendation as to what still needs to be assessed.

Question #7:

What is the impetus for this Fraud Risk Assessment?

Response:

This was a recommendation to management in our regular annual audit as best practice.

Question #8:

Have there been any specific instances of fraud identified by the Town?

Response:

We recently had a case of suspected fraud by the former Superintendent of Schools for Mansfield regarding mileage reimbursement. This is what led to the previous Financial and Operational Controls review. Our annual audit recommended a fraud risk assessment as a best practice, not in response to any suspected fraudulent activity.

Question #9:

Are there any agencies or departments about which the Town has particular concern?

Response:

No. We would like a review of all areas to assess our risk for fraud and provide recommendation for reducing that risk. As stated in the RFP, we are interested in a review of areas that were not reviewed as part of the Financial and Operational Controls review.

Question #10:

Aside from the information in the Financial & Operation Controls Review available on the Town's website, have any deficiencies been noted in reports issued by the Town's external auditors?

Response:

No, we have maintained an unqualified/unmodified opinion for many years, with no material weaknesses or deficiencies. Management recommendations resulting from the audits can be provided if requested.

Question #11:

How many employees work in the departments that are expected to be included in this project?

Response:

There would be approximately 50 individuals who would be involved in cash/check collections.

Question #12:

Is the Town's purchasing function centralized?

Response:

No, it is not.

Question #13:

Will the external auditors be made available for interviews and assistance, if needed?

Response:

That can be arranged if need be.

Question #14:

Does the Town have standardized internal controls utilized by all departments?

Response:

Yes, please see the prior report and the Finance Department Policies and Procedures, implemented effective July 1, 2015.

Question #15:

If the Town does have standardized internal controls, are they up to date and documented?

Response:

Yes, as of July 1, 2015.

Question #16:

Does the Town wish to have these internal controls evaluated and tested as part of this engagement?

Response:

No testing is necessary on these controls. However, we welcome any additional recommendations you might have.

Question #17:

Does the Town intend to provide workspace to the contractor?

Response:

Yes, that can be arranged.

Question #18:

Does the Town/BOE expect the Contractor to present its findings to the Town Council via oral presentation as well as a written report?

Response:

Yes, an oral presentation to the Town Council's Finance Committee would be expected.

Question #19:

The Attachment A form has the field "All-Inclusive Rate for Fraud Risk Assessment." Can you please clarify whether we should provide our hourly rate or the total estimated fees to conduct the fraud risk assessment?

Response:

You may provide an hourly rate, but we would like a "not to exceed" quote.

Question #20:

One other question is whether the Town of Mansfield has a sample professional services contract and/or contract terms and conditions that prospective bidders should review and provide comments.

Response:

Yes, we do have a professional services contract template that you may review. It follows on the next page:

TOWN OF MANSFIELD

AGREEMENT FOR PROFESSIONAL SERVICES

This agreement made on _____, 20____ between the Town of Mansfield, a municipal corporation chartered under the laws of the State of Connecticut (hereinafter referred to as “the Town”), and _____, an Independent Contractor (hereinafter referred to as “the Independent Contractor”).

The Independent Contractor is identified as follows:

Name: _____

Type of Entity: _____ Individual
 _____ Sole Proprietorship
 _____ Partnership
 _____ Corporation

Address: _____

City/State/Zip: _____

Business Telephone: _____ Fax #: _____

Social Security Number or Employer Identification Number: _____

In consideration of the promises and mutual covenants and agreements contained herein, the parties agree as follows:

Services To Be Performed. The Independent Contractor agrees to perform the following services for the Town: _____

Term of Agreement. The services called for under this agreement will commence on _____ and terminate on _____.

Technical Direction. The Independent Contractor will receive technical direction only from _____ or his/her designee, as authorized in writing.

Terms of Payment. The Town will pay the Independent Contractor according to the following terms and conditions: _____
_____.

Invoices. The Independent Contractor will submit to the Town invoices for all services performed.

