



i. Title Page

ELECTRONIC

Technical proposal to the:

Town of Weston, Connecticut

| | |
|--|--|
| Request for proposal's subject | Professional auditing services |
| Firm name | CLA (CliftonLarsonAllen LLP) |
| Name, address and telephone number of contact person | Leslie Zoll, CPA, Principal 29 South Main Street, 4 th Floor West Hartford, CT 06107 leslie.zoll@CLAconnect.com Direct 860-570-6376 |
| Date of the proposal | April 26, 2024 |

[CLAconnect.com](https://www.claconnect.com)

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



ii. Table of Contents

- iii. Transmittal Letter.....i**
- iv. Detailed Proposal3**
 - 1. General requirements..... 3
 - 2. Independence 3
 - 3. License to practice in Connecticut 3
 - 4. Firm qualifications and experience..... 4
 - 5. Partner, supervisory and staff qualifications and experience 15
 - 6. Similar engagements with other government entities..... 17
 - 7. Audit approach..... 18
 - 8. Identification of anticipated potential audit problems and assistance from client 34
- v. Guarantees and Warranties.....35**
- vi. Insurance36**
- Appendix D Sample Audit Services Proposal Letter38**
- Appendix E Non-Collusion Affidavit40**
- Sample Reports.....42**
- Appendix43**
 - Your service team biographies 43



iii. Transmittal Letter

April 26, 2024

Richard Darling
Town of Weston, CT
56 Norfield Rd
P.O. Box 1007
Weston, CT 06883-2225

Dear Richard:

Thank you for inviting us to propose. We look forward to the opportunity to continue providing services to Town of Weston, CT (the Town).

Verification statements

I, Leslie Zoll, your engagement principal-in-charge, will serve as the Town's primary contact person for this engagement. We have read the RFP and understand the nature of the work to be performed, and commit to perform the work within the time period. Furthermore, we believe are best qualified to perform the engagement. Our proposal is a firm and irrevocable offer for the period covered. Furthermore, as a principal of CLA, I am authorized to sign, bind, and commit the firm to the obligations contained in this proposal and the Town's RFP. My contact information is as follows:

Leslie Zoll, Principal
Office: 860-570-6376
Email: leslie.zoll@CLAconnect.com

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement.

The following differentiators are offered for the Town's consideration:

- **Industry-specialized insight and resources** – As one of the nation's leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist the Town with their audit needs. In addition to your experienced local engagement team, the Town will have access to one of the country's largest and most knowledgeable pools of regulated industry resources.
- **OMB Uniform Guidance (UG) experience** – CLA performs single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm. The single audit requires a specific set of skills to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services.

- **Strong methodology and responsive timeline** – In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. The work plan also minimizes the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- **Communication and proactive leadership** – The Town will benefit from a high level of hands-on service from our team’s senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at the Town and take an active role in addressing them.
A focus on providing consistent, dependable service – We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies’ SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the Town will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.
- **We know you!** We know and understand the Town. By providing services to you in the past, we have established an understanding of your organization. The work we’ve performed provides your project with momentum before we begin the engagement. We don’t have to spend a lot of time up front learning about your core operations, we know them well.

Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

CliftonLarsonAllen LLP



Leslie Zoll, CPA
Principal
860-570-6376
leslie.zoll@CLAconnect.com

iv. Detailed Proposal

B. TECHNICAL PROPOSAL

1. General requirements

CLA understands that the purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of our firm as we seek to undertake an independent audit of the Town of Weston in conformity with the requirements of this request for proposal. As such, we understand that the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal demonstrates the qualifications of CLA and of the particular staff to be assigned to this engagement. It also specifies an audit approach that will meet the request for proposals requirements. The technical proposal addresses all the points outlined in the request for proposals (excluding any cost information which has only been included in Appendix D). The proposal has been prepared simply and economically, providing a straightforward, concise description of the CLA's capabilities to satisfy the requirements of the request for proposals. While additional items have been presented, the following subjects, items Nos. 2 through 8, have been included. CLA understands that they represent the criteria against which the proposal will be evaluated.

2. Independence

CLA has been the Town's auditors for several years. As such, we are required to maintain our independence (both in substance and appearance). We are not presently aware of any current or potential relationships or conflicts of interest with the Town or its affiliates, component units, subsidiaries that may threaten our independence. We agree to give the Town of Weston written notice of any professional relationships entered into during the period of this agreement.

3. License to practice in Connecticut

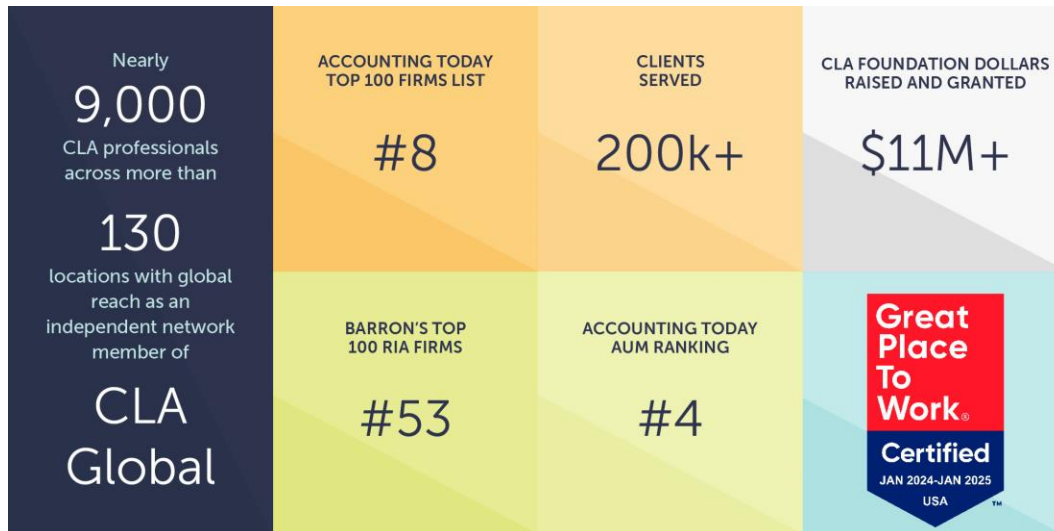
CLA is a limited liability partnership and is duly licensed to practice public accountancy in the state of Connecticut. A copy of our state license is provided below:



4. Firm qualifications and experience

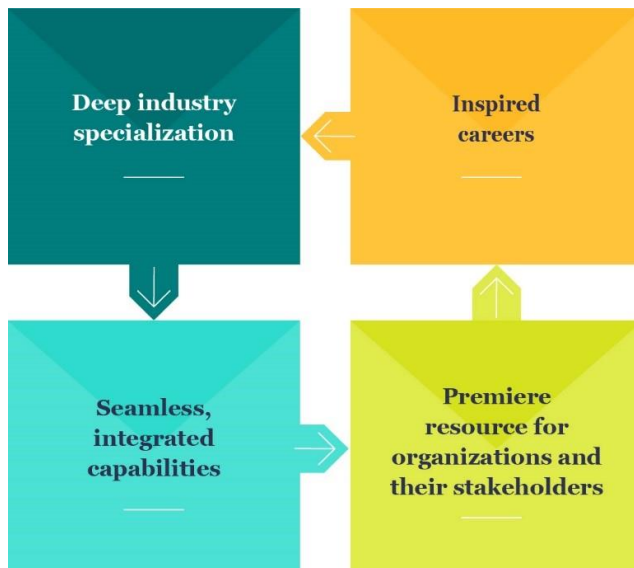
Size of the firm

It takes balance. With CLA by your side, you can find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.



