

City of Jonesboro, Georgia
RFP – Special Forensic Audit Services
RFP-ADM-2025-002

Questions – Due February 6, 2025 at 2pm to the City Manager (ChaQuias Miller-Thornton – cmthornton@jonesboroga.gov)

QUESTIONS AND RESPONSES:

- 1) The firm must be a member of the American Institute of Certified Public Accountants (AICPA). We are a forensic firm and not an audit firm; therefore, the firm is not a member of the AICPA. However, we have partners and other staff members that are CPAs and members of the AICPA. Would the firm not being a member of the AICPA be a disqualifying factor?

Having partners and staff members that are members of the AICPA will suffice. Please ensure that this is mentioned in the response to the RFP.

- 2) The firm must have a minimum of five (5) years of experience in providing auditing services within the State of Georgia.
- a. In this context, is “auditing services” referring to financial statement audits? Or would forensic audits and other forensic related services qualify? **Forensic audits/services do qualify.**
 - b. As a forensic firm, we have multiple CPAs as partners/staff that have historically worked on audits, and we have many years of experience conducting forensic audits, including for government agencies. However, our firm does not perform financial statement audits. Would this be a disqualifying factor for our firm? Would our experience in forensic accounting in Georgia be sufficient to satisfy this requirement?

Your firm’s experience in forensic auditing /accounting in Georgia will be sufficient to satisfy this requirement.

- 3) I own a forensic accounting firm and am interested in applying for the RFP for the forensic audit. I have not performed audits in Georgia - is this something that is a non-negotiable?

Experience in providing audits/forensic audit/forensic accounting services in Georgia is a requirement of the RFP. Thank you.

- 4) Before submitting a proposal in response to the RFP, I wanted to check with you and make sure that you would accept our proposal even though the firm is not a member of the AICPA.

Having partners and staff members that are members of the AICPA will suffice. Please ensure that this is mentioned in the response to the RFP.

- 5) We understand that one of the qualifications within the RFP is that responding firms have a minimum of five years of experience in providing auditing services within the State of Georgia...

We would appreciate any clarification on whether this specific experience requirement would disqualify our firm from consideration. Please let us know if there is an opportunity to demonstrate how our qualifications align with the needs of this engagement.

Experience in providing audits/forensic audit/forensic accounting services in Georgia is a requirement of the RFP.

- 6) Would it be correct to presume the scope includes terminated City staff and former City elected officials, if they were a part of the City at some point between January 1, 2023 and December 31, 2024?

Yes

- 7) Please provide the number of City elected officials and City staff for the scope period. **8 elected officials/ 48 staff**

- 8) How many City elected officials and staff possessed credit cards during the scope period?

1 elected official and 9 staff

- 9) How many active vendors did the City pay during the scope period? **315**

- 10) How many different benefit programs does the City have that would be subject to the forensic audit over employee benefits? **2**

a. Can a list of the benefit programs be provided? **Medical and Dental**

- 11) Can the City provide an estimated number of transactions for:

a. Credit cards **600 per year**

b. Accounts payable **3000 per year**

c. Employee benefits **2600 per year**

- 12) Are supporting documents for credit cards, accounts payable, and employee benefits available electronically or in hardcopy? **Hard Copy**

a. If both, approximately what percentage are electronic versus hardcopy? **n/a**

b. Are supporting documents uploaded to and available in the City's accounting system or other electronic repository for which remote access could be given to the selected contractor? **No**

