



**CITY OF STAMFORD**  
**OFFICE OF ADMINISTRATION**  
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P.O. BOX 10152  
STAMFORD, CONNECTICUT 06904-2152

**ADDENDUM NO. 1**  
**(March 25, 2022)**

**Request for Proposals No. 863**  
**Professional Auditing Services**

Addendum No. 1 is being issued to all potential respondents to provide the items and attachments set forth herein which shall act to qualify, clarify, or otherwise modify the RFP Documents previously issued regarding the above referenced project. These items, whether of omission, addition, substitution, or clarification, shall be incorporated into the proposals submitted by all bidders, and receipt of this document and its attachments should be acknowledged in the space provided on the RESPONDENT'S INFORMATION AND ACKNOWLEDGEMENT FORM. Failure to do so may subject the Bidder to disqualification.

The items and references:

1. Is 2021 ACFR and single audits completed, if not what is the reason for the delay?  
F2021 ACFR and single audits are not yet complete. City was told that Auditor staffing issues have created a backlog that has impacted nearly all municipal government audit client report issuances and that Auditor is still working through that backlog. In addition, Auditor's firm was recently acquired by another firm and is dealing with changes in the internal report / technical process review.
2. How many major programs were tested for federal and state single audits for 2021?  
Number tested for F2021 is not currently available but City was told it complies with existing audit requirements. In F2020 the Auditors tested 4 programs for federal single audit and 6 programs for the state single audit.
3. How many audit adjustments were made in 2021?  
Auditor driven adjustments, that are not driven by report related reclass entries, numbers less than 10 (at present time).
4. What was the total fee paid to the current auditor in 2021 including EFS?  
Out of total fee estimate for F2021 of approximately \$209K, of which \$161.5K has been paid. Only \$10K of the unpaid balance has been billed at this time. The City's portion of the fee is \$166.5K, the SWPCA's portion is \$23K, and the balance relates to the City's pension plan audits.
5. Were there any charges for work outside the scope of the audit?  
No.
6. Is there any difficulty reconciling the BOE expenditures to the City's general ledger?  
None noted by the Auditor at this time.
7. When are the trial balances and related support ready for audit?  
Initial trial balances were conveyed in mid-September but there were approximately 50 post-closing AJE'S.

8. When are the third party actuary reports completed and available for review?

Actuarial reports for two of the pension plans were delayed by alternative investment valuation issues until early December.

9. Can you provide a copy of the auditor communication letter?

Yes, copy attached.

10. How many auditors were onsite and how long during a typical audit year?

Pandemic related precautions limited on-site presence. Pre-pandemic audit team consisted of Manager and 5 to 7 staff members who were on-site for two week at interim and 4 weeks at year-end.

11. Approximately how many investment does the City/Pension maintain that are alternative investments?

At noted in response to item 8, two of the pension plans regularly have more than five alternative investments.

12. Other than ARPA, any new federal grants over \$750,000

Funds over \$750K for FY21 - Federal funds

\$24,528.34 in ARPA

\$1,488,422 CARES

\$2,889,279 National School Lunch Program (USDA)

\$1,254,551 LRARP (passed through CTDOT)

\$3,676,205 Special Education (passed through CT DOE)

\$2,206,644 Title I (passed through CT DOE)

All other terms and conditions of **RFP No. 863** remain the same.

Erik J. Larson

Purchasing Agent

Cc: David Yanik, Controller  
Purchasing Department File



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July 7, 2021

Board of Finance  
City of Stamford, Connecticut

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stamford, Connecticut as of and for the year ended June 30, 2021. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

**Our responsibility under Auditing Standards Generally Accepted in the United States of America and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Connecticut State Single Audit Act**

Our responsibilities, as described by professional standards, are as follows:

- Forming and expressing opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- Considering, as part of planning and performing our audit, the entity's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.
- Considering internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Connecticut State Single Audit Act.
- Planning and performing the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements as a whole are free from material misstatement.
- Performing, as part of obtaining reasonable assurance about whether the entity's financial statements are free of material misstatement, tests of the entity's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit.
- Examining, in accordance with the Uniform Guidance and the Connecticut State Single Audit Act, on a test basis, evidence about the entity's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Compliance Supplement" and the "Compliance



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Supplement to the Connecticut State Single Audit Act” applicable to each of its major federal and state programs for the purpose of expressing an opinion on the entity’s compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity’s compliance with those requirements.