As a professional services firm, we exist to create opportunities ... for you, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. We do this when we live the CLA Promise — a promise to know you and help you.

Opportunities for you



You'll find resources you would expect in the largest firms, with the personal touch of people who live and work in your community.

You'll access leaders and professionals in communities across the country, rather than from one central headquarters. We work together to look at your organization holistically, and then help you address challenges by offering support where you need it, from traditional audit and tax to outsourcing and wealth advisory.

As you navigate opportunities and challenges in a competitive and constantly changing environment, we'll embrace change, learn from it, and design processes to make interactions easier, more transparent, and seamless.



Opportunities for our people

At CLA, people find meaningful work in a fun, compelling, and energizing culture. Our people design their own customized careers through our inspired careers strategic advantage. In 2023 our total headcount was up 4% and we saw an incredible retention rate of 87%. Inspired by their careers, our family members develop client relationships that bring deeper knowledge and help you shine. We're one family, working together to create opportunities.

What's more, CLA is building a [diverse, inclusive, and equitable culture](#) that welcomes different beliefs and perspectives. We want to be representative of the communities we serve and foster an environment of inclusion and belonging, resulting in enhanced value for our clients, our communities, and each other.

Inclusive: *We embrace all voices and create opportunities by removing barriers and helping our people build inspired careers.*

Opportunities for our community

CLA's community impact team unifies the work and missions of our diversity, equity, and inclusion council and the CLA Foundation with a laser focus on advancing education, employment, and entrepreneurship within CLA and throughout our society.

Since 2015, our [CLA Foundation](#) has granted more than \$11 million from nominations made by and funds raised from CLA family members. Each grant recipient's work aligns with the foundation's mission to create career opportunities through education, employment, and entrepreneurship by connecting diverse networks inclusive of all genders and races, veterans, and the disability community.

Read more in CLA's annual [Promise and Transparency Report](#).

Size of firm's governmental audit staff

With more than 600 professionals dedicated to our state and local government practice, CLA has one of the largest governmental audit and consulting practices in the country and brings extensive experience providing a variety of such services to state and local government entities. Our state and local government team serves more than 4,200 governmental engagements nationwide, including numerous cities, counties, municipalities, states and state agencies, and school boards. In addition, we perform single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm.

Office location assigned to manage the engagement

Assigning team members who specialize in working with similar clients can provide the Town higher-quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff. We also believe a local presence is key to developing strong relationships with our clients. Therefore, the Town will be served by an industry-specialized engagement team located in our West Hartford, Connecticut office.



CLA West Hartford
29 South Main Street, 4th Floor
West Hartford, CT 06107

Number and nature of professional staff to be employed on this engagement

The table below provides a breakdown by staff level and denotes full- or part-time status of the engagement team that will serve the Town. This team has extensive experience working with clients similar to the Town.

| Level of Staff | Full-Time Staff | Part-Time Staff |
|----------------------------|-----------------|-----------------|
| Principal/Signing Director | 1 | - |
| Director/Manager | 1 | - |
| Senior | 1 | - |
| Associate | 1 | 1 |
| Total | 4 | 1 |

Federal or state desk or field reviews

CLA has been subject to several federal and state desk reviews by state oversight agencies during the past three years, and we have resolved all findings. In addition, our government audits are subject to review by each agency’s Office of Inspector General, as well as the U.S. Government Accountability Office, and we have also resolved all findings identified in those reviews.

Professional ethics and regulatory issues or complaints against team members

From time to time, individuals in the firm are parties to an inquiry from a regulatory or ethics body. In all cases the individual, with the firm's backing, shall cooperate in providing the information required to respond appropriately to the inquiry.

The firm and professionals within the firm presently do not have any regulatory or ethics inquiries outside the normal course of our practice.



Quality control procedures and peer review report

In the most recent peer review report, dated November 2022, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page. ***This quality review included a review of specific government engagements.***

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.





Report on the Firm's System of Quality Control

To the Principals of CliftonLarsonAllen LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards, may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1[®] and SOC 2[®] engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP
Charlotte, North Carolina
November 18, 2022

cbh.com



State and local government experience

You can benefit from a close personal connection with a team of professionals devoted to governments. Our goal is to become familiar with all aspects of your operations — not just the information needed for the year-end audit so that we can offer proactive approaches in the areas that matter most to you:

- Finding new ways to operate more effectively and efficiently
- Responding to regulatory pressures and complexities
- Maintaining quality services in the face of revenue reductions
- Providing transparent, accurate, and meaningful financial information to stakeholders, decision-makers, and your constituents

We understand the legislative changes, funding challenges, compliance responsibilities, and risk management duties that impact you. Our experienced government services team can help you navigate the challenges of today, all while seamlessly strategizing for the future.



Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations, including those shown here.



We are also actively involved in and/or are members of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- AICPA's State and Local Government Expert Panel
- AICPA's Government Audit Quality Center (GAQC)
- Government Finance Officers Association (GFOA)
- Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program



- AICPA Single Audit Quality Task Force
- Association of Government Accountants

Our involvement in these professional organizations, combined with various technical services we subscribe to, allows us to be at the forefront of change in the constantly changing government environment. We take our responsibility for staying current with new accounting pronouncements, auditing standards, other professional standards and laws and regulations seriously.

Insight to strengthen your organization

When you're ready to go beyond the numbers to find value-added strategies, we offer resources to help you respond to challenges and opportunities including:

- [National webinars](#) — Access complimentary professional development opportunities for your team.
- [Articles and white papers](#) — Stay current on industry information as issues arise.

Curious: *We care, we listen, we get to know you.*

Support at every turn

With [dedicated services specific to state and local governments](#), you have access to guidance on all aspects of your operations.