- 13) Does the City use the services of an outside payroll provider? **Yes**
- a. If yes, please provide the name of the vendor? **ADP**
 - b. Did this change during the scope period? **No**
 - c. How many city employees are responsible for processing payroll? **1**
- 14) What accounting system does the City use? **Tyler Incode ERP Pro 9**
- a. Has this changed during the scope period? **No**
 - b. Are there other electronic systems used by the City that support the credit card, accounts payable, and employee benefit transactions? **Yes, Employee Navigator**
For example, a separate vendor management system or benefit management system.
- 15) For credit card transactions, what level of detail is captured in the City's accounting system?
- a. For example, are the line-item transactions that appear on each credit card statement imported/included in the accounting system? **No**
 - b. Or is the line-item detail available only on the credit card statements? **Yes**
- 16) Are the City's 2023 and 2024 ACFRs available? I did not find them on the website along with the other ACFRs. **No**
- a. Were there any internal control weaknesses identified? **N/A**
 - b. What funds does the city utilize (i.e., capital projects, debt service, enterprise, etc.)?
There are 12 active funds, however, the general fund is the only one that would be included in the audit.
- 17) Within section B. Scope of Work to be Performed, the proposer is asked to include quotes for hourly rates. Does the City also want the proposers to include an estimated total cost?
Yes
- 18) The Scope of Work to be Performed notes inventory procurement should be addressed. Please describe the City's inventory tracking system (i.e., serial numbers, electronic bar codes, etc.). **The city only wants to address purchases made during the scope.**
- 19) How many employees work in the City's accounting department? **2**
- a. How many employees have the ability to purchase on behalf of the City? **9**
- 20) In the Description of Services Required, Section D(a), the RFP states, "The selected firm shall be retained for the express purpose of rendering an opinion on the activity and

procedures related to the financial affairs of the City of Jonesboro for the periods previously indicated.” Can you please confirm if you are seeking attest services and if so, what type of attest service is preferred?

After completion of the service contract with this request, further forensic investigation may be requested. The City may seek attest services to verify the information gathered during the audit. The preferred attest service may be an Examination Engagement.

During the course of the initial investigation, the scope of work may be further expanded or altered at the recommendation of the auditor, with written approval by the City of Jonesboro Mayor and Council.

21) Will you consider waiving the CFF requirement for firms that have multiple CFEs on the engagement team, significant forensic audit experience, and otherwise meet the requirements of the RFP?

Certification in Financial Forensics (CFF) is a requirement of the RFP and the requirement is not waived.

22) How many employees does the City have? Avg 48

23) How many vendors does the City have? 315

24) How many credit card holders does the city have? 7

25) What has the City budgeted for this engagement? \$100,000 estimated value

26) Do you have IT employees, or is that function outsourced? What does that look like, in terms of number of individuals, experience levels, and capabilities? The City engages contracted IT services, with contractors being on-site at City facilities. (1 person)

27) Do you have any employees currently focused on data analytics? What does that look like, in terms of number of individuals, experience levels and capabilities? No.

28) Are there any other key technology focused employees or service providers you currently use that we would collaborate with through this process? No.

29) What is your preferred timeline for this work to be performed? Is there any particular preferred start date or target end date, or dates to avoid (such as around fiscal year end)? Start date immediately following contract award for services. Consideration for award is expected to be considered for approval in March 2025 Expected completion date June 2025

30) Would the City consider hiring the chosen forensic audit firm through the City’s legal counsel (either internal or external) to remove any conflict of interest? Again, this is typical for all public sector forensic audits, but seems even more prudent in this situation given the scope.

The Mayor and Council, by majority vote, have already specified the scope of the forensic audit. So, there wouldn't be any issue there. (It's a limited scope, partially pertaining to the amount of funds available to this and partly pertaining to Council's most pressing questions.)

A firm would be interacting with the City Attorney and the City Manager about any questions, but the firm will provide a report that can be presented to City Council and the Mayor at the conclusion of the representation.

31) Approximately how many transactions are subject to the scope of work for Fiscal Years 2023 and 2024 by scope area:

1. Credit card transactions. 600 per year
2. Accounts payable transactions. 3000 per year
3. Employee benefit transactions. Estimate of 2600.00 per year

32) Does the city have a preferred completion date for this engagement? June 2024

33) Is the City able to provide any and all required documentation electronically through a secure portal link provided to them by the selected Firm? Items can be scanned and uploaded to the portal. Items can be scanned and uploaded to the portal.

34) Does the City require reports follow a specific format as directed by City, County, or State regulations? The auditor is required to quantify and document its results to a level consistent with Generally Accepted Accounting Principles and Government Auditing Standards.