- Communicating significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the financial statements does not relieve you or management of your responsibilities.

With respect to the required supplementary information (RSI) accompanying the financial statements, we will make certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We will compare the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we will not express an opinion or provide any assurance on the RSI.

Our responsibility for the schedule of expenditures of federal awards (SEFA) and schedule of expenditures of state awards (SESFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA and SESFA in relation to the financial statements as a whole and to report on whether the SEFA and SESFA are fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA and SESFA to determine whether the SEFA and SESFA comply with the requirements of the Uniform Guidance and Connecticut State Single Audit Act, the method of preparing it has not changed from the prior period, and the SEFA and SESFA are appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the SEFA and SESFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility for other supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the information to determine whether the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our auditors’ opinions, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an

annual report, should be done only with our prior approval and review of the document. Our responsibility for other information in documents containing the entity's financial statements and our auditors' report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in such documents. We are required by professional standards to read the other information in order to identify material inconsistencies between the audited financial statements and the other information because the credibility of the audited financial statements and our report may be undermined by material inconsistencies between the audited financial statements and other information.

### **Planned scope and timing of the audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately July 6, 2021 and issue our report on approximately December 17, 2021.

### **Other planning matters**

Recognizing the importance of two-way communication, we encourage you to provide us with information you consider relevant to the audit. This may include, but is not limited to, the following items:

- Your views about the following matters:
  - The appropriate person(s) in the entity's governance structure with whom we should communicate.
  - The allocation of responsibilities between those charged with governance and management.
  - The entity's objectives and strategies and the related business risks that may result in material misstatements.
  - Matters you believe warrant particular attention during the audit and any areas for which you request additional procedures to be undertaken.

- Significant communications with regulators.
- Other matters you believe are relevant to the audit of the financial statements.
- The attitudes, awareness, and actions of those charged with governance concerning (a) the entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control, and (b) the detection or the possibility of fraud.
- The actions of those charged with governance in response to developments in law, accounting standards, corporate governance practices, and other related matters.
- The actions of those charged with governance in response to previous communications with the auditor.
- Your understanding of the risks of fraud and the controls in place to prevent and detect fraud, including your views on the following matters:
  - The “tone at the top” conveyed by management.
  - The risk that the entity’s financial statements or schedule of expenditures of federal awards or schedule of expenditures of state financial assistance might be materially misstated due to fraud.
  - Programs and controls that the entity has established to mitigate identified fraud risks or that otherwise help to prevent, deter, and detect fraud.
  - How and how often you review the entity’s policies on fraud prevention and detection.
  - If a fraud hotline is in place, how it is monitored and how you are notified of allegations or concerns.
  - How you exercise oversight of management’s processes for identifying and responding to the risks of fraud and the programs and controls management has established to mitigate those risks.
  - The risks of fraud at the entity, including any specific fraud risks the entity has identified or account balances, classes of transactions, or disclosures for which a risk of fraud may be likely to exist.
  - Examples of fraud-related discussions management has had with you.
  - Any actual or suspected fraud affecting the entity or its federal or state award programs that you are aware of, including measures taken to address the fraud.
  - Any allegations of fraud (e.g., received in communications from employees, former employees, analysts, regulators, grantors, or others) that you are aware of.

- Any knowledge of possible or actual policy violations or abuses of broad programs and controls occurring during the period being audited or the subsequent period.
- Any accounting policies or procedures applied to meet debt covenants, or achieve budget, or other financial targets that you are aware of; and whether you are aware of any accounting policies that you consider aggressive.
- How you oversee the entity's (1) compliance with laws, regulations, and provisions of contracts and grant agreements (2) policies relative to the prevention of noncompliance and illegal acts, and (3) use of directives (for example, a code of ethics) and periodic representations obtained from management-level employees about compliance with laws, regulations, and provisions of contracts and grant agreements.
- Whether you are aware of any noncompliance with laws, regulations, contracts, and grant agreements, including measures taken to address the noncompliance.
- If the entity uses a service organization, your knowledge of any fraud, noncompliance, or uncorrected misstatements affecting the entity's financial statements or federal or state award programs reported by the service organization or otherwise known to you.

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This communication is intended solely for the information and use of the Board of Finance and management of the City of Stamford, Connecticut and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

**CliftonLarsonAllen LLP**



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Principal

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