- [Affordable Care Act \(ACA\) reporting and compliance](#)
- [Audit](#), review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- [COVID-19 funding support](#)
- [Cybersecurity](#)
- [Enterprise risk management](#)
- [Forensic accounting, auditing, and fraud investigation](#)
- Fraud risk management
- [Grant compliance](#)
- Implementation assistance for complex Governmental Accounting Standards Board (GASB) statements
- [Internal audit](#)
- [Outsourced business operations](#)
- [Performance auditing](#)
- [Purchase card \(p-card\) monitoring and analytics](#)
- [Risk assessments](#)
- Strategic, financial, and operational consulting
- [Telecom management services](#)



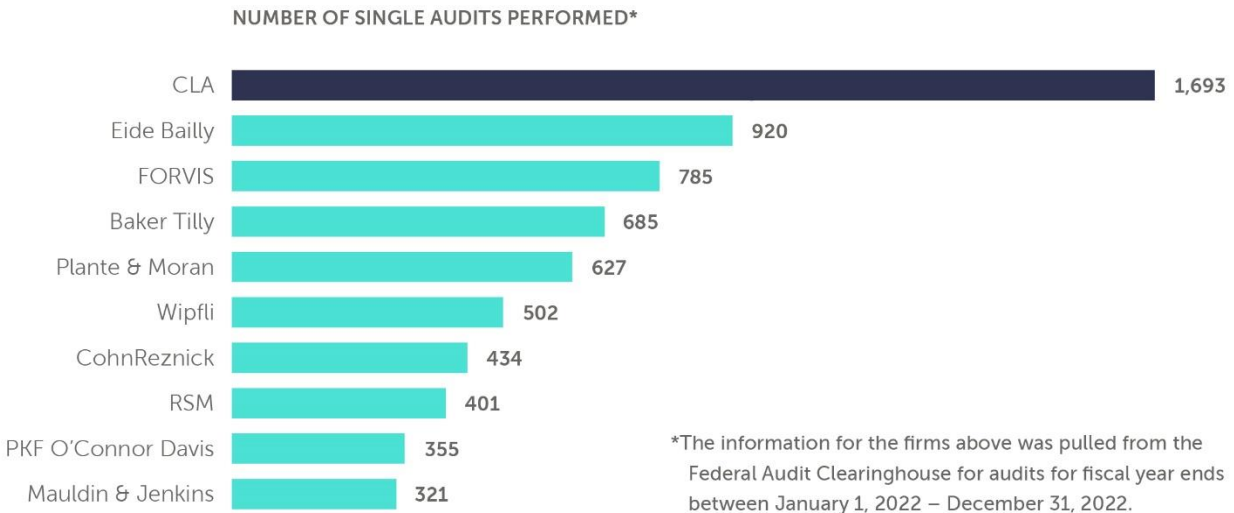
Independence can easily become impaired when providing consulting services; therefore, we do not provide any services to our audit clients beyond those allowed. If additional work is requested by the Town outside of the scope of the audit, we will discuss with you our proposed fee for additional services prior to beginning the new services.



Single audit experience

CLA performs the largest number of single audits in the United States

We audited nearly \$257 billion dollars in federal funds in 2022. The chart below illustrates CLA’s experience in serving organizations that receive federal funds and demonstrates our firm’s dedication to serving the government and nonprofit industry.



It is more important than ever to find qualified auditors who have significant experience with federal grants specific to the Town and can enhance the quality of the Town’s single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB’s *Uniform Guidance* and who can offer both knowledge and quality for the Town. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

You'll need an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved and will benefit from CLA’s experience in this area.

Single Audit Resource Center (SARC) award

CLA received the [Single Audit Resource Center \(SARC\) Award](#) for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC's award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey.



The survey queried more than 10,000 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2021 fiscal year-end audit. The SARC award demonstrates CLA’s dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.



Certificate of achievement assistance

The Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce an annual comprehensive financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the ACFR program.



CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Report. All of the procedures noted in our audit approach and our technical review of the ACFR are done to help the Town prepare and publish the top product possible. Our managers and principals who review the ACFR have a strong understanding of the GFOA requirement for the certificate. We understand that this is a prestigious award for the Town and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each ACFR and provide the Town advice regarding the response to the GFOA reviewer's comments. Our procedures with respect to the ACFR will be the review of the comments from GFOA on the prior year submission to determine they were adequately addressed, completion of the ACFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist the Town with the preparation of the ACFR and improvement of the Town's financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the Town.

The table below identifies the professionals who are currently members of the GFOA Special Review Committee together with their length of service with the Committee.

| Name | Title | Location | Years Served |
|--------------------------|------------------|-----------------|--------------|
| Robert J. Callanan, CPA | Principal | Irvine, CA | 10+ |
| Julie S. Fowler, CPA | Signing Director | Sebring, FL | 10+ |
| Richard Gonzalez, CPA | Principal | Roseville, CA | 10+ |
| Michelle Hoffman, CPA | Principal | Minneapolis, MN | 6+ |
| Christopher Kessler, CPA | Principal | Fort Myers, FL | 4+ |

| Name | Title | Location | Years Served |
|---------------------------------|------------------|-----------------|--------------|
| Christopher G. Knopik, CPA, CFE | Principal | Minneapolis, MN | 7+ |
| Jacob S. Lenell, CPA | Principal | Milwaukee, WI | 12+ |
| Daphnie Munoz, CPA | Principal | Irvine, CA | 10+ |
| Remi Omisore, CPA | Principal | Baltimore, MD | 11+ |
| Nitin Patel, CPA | Principal | Irvine, CA | 10+ |
| Jeffrey Peek, CPA | Principal | Roseville, CA | 4+ |
| Sue Pessano, CPA | Director | Tampa, FL | 1+ |
| Shannon D. Small, CPA, MPA | Signing Director | Wauwatosa, WI | 3+ |
| Miranda Wendlandt, CPA, CFE | Principal | Alexandria, MN | 5+ |



Similar Connecticut municipalities

CLA is a leading provider of government audit and consulting services in Connecticut and New England. We serve 54 Connecticut municipalities, as well as many counties, special purpose governments, and school districts. As such, we understand the complexities within Connecticut governments, grant funding, and the specific federal and state compliance requirements of that funding. Inherently, with the size of CLA's government practice, we continually consult with many other governments and professionals to stay current on the constant changes and local issues that affect the Town.

| CLA's Connecticut Municipal Clients | | |
|---|--------------------------|----------------------------|
| City of Bridgeport, CT* | City of Bristol, CT* | City of Groton, CT |
| City of Hartford, CT* | City of Meriden, CT* | City of Middletown, CT* |
| City of Milford, CT* | City of New Britain, CT* | City of Norwalk, CT* |
| City of Norwich, CT* | City of Torrington, CT | City of Waterbury, CT* |
| Town of Avon, CT* | Town of Bloomfield, CT* | Town of Branford, CT |
| Town of Darien, CT* | Town of Cheshire, CT* | Town of Coventry, CT* |
| Town of Granby, CT* | Town of East Haddam, CT | Town of East Hartford, CT* |
| Town of Guilford, CT* | Town of Ellington, CT* | Town of Enfield, CT* |
| Town of Lebanon, CT | Town of Haddam, CT | Town of Groton, CT* |
| Town of Mansfield, CT* | Town of Ledyard, CT | Town of Hebron, CT |
| Town of Middlebury, CT | Town of Montville, CT | Town of Manchester CT* |
| Town of Old Lyme, CT | Town of Plainville, CT | Town of Marlborough, CT |
| Town of Rocky Hill, CT* | Town of Simsbury, CT* | Town of Newington, CT* |
| Town of Southbury, CT | Town of Southington, CT* | Town of Ridgefield, CT |
| Town of Tolland, CT* | Town of Wallingford, CT* | Town of South Windsor, CT |
| Town of West Hartford, CT* | Town of Weston, CT | Town of Stratford, CT |
| Town of Wethersfield, CT* | Town of Wilton, CT* | Town of Waterford, CT* |
| Town of Wolcott, CT | Town of Windham, CT | Town of Westport, CT* |
| *Clients having a GFOA Certificate of Achievement for Excellence in Financial Reporting in 2021 | | |