35) What is the target start date for this engagement, and when are the expected completion dates for deliverables? Start date immediately following contract award for services. Consideration for award is expected to be considered for approval in March 2025 Expected completion date June 2025

36) What specific concerns or red flags have prompted this forensic audit? Council is concerned about the high turnover in finance related positions (ie. Finance Director). Council is concerned about unauthorized provision of employee benefits. Council is concerned about unauthorized spending and use of credit cards.

37) Are there any known instances of fraud, waste, or abuse? No.

38) Does the City have existing internal audit reports, external audit findings, or investigative reports related to the areas under review? Annual independent audits conducted through year 2022. Year 2023 and 2024 annual audits have not begun. No findings exist for those periods.

- 39) What financial systems and software are used for accounts payable, credit card transactions, and employee benefits? **Tyler Incode ERP Pro 9, ADP and Employee Navigator**
- 40) Are there any known data retention issues or missing records for FY 2023 and FY 2024? **No**
- 41) Who will be the primary point of contact for reporting findings—the City Council, the Mayor’s office, or another designated party? **City Manager and City Attorney**
- 42) Should the auditor prepare testimony, affidavits, or expert reports for potential legal proceedings? **No.**
- 43) If legal proceedings arise, will the auditor be engaged under a separate contract or as part of this engagement? The auditor would be engaged under an amendment to contract for this engagement – pending advice from the City’s legal counsel. **The auditor would be engaged under an amendment to contract for this engagement – pending advice from the City’s legal counsel and approval from Mayor and Council. Legal proceedings are not expected.**
- 44) How should travel expenses, administrative costs, and document processing fees be handled? It is suggested that travel and administrative costs are factored into the overall rate structure/fee estimate. **Travel and administrative costs are to be factored into the overall rate structure/fee estimate.**
- 45) If additional forensic services are needed beyond the initial scope, what is the expected process for obtaining approval. **The auditor would be engaged under an amendment to contract for this engagement – pending advice from the City’s legal counsel and approval from Mayor and Council. Legal proceedings are not expected.**
- 46) Is there an estimated budget range for this engagement? **\$100,000 is the estimated value**
- 47) Will the City consider blended billing rates in the cost proposal? **Hourly rates and fee estimates will be considered.**
- 48) Will the City accept forensic audit experience outside of Georgia, or must all engagements be within the state? **Experience in providing audits/forensic audit/forensic accounting services in Georgia is a requirement of the RFP.**
- 49) Are there any state-specific regulations or compliance requirements that firms must meet beyond having prior experience in Georgia? **No.**
- 50) How many credit cards and how many credit card users were there during the forensic audit period? **7 cards/10 users**

- 51) What is the volume and dollar value of credit card transactions during the forensic audit period? If not immediately available, would the city please provide an average monthly volume and value of credit card transactions. **Average of 50 transactions per month Value of 10,000.00**
- 52) What is the volume and dollar value of accounts payable transactions during the forensic audit period? **Annual Value of 6 million dollars**
- 53) What accounting system is used by the City? **Tyler Incode ERP Pro 9**
- 54) Will supporting records for credit card, accounts payable, and employee benefit transactions be available in electronic format? **They can be scanned and sent electronically**
- 55) Will the awarded Firm be required to be on site to review records? **On-site, remote, and hybrid work allowed.**
- 56) Email records often contain critical information that can help forensic auditors understand the context and details of transactions, communications, and decisions made. Would the City be amenable to make available the email records of relevant individuals to be examined as part of this forensic audit? **Yes**
- 57) Would the City like the responding Firms to include a flash drive with an electronic version of the proposal along with the three printed proposals? **No**
- 58) Could you please confirm whether we need to include a fee estimate or rates in our submission, or will these be provided if the work is awarded?
Yes please provide a fee estimate or rates in your submission.
- 59) Could the City please confirm whether they want a total cost quote for the forensic audit or does the City only want hourly rates at this time?
Hourly rates and total fee estimate.
- 60) Does the City have a requested timeframe for the completion of the forensic audit?
June 2025
- 61) What systems would we be accessing for purposes of doing the work? Accounting system etc. **Tyler Technologies Incode ERP Pro 9 and ADP**