Reimbursement of Expenses. The Town will not be liable to the Independent Contractor for any expenses paid or incurred by the Independent Contractor unless otherwise agreed to in writing.

Assistants. The Independent Contractor, at the Independent Contractor's expense, may employ such assistants as the Independent Contractor deems appropriate to carry out this Agreement. The Independent Contractor will be responsible for paying such assistants, as well as any expense attributable to such assistants, including income taxes, Social Security taxes, Unemployment Insurance and Workers' Compensation insurance.

Federal, State and Local Payroll Taxes. Federal, state, and local income and payroll taxes of any kind will not be withheld or paid by the Town on behalf of the Independent Contractor or the employees of the Independent Contractor. The Independent Contractor will not be treated as an employee with respect to the services performed here for federal, state or local tax purposes.

Notice to Independent Contractor About Its Tax Duties and Liabilities. The Independent Contractor understands that he/she is responsible to pay, according to the law, the Independent Contractor's income taxes. If the Independent Contractor is not a corporation, the Independent contractor further understands that the Independent Contractor may be liable for self-employment (Social Security) tax, to be paid by the Independent Contractor according to the law.

Insurance Coverage. The Town will not obtain any General Liability, Auto or Worker's Compensation Insurance to provide coverage for the Independent Contractor or employees of the Independent Contractor. The Independent Contractor will supply the Town with a *Certificate of Insurance* indicating that during the contract term the Independent Contractor has insurance coverage in effect in accordance with the insurance guidelines prepared by the Town. The Town will be shown on the *Certificate of Insurance* as an *Additional Insured*. If applicable, the Town may require the Independent Contractor to carry Professional Errors and Omissions Insurance. The Independent Contractor will comply with the Worker's Compensation law concerning the Independent Contractor and its employees.

Hold Harmless Agreement. The Independent Contractor agrees to hold the Town and any of the Town's officers, agents or employees harmless from any liability (including reasonable attorney's fees and all costs) for any and all damages to persons and property resulting from the actions of the Independent Contractor, unless such damages are caused by, or are the result of, the misconduct of the Town or any of the Town's officers, agents or employees. The Town agrees to hold the Independent Contractor and any of the Independent Contractor's officers, agents or employees harmless from any liability (including reasonable attorney's fees and all costs) for any and all damages to persons and property resulting from the actions of the Town, unless such damages are caused by, or are the result of, the misconduct of the Independent Contractor or any of the Independent Contractor's officers, agents or employees.

Assignability. This Agreement will not be transferred or assigned, in whole or in part, by the Independent Contractor without the prior written consent of the Town.

Choice of Law. Any dispute under this Agreement, or related to this Agreement, will be decided in accordance with the laws of the State of Connecticut.

Independent Contractor Status. The Independent Contractor expressly represents and warrants to the Town that: 1) the Independent Contractor is not and will not be construed to be an employee of the Town and that his/her status will be that of an independent contractor in which the Independent Contractor is solely responsible for his/her actions and omissions; and 2) the Independent Contractor will act solely as an independent contractor and not as an employee or agent of the Town; and 3) the Independent Contractor is not authorized to enter into contracts or agreements on behalf of the Town or to otherwise create obligations of the Town to third parties.

Other Clients. The Independent Contractor retains the right to perform services for other clients.

Termination of Agreement. This Agreement may be terminated at any time by the Town or the Independent Contractor, upon the giving of ___ days notice to the other party. Notice will be deemed to have been sufficiently given either when served personally or when sent by first-class mail addressed to the parties at the addresses set forth in this Agreement. The Town will not be liable for, nor will the Independent Contractor be liable to perform, any services or expenses incurred after the receipt of notice of termination.

Agreement. This Agreement supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire agreement between the parties. The Agreement cannot be changed or modified orally. This Agreement may be supplemented, amended or revised only in writing by agreement of the parties.

ACKNOWLEDGED AND ACCEPTED

INDEPENDENT CONTRACTOR:

THE TOWN OF MANSFIELD:

Signature

Signature

Printed name and title

Printed name and title

Date

Date