5. Partner, supervisory and staff qualifications and experience

Principal supervisory and management staff

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them. Meet your service team below.

| Engagement Team Member | Role | Licensed to practice as a CPA in CT? |
|-------------------------------|--|--------------------------------------|
| Leslie Zoll, CPA | Engagement principal – Leslie Zoll will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Leslie Zoll is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team. | ✓ |
| Grace Musiitwa, CPA | Engagement director – Grace Musiitwa will act as the lead manager on the engagement. In this role, Grace will assist the engagement principal with planning the engagement and performing complex audit areas. She will perform a technical review of all work performed and is responsible for the review of the annual comprehensive financial report and all related reports. | ✓ |
| Jeff Ziplow, MBA, CISA, CGEIT | Information systems – Jeff will serve as the Information Technology (IT) and General Control systems resource to the Town’s engagement. He will perform a review of Information Systems (IS) controls to conclude whether they are properly designed and operating effectively. For IS-related controls that we deem to be ineffectively designed or not operating as intended, he will communicate our findings and will provide recommendations to improve internal controls. | ✓ |

Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.

Detailed biographies can be found in the *Appendix*.

Collaborative: Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.



Continuity of service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. We are also flexible in exploring alternative strategies to non-mandatory rotation policies.

In any business, however, turnover is inevitable. If and when it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have a number of qualified staff members to provide the Town with quality service over the term of the engagement.

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.

Equal Employment Opportunity/Affirmative Action

At CLA, we encourage and embrace an inclusive culture that brings different beliefs and perspectives so that we can truly know and help each other and our clients. We do this by inviting perspectives and building relationships based on trust and respect, which together with connection, are the foundation for our CLA Promise.

CLA is an Equal Opportunity and Affirmative Action employer committed to diversity, equity, and inclusion. All employment decisions are made without regard to race, creed, color, religion, sex (including pregnancy, childbirth, and medical conditions related to pregnancy, childbirth, or breastfeeding), sex stereotyping (including assumptions about a person's appearance or behavior, gender roles, gender expression, or gender identity), gender, age, national origin, citizenship status, ancestry, mental or physical disability, intellectual disability, military service, protected veteran status, genetic information, medical condition, sexual orientation, gender identity, gender expression, natural hairstyle, marital status, sexual and reproductive health choices or any other characteristic protected by federal, state or local law.

Right to approve or reject replacements

Engagement principals, managers, other supervisory staff, and professionals may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Town. In all instances, the Town would retain the right to approve or reject replacements.

Consultants and firm specialists mentioned in the response to this request for proposal may be changed with express prior written permission of the Town, which retains the right to approve or reject replacements.

Any other audit personnel may be changed at the discretion of the proposer, provided that replacements have substantially the same or better qualifications or experience.



6. Similar engagements with other government entities

Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you'll have when working with us. We encourage you to connect with our clients to hear it firsthand.

| City of Hartford, Connecticut | |
|-------------------------------|---|
| Scope of Work | Financial statement audit, federal single audit, state single audit, EFS agreed-upon procedures, GASB 87 Turnkey solution |
| Date | 2018-present |
| Engagement Principal | Leslie Zoll, CPA, Principal |
| Total Hours | 1000 hours |
| Client Contact | Leigh Ann Ralls, Director of Finance, 860-757-9665 |

| City of New Britain, Connecticut | |
|----------------------------------|---|
| Scope of Work | Financial statement audit, federal single audit, state single audit, EFS agreed-upon procedures, GASB 87 Turnkey solution |
| Date | 2014 – present |
| Engagement Principal | Leslie Zoll, CPA, Principal |
| Total Hours | 900 hours |
| Client Contact | Jonathan Perugini, Finance Director, 860-826-3442 |

| Town of Ridgefield, Connecticut | |
|---------------------------------|---|
| Scope of Work | Financial statement audit, federal single audit, state single audit, EFS agreed-upon procedures, GASB 87 Turnkey solution |
| Date | 2010-present |
| Engagement Principal | Leslie Zoll, CPA, Principal |
| Total Hours | 650 Hours |
| Client Contact | Kevin Redmond, Director of Finance, 203-431-2721 |

Transparent: We place honesty and integrity at the center of all communication. We welcome you to start an open and candid conversation with those who know us best.



7. Audit approach

a. Proposed segmentation of the engagement

The CLA seamless assurance advantage (SAA)

SAA is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.



A different approach

SAA is unlike any conventional audit process. SAA does not depend on physical location. It reduces the time our professionals spend on site, creates fewer disruptions, enables more efficient use of resources (yours and ours), and allows for more impactful interactions with your people.

Insights through analytics

CLA uses strategic data analysis to examine whole data sets to gain a deeper understanding of your organization. Insights that were once impossible can now come into focus to help you measure performance, enhance strategic decision making, and understand your competitive opportunities.

Effective technology

CLA embraces technologies that help solve client problems and create a seamless experience. Assurance Information Exchange (AIE) is a web-based application developed by CLA to digitally request and obtain audit documents through a secure and efficient online portal.

Financial statement audit approach



Phase 1: Planning and strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting. Leslie Zoll and staff will meet with the Town personnel to agree on an outline of responsibilities and time frames
 - Establish audit approach and timing schedule
 - Determine assistance to be provided by the Town personnel
 - Discuss application of generally accepted accounting principles
 - Address initial audit concerns
 - Establish report parameters and timetables
 - Progress reporting process
 - Establish principal contacts
- Gain an understanding of your operations, including any changes in organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the Town, and establish deadlines

We will document our planning through:

- **Entity profile** — This profile will help us understand the Town's activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.
- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.
- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.

- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by the Town personnel with due dates for each item.
- **Assurance Information Exchange (AIE)** — CLA uses a secure web-based application to request and obtain documents. This application allows clients to view detailed information, including due dates for all items CLA is requesting. Clients can attach electronic files and add commentary directly on the application.

A key element in planning this audit engagement will be the heavy involvement of principals and managers. We will clearly communicate any issues in a timely manner and will be in constant contact as to what we are finding and where we expect it will lead.

Using the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the Town that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

Phase 2: Systems evaluation

We will gain an understanding of the internal control structure of the Town for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:

- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the Town has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated prepared by client listing based on our test results and anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application IS controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.



For IS-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support findings and will provide recommendations for improvement. For IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

Phase 3: Testing and analysis

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.

After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will provide the Town with status reports and be in constant communication with the Town to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the Town to summarize the results of our fieldwork and review significant findings.

Phase 4: Reporting and follow up

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major State Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of State Financial Assistance as Required by the State of Connecticut Single Audit Act
- Management Letter
- Written Communication to Those Charged with Governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Disagreements with the Town
 - The Town's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit
 - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter will be issued.



The Town will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter. Our management letter will include items noted during our analysis of your operations.

We will make a formal presentation of the audit results to those charged with governance, if requested.

Single audit approach

In the current environment of increased oversight, it is more important than ever to find qualified auditors who have significant experience with federal and state grants specific to the Town and can enhance the quality of the Town’s single audit. Therefore, the single audit will be performed by a team of individuals who specialize in single audits in accordance with the *Uniform Guidance* (federal single audit) and the Connecticut State Single Audit Act who will offer both knowledge and quality for the Town. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

Grant compliance can be a confusing topic and many of our clients rely on their federal and state funding as a major revenue source, so it is important that they understand what the compliance requirements are for their organization. CLA professionals are available to provide guidance and tools tailored to the Town’s needs, and to assist in compliance with the requirements set forth in the *Uniform Guidance* and the Connecticut State Single Audit Act.

The AICPA clarified auditing standard; AU-C 935 “Compliance Audits” requires risk-based concepts to be used in all compliance audits including those performed in accordance with the *Uniform Guidance* and the Connecticut State Single Audit Act. Our risk-based approach incorporates this guidance.

We will conduct our single audit in three primary phases, as shown, below:



Phase 1: Risk assessment and planning

The risk assessment and planning phase will encompass the overall planning stage of the single audit engagement. During this phase, we will work closely with the Town’s management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs

- Utilizing the preliminary Schedule of Expenditure of Federal Awards and Schedule of Expenditures of State Finance Assistance, we will identify the Type A and Type B programs in accordance with the *Uniform Guidance* and the Connecticut State Single Audit Act
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits.
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we will obtain the current year compliance supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit

Phase 2: Major program testing

We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with the *Uniform Guidance* and the Connecticut State Single Audit Act.

To accomplish this, we will perform the following:

- Schedule a meeting and notify the Town's management of the major programs for the current fiscal year
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance
- Perform tests of compliance and internal controls over compliance for each major program identified
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise
- Conduct entrance and exit conference meetings with each grant manager

Phase 3: Final assessment and reporting

We will re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance is received to determine if additional major programs were identified.

Based on the final determination of the programs we will perform the following:

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the Town's management to review drafts of required reports:
 - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*
 - Independent Auditor's Report on Compliance for Each Major State Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of State Financial Assistance Required by the Connecticut State Single Audit Act

Throughout the single audit, we will maintain communication through periodic progress meetings with those designated by the Town. These meetings will be on a set schedule, but as frequently as the Town determines. During these meetings, we will discuss progress impediments and findings as they arise.

Communication process

Effective communication is critical to a successful engagement. This includes weekly status meetings where observations, potential exceptions, and leading practices are discussed. To avoid surprises at the end of the engagement, we discuss and document our observations, clarify fact patterns, and confirm management's understanding and agreement with our findings.

CLA adheres to all auditing standards related to reporting observations, recommendations, and findings. All significant deficiencies and material weaknesses will be reported to the audit committee/governance in writing. Best practices, observations, and other matters will be reported to management in a management letter that can be used as a tool to track the implementation of our recommendations.

Report to those charged with governance — In addition to observations and recommendations, we will inform the audit committee of:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants, if any
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

We are sensitive and understanding of the fact that we report to those charged with governance, and our audit professionals maintain objectivity and independence in issuing audit opinions. If we identify significant fraud, illegal acts, or significant delays during the audit process, we will alert the audit committee immediately.

Information related to overall fiscal health or other concerns of your organization observed during audit testing will be presented in the exit presentation and as part of the management letter. We will also help you create opportunities for improvement through recommendations and suggestions for strengthening your policies, accounting procedures, and processes.

b. Level of staff and number of hours to be assigned

Our project management methodology results in a client service plan that provides for regular, formal communication with the entire management team and allows us to be responsive to your needs. The schedule allows for input from your personnel to make certain the services are completed based on your requirements. The plan may also be amended during the year based on input from the internal auditor.

Please see the below chart for the level of staff and approximate number of hours to be assigned to each proposed phase:

| Engagement Segment | Principal | Director | Senior | Associate | Total |
|-------------------------|-----------|-----------|------------|------------|------------|
| Assessment | 10 | 10 | 20 | 20 | 60 |
| Planning and strategy | 10 | 10 | 20 | 20 | 60 |
| Systems evaluations | 10 | 10 | 10 | | 30 |
| Testing and analysis | 10 | 10 | 50 | 70 | 140 |
| Reporting and follow up | 30 | 40 | 60 | | 130 |
| Total | 70 | 80 | 160 | 110 | 420 |

c. Sample size and statistical sampling

We follow the guidance of AU-C Section 530, Audit Sampling, in using statistical and nonstatistical approach. We use quality control material in all our audit engagements. These AU-C Section 530 – “Audit Sampling” forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing.

Sample sizes will vary depending on the nature of the testing (compliance versus substantive) and the size of the population being sampled. Sampling techniques are utilized in compliance and internal control testing, as well as substantive testing of certain asset and liability account balances. Sample sizes used for internal control testing depend on a number of factors, namely the number of expected or actual control deviations, size of population, and level of control assurance anticipated. Sample sizes can range from 20 to 90 possible selections.

To illustrate, if no internal control deviations are anticipated and the frequency of the population (i.e., the number of times the control is performed in a given year) is less than 100, then we will test 20 transactions in order to obtain moderate control assurance. If two internal control deviations are anticipated, and the frequency of the population is greater than 200, then we will test 90 transactions in order to obtain low control assurance. We are usually able to cover a substantial portion of the compliance and controls testing with one sample, resulting in a very efficient approach.



d. Type and extent of use of EDP software in the engagement

We use TeamMate as an analysis and data extraction tool to perform analytical procedures and assist in substantive testing. Rather than performing random sampling, TeamMate allows us to analyze 100% of transactions and focus on outliers. TeamMate can provide a detailed review of cash disbursements, payroll payments, and journal entries and help us offer valuable and actionable insights into your operations.



e. Data analytics

In addition to standard auditing methodology, a distinguishing aspect of CLA's audit services incorporates the power of data analytics to multiply the value of the analyses and the results we produce for clients. CLA's data methodology is a six-phase, systematic approach to examining an organization's known risks and identifying unknown risks. Successful data analysis is a dynamic process that continuously evolves throughout the duration of an engagement and requires collaboration of the engagement team.

Data analytics are utilized throughout our audit process, our Risk Assessment, Data Analytics, and Review ("RADAR") is a specific application of general ledger data analytics that has been implemented on all audit engagements. RADAR is an innovative approach created and used only by CLA that aims to improve and replace traditional preliminary analytics that were being performed.



The phases in our data analytics process are as follows:

1. Planning

In the planning stage of the engagement, the use of data analysis is considered and discussed to determine that analytics are directed and focused on accomplishing objectives within the risk assessment. Areas of focus -- such as journal entries, cash disbursements, inventory, and accounts receivable -- are common.

2. Expectations

We consider the risks facing our client and design analytics to address these risks. Through preliminary discussions with management and governance, we develop and document expectations of financial transactions and results for the year. These expectations will assist in identifying anomalies and significant audit areas in order to assess risk.

3. Data acquisition

Sufficient planning, a strong initial risk assessment, and an adequate understanding of your systems will serve as the foundation necessary to prepare our draft data request list. We will initially request information in written format and conduct follow-up conversations helping CLA practitioners share a mutual understanding of the type of data requested and the format required. If there are going to be any challenges/obstacles related to obtaining data, or obtaining data in the preferred format, they will generally be discovered at this point.

4. Technical data analysis

Technical analysis of the data requires the skillful blend of knowledge and technical capability. Meaningful technical analysis provides the engagement team with a better understanding of the organization. The additional clarity assists the engagement team to better assess what is "normal" and, in turn, be better suited to



spot anomalies, red flags, and other indications of risk. Analytics generally fall into five categories, each looking into the data set in a different way and deployed with a different purpose.

5. Interpret results and subsequent risk assessment

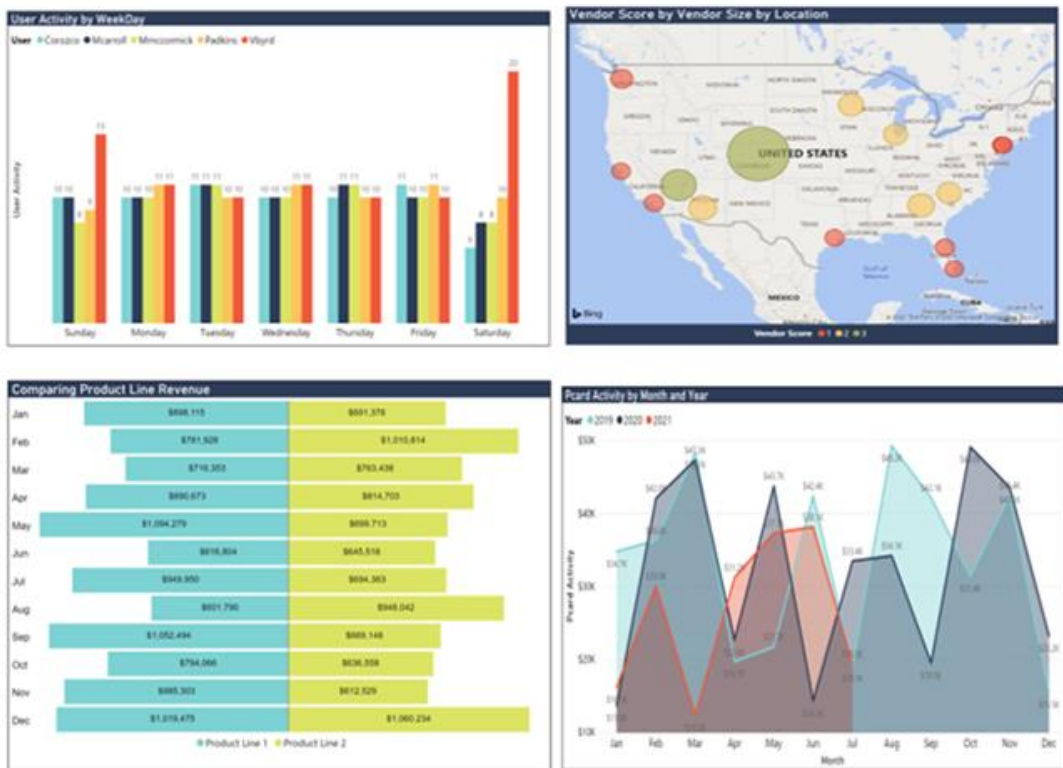
Trends and anomalies will be identified through the performance of the above referenced analytics. Comments regarding the interpretation of those trends and anomalies will be captured. When trends are identified, they are reconciled against expectations. For anomalies identified, the approach to further audit procedures will be considered.

6. Response and document

The last process is to capture responses and determine that our procedures are properly documented. Abstracts, charts, or summaries of both trends and anomalies are retained in audit documentation to support our identification of risks. Our analysis can be tailored and customized to help analyze an array of information, including client-specific and proprietary data. Key benefits of data analytics include:

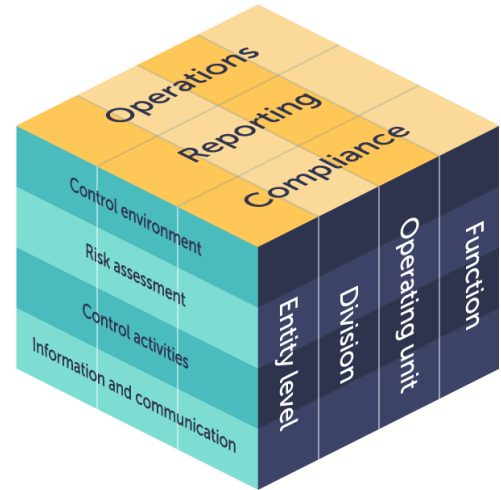
- Built-in audit functionality including powerful, audit-specific commands and a self-documenting audit trail
- 100% data coverage, which means that certain audit procedures can be performed on entire populations, and not just samples
- Unlimited data access allows us to access and analyze data from virtually any computing environment
- Eliminates the need to extrapolate information from errors (a common effort when manually auditing data) and allows for more precise conclusions

The below figure illustrates typical data analytics scenarios.



f. Procedures used to understand internal processes and controls

As your current auditors, we have developed and documented a deep understanding of the Town and its internal control and operating structure. Each year, we will work with the Town to update that understanding in the least intrusive manner possible, while still maintaining our professional responsibilities. We will utilize a combination of updating internal control forms completed in prior years and conducting annual interviews with key accounting personnel. As a baseline, we use existing internal control processes, policies, organizational charts, and other items the Town may have already documented or updated during the year. Finally, to confirm our understanding, we will do a walk through of design and operating effectiveness and convey the results to you.



The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has established a framework for internal control systems. Under the COSO framework, internal control is a process to provide reasonable assurance that those internal objectives, including effectiveness and efficiency of business operations, reliability of financial reporting, and compliance with applicable laws and regulations, will be met, if applicable.

Our audit approach is designed to evaluate and walk through the departmental internal controls in accordance with COSO concepts. Our procedures include a review of the overall control environment, determination of the adequacy of those procedures, and a walk through of the procedures to determine if they are functioning as designed.

During the planning and internal control phases of our audit, we will develop our understanding of the Town business operations and internal control structure for financial accounting and relevant operations through observation, discussion, and inquiries with management and appropriate personnel. During this phase of the audit, we will review budgets and related materials, organization charts, accounting and purchase manuals, and other systems of documentation that may be available.

Once we understand your operations, we will then identify control objectives for each type of control that is material to the financial statements. The next step will be to identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. We will then determine the nature, timing, and extent of our control testing.

g. Approach to be taken in determining laws and regulations that will be subject to audit test work

We will obtain an understanding of the laws and regulations that impact the Town's operations by reviewing council minutes to identify any ordinances or resolutions that might have an impact to operations and reporting by the Town, as well as interview key personnel and management of the Town. The staff assigned to the engagement attend regular trainings and are well versed in upcoming legislation and federal and state laws (e.g., *Uniform Guidance*) and proactively discuss these upcoming changes with our clients.

We will also review current operations, contracts, and IGA's that may impact current operations.

h. Approach to be taken in drawing audit samples for purposes of tests of compliance

We follow the guidance of AU-C Section 530, Audit Sampling, in using statistical and nonstatistical approach. We use quality control material in all our audit engagements. These forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing.

Because our sample sizes are affected by many variables, a statement about sample sizes cannot be made in absolute terms. However, with regard to sample selection, we will generally utilize representative sampling for internal control and compliance tests, including those related to single audit compliance. Samples will also be used in conjunction with other tests of compliance (e.g., Florida Statutes, Ordinances, etc.).

In general terms, sample sizes for compliance and controls testing obtained via our guidance usually fall into categories of 25, 40, or 60 depending on circumstances. Where the population being tested is less than 100 items, we will use the 20%, 30%, or 40% of the population depending on our control risk assessment.

We are usually able to cover a substantial portion of the compliance and controls testing with one sample, resulting in a very efficient approach.

i. Information security risk assessment

Objective

Identify the IT and operational processes and assess the levels of risk within each of the functional areas. In addition, provide your management with visibility to process areas that contain the highest potential risk as determined by the IS risk assessment process. The scope of the IS risk assessment included the following functional areas / processes within the organization:

| IS Domain/Process | Detailed Coverage of Functional Area / Process |
|--|--|
| Vendor Relationship | Administration, due diligence, contractual agreements, responsibility, and oversight, third party relationships, SOC1 reports |
| Governance | Policies and procedures, vendor contracts, purchasing information, regulatory exams, combinations, PIN's, and authentication information |
| Internal Audit and Compliance | Internal audit and compliance reports, workpaper and audit support information, |
| Supervisory Committee | Supervisory / Board reports, and internal communications |
| Human Resources | Personnel information, benefit information, salary information, performance reviews and employee records, corporate cards/employee reimbursement |
| Accounting and Finance | Credit union account information, sensitive disclosures, and financial statement support |
| Member Services | Member sensitive information such as account numbers, social security numbers, credit card information, or member information (when combined creates a financial record), call center |
| Lending | Member sensitive information such as account numbers, social security numbers, credit card information, or member information, Commercial loan underwriting documents, consumer loan underwriting documents, collections |
| Marketing | Member information, email lists, and phone trees |
| Records and Retention | File management, mail processing, record retention requirements |
| IT Domain/Process | Detailed Coverage of Functional Area / Process |
| Vulnerability Management | Review internal standards, procedures and results related to - authentication, patch management, configuration standards, malware protection, and intrusion detection and prevention |
| Independent/Third Party Validation Processes | Review third party procedures and results related to validation of - authentication, patch management, configuration standards, malware protection, intrusion detection and prevention, security architecture, network |

| | |
|--|---|
| | perimeter, vulnerability scanning, and penetration testing |
| Servers and Databases | Policy statements governing server data security, network shared drive review, local audit policy review, and password parameter review |
| Change Management | Project Administration, implementation & release, requirements gathering & analysis, end user training, program development, application / hardware changes, testing, emergency changes, data conversion and patch management |
| Organizational Administration | Organization structure, IS governance, policies, standards and procedures, risk management policy, maintenance, and storage of sensitive information (electronic and paper) |
| Electronic Information Processing | Web based applications, authentication standards, layered security, policies and procedures, password parameters, change management, administration |
| Logical Access | Application access, network access, and complexity standards |
| IS Personnel Administration | Hiring, training, rotation of duties, employee termination, contract resources |
| User Account Administration | Provisioning, de-provisioning, periodic validation, authentication, password management, segregation of duties |
| Application Administration | Internally and externally hosted and managed applications, access permissions, validation, application data, transaction process |
| Data Storage and Backup | Data storage types, backup schedule, inventory management, rotation, backup restoration |
| Workstation Administration | Authentication, configuration, anti-virus, privileges, encryption |
| Vendor Relationship | Administration, due diligence, contractual agreements, responsibility, and oversight, third party relationships, SOC1 18 reports |
| Physical Security and Environment Controls | Facility access, data center access, detective controls, environmental controls |
| Contingency Planning | Disaster recovery, incident response and business continuity, plan testing, responsibility, plan maintenance |

Approach

This approach focuses on the domains stated above and can be modified to more specific risk domains if management desires.

The five phases of our IS risk assessment approach along with the tasks used to accomplish each phase is summarized in the table below:



Phase 1: Planning and Data Gathering

Validate the IS risk assessment project scope based on consultation with key stakeholders as designated by you. We validate our understanding of your expectations for the project, including the following:

- Refine and tailor the methodology and approach to mirror the your expectations
- Define roles and responsibilities
- Establish communication protocols to foster that the most respectful and efficient working relationship is created at the very beginning of the process
- Define detailed project plan and milestones
- Identify resources to be utilized and logistical arrangements
- Develop strategies to mitigate disruption to your day-to-day operations

In addition, pertinent data is requested to utilize during the planning process. Requested documents and information includes, but not be limited to:

- Organizational charts
- IT network diagrams
- Policies and standard operating procedures
- Prior risk assessment reports, internal audit reports, external auditor's report
- IT strategic plan

Phase 2: Develop Risk Model and Universe

Define the IT risk and create the risk framework. Risk is an event or condition that can negatively affect the ability of an organization to achieve its objectives. Risks are generally thought to be associated with taking actions; however, risks can also occur when no action is taken in the form of missed opportunities. We suggest the risk domains stated in the above "Objectives and Scope" section. Procedures consist of the following:

- Discuss you background – Locations/People/Operations
- Understand the information technology environment
- Identify centralized/decentralized IT processes
- Define and create the risk universe and risk model (risk map)
- Identify risk ranking criteria definitions (impact and vulnerability variables)
- Agree on measurement scale and deliverable format
- Prioritize the audit universe

Next, we define impact and vulnerability criteria applicable to you to be utilized as a tool for risk ranking procedures. In determining risk within the IS processes, we assess the impact of the process to the organization and the vulnerability that a risk would occur by evaluating the underlying attributes of the process and by assessing the effectiveness of the control environment around that process.

Phase 3: Develop IS Risk Assessment Approach

Develop an IS risk assessment approach specifically tailored for the processes of you. Identify various interview participants, including key risk owners and conduct interviews, as applicable. Interview questionnaires are developed and specifically tailored for you. We work with the project liaison to schedule IS risk assessment interviews and we hold onsite discussions whenever possible. The final IS risk assessment approach is approved by management.



Phase 4: Execute IS Risk Assessment Approach

Facilitate discussions with key managers and stakeholders to conduct the IS risk assessment. In addition, take into consideration external audit reports, policies and procedures provided to us as a starting point to facilitate detailed discussions and to gain an understanding of the current controls, process structure, personnel involved, and supporting technology defined in the assessment. Procedures consist of the following:

- Conduct interviews with identified stakeholders
- Document and summarize interview results and risks identified
- Perform initial ranking of risks identified based on CLA current understanding
- Review risks, recommendations, and risk rankings with you

Phase 5: Deliver Results and Insights

Draft an IS risk assessment report with an executive summary describing the scope, objectives, approach, and overall conclusion. In addition, our report communicates all detailed risks identified. Risks are aggregated by process and/or IT function and placed on a risk map within the report. Our report identifies risks, recommendations to mitigate the risk, and a risk ranking. The impact and vulnerability criteria used to rank the risks are embedded into the report to provide management a clear understanding on how the risk ranking was derived. Collaborate with you to tailor the draft report to meet the needs of your management and any relevant reporting Committees.

j. Approach to be taken on disclosure of litigation contingencies

We will request a written confirmation of all pending litigation directly from attorneys that worked with the Town during the fiscal year. An assessment will be made on responses from these confirmations in accordance with ASC 450 to determine possible accruals and/or disclosures.

8. Identification of anticipated potential audit problems and assistance from client

Identification of anticipated potential audit problems

In situations where authoritative guidance on a particular transaction or accounting issue is unclear or subject to interpretation, our approach is to proactively meet with management to discuss the issue and reach a conclusion that is hopefully agreed upon by both parties. We do not have specific firm policies that dictate our conclusions to be reached on all complex accounting issues. Rather, each issue must be evaluated independently by our engagement team. As discussed above, we will not only meet internally, but also facilitate discussion with the Town's management team in order to obtain a mutual understanding of the particular accounting issue, determine the applicable authoritative guidance that most closely relates to the issue, and strive to reach an approach agreed upon by both parties. If there remains any ambiguity or disagreement, we can explore other resources that could possibly assist, such as subject matter professionals within the Government Accounting Standards Board staff or the Government Finance Officers Association (GFOA) or perhaps other municipalities who may have dealt with similar issues.

Assistance from client

We request that the Town provide access to all records required for the audits and other requirements of the contract. In addition, we request that you assign a "project coordinator" through whom we will communicate and coordinate activities. We do not foresee needing the Town's staff other than during normal business hours.

To assist in this process, we will provide a detailed Prepared by Client list early in the engagement. We will ask that your accounting staff provide us with standard schedules, as well as additional requested supporting items. We anticipate that your accounting personnel will need to locate and submit to us certain invoices, vouchers, cancelled checks, and other documents and records.

We will depend on your staff to provide us with as much information as possible, in an effort to limit everyone's time on the engagement and, ultimately, to save your organization money.

v. Guarantees and Warranties

APPENDIX A

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

Proposer Guarantees

I. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section IV, Nature of Services Required.

Proposer Warranties

1. Proposer warrants that it is independent and licensed to practice in Connecticut.
2. Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.
3. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
4. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of Weston.
5. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.
6. Proposer warrants that this proposal is being submitted without any collusion, communication or agreement as to any matter relating to it with any other respondent or competitor. We understand that this proposal must be signed by an authorized agent of our company to constitute a valid proposal.

Signature of Official:  _____

Name (typed): Leslie Zoll

Title: Principal

Firm: CLA (CliftonLarsonAllen LLP)

Date: April 25, 2024

□

vi. Insurance

APPENDIX B INSURANCE

The Auditing firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work hereunder by the firm, its agents, representatives, or employees. For the purpose of this clause, the term "Auditor" shall also include the Auditing firm's respective officers, agents, officials, employees, volunteers, boards and commissions.

A. Minimum Scope and Limits of Insurance

1. Broad Form Comprehensive General Liability \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, and products/completed operations.
2. Automobile Liability \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
3. Umbrella Liability \$1,000,000 per occurrence, following form.
4. Workers' Compensation Limits as required by State of Connecticut Labor Code.
5. Employers' Liability \$100,000 each accident \$500,000 disease/policy limit \$100,000 disease/each employee.
6. Professional Liability \$1,000,000 per occurrence \$3,000,000 aggregate each claim.
7. Personal Property Coverage
8. Adequate insurance to cover the value of personal property (including but not limited to, personal computers) belonging to the Auditor while located on Town property, while in use or in storage, for the duration of the contract.

B. Deductibles and Self-Insured Retention's

Any deductibles or self-insured retention's must be declared to and be approved by the Town. All deductibles or self-insured retention's are the sole responsibility of the Auditor to pay and/or indemnify.

C. Notice of Cancellation or Non-renewal

For other than non-payment of premium, each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town. Ten (10) days prior written notice shall be given for non-payment of premium.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions;

1. Liability, (General, Automobile, Professional) Coverage;
 - a. "The Town of Weston and its respective officers, agents, officials, employees, volunteers, boards and commissions" are to be named as additional insured with regards to liability arising out of activities performed by or on behalf of the Auditor;



products and completed operations of the Auditor; premises owned, leased or used by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the Town.

b. The Auditor's insurance coverage shall be the primary insurance as regards the Town. Any insurance or self-insurance maintained by the Town shall be in excess of the Auditor's insurance and shall not contribute with it.

c. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the Town.

d. Coverage shall state that the Auditor's insurance shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of the Insurer's liability.

2. Waiver of Subrogation

The insurer shall agree to waive all rights of subrogation against the Town for losses arising from the work performed by the Auditor for the Town.

E. Acceptability of Insurers

1. Insurance is to be placed with insurers which have a Best's rating of at least A.

2. Insurance companies must either be licensed to do business in the State of Connecticut or be deemed to be acceptable by the Town Administrator.

F. Verification of Coverage

The Auditor shall furnish the Town with certificates of insurance effecting coverage by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received by the Town before work commences. Renewal of