- 62) How many transactions approximately would be subject to our review? **600 credit card per year, 3000 accounts payable per year, 2600 employee benefits**
- 63) Would the data we are reviewing be available in Excel or other data formats? **Excel, PDF**
- 64) Are there specific issues that have been identified that are driving this request for forensic services? **No** If so, can you describe them?
- 65) How many credit cards would transactions need to be reviewed for? **600/year** What kind of backup documentation is available for those transactions? **Hard copy statements/receipts, Accounting System reports.**
- 66) In the RFP you contemplate possible expert witness services – can you explain what activity has occurred that might constitute a need for those services? **The city does not expect legal proceedings.**
- 67) Can you provide any details regarding what led to the request for a forensic audit? **Council is concerned about unauthorized provision of employee benefits. Council is concerned about unauthorized spending and use of credit cards.**
- 68) What is the approximate quantity of in-scope transactions? **600 credit credit/year, 3000 accounts payables/year, and 2600 employee benefits/year**
- 69) Regarding the financial information to be provided to the Contractor for analysis, what amount of information is estimated to be provided?
Can the data be measured in years, months, weeks, GBs, pages, document numbers, etc.?
2 years worth of data.
- 70) How many bank accounts does the City utilize to conduct its regular business activity? **3**
- 71) How many credit card accounts does the City utilize on a regular basis for business activity?
7
- 72) Have internal audits of the controls in the in-scope areas been performed to evaluate effectiveness of existing controls? **Yes**
- 73) What is the expected timeline for the completion of the forensic audit? Are there any key milestones or deadlines? **June 2025**

- 74) Are there any legislative, regulatory, or appropriations considerations regarding the County's determination of appropriate budget for this engagement? **The City Council would consider budget amendment (by ordinance) when considering budget for this engagement.**
- 75) Will County employees be available for information gathering interviews either in person or virtually? **Yes**
- 76) Has the County previously engaged a firm to conduct any type of forensic accounting engagement? **No, the City has not.**
- 77) What specific criteria will be used to evaluate the proposals? **Provisions/requirements of the RFP**
- 78) Will the project work be required to be on site, remote or hybrid? **On-site, remote and hybrid**
- 79) Will the County consider exceptions to its RFP? **Any exceptions are to be clearly noted in the RFP response. The City do not guarantee consideration of any exceptions to its RFP.**
- 80) When is the contract expected to be awarded, and when is the scoping exercise expected begin? **March 2025/March 2025**
- 81) Are there any specific guidelines or standards that the report should adhere to? **The auditor is required to quantify and document its results to a level consistent with Generally Accepted Accounting Principles and Government Auditing Standards.**
- 82) Have any specific issues of inappropriate and/or unauthorized activity already been identified in the ordinary course of operations? **No.**
- If yes, can you please shed some insight into the activity?
- 83) Please identify the annual volume for the 2023 and 2024 transactions related to:
- a. Purchasing activity – **combined with procurement**
 - b. Procurement - **3000**
 - c. Inventory – **N/A (purchase of inventory combined with procurement)**
 - d. Credit Card Activity - **600**
 - i. Please identify the number of employees with accounts. - **7**
 - e. Accounts Payable Transactions **3000**
 - i. Please identify the number of Accounts Payable accounts.
 - f. Employee Benefit Transactions **2600**
 - i. Please identify the number of employees with benefits. **38**

84) Please describe the expected forensic procedures to be performed on the standard operating procedures, policies and regulations.

a. A natural by-product of a forensic investigation is the identification of the weaknesses surrounding the internal controls that allowed inappropriate and/or unauthorized activity to occur. However, forensic accountants perform separate tests to determine whether the policies and procedures in place are effective to prevent fraud, waste and/or abuse. This work would be additional services separate from the investigative services to determine appropriateness of the activity.

i. Please expand on the expectation of the scope of work listed in the RFP.

After completion of the service contract with this request, further forensic investigation may be requested. The City is seeking attest services to verify the information gathered during the audit. The preferred attest service is an Examination Engagement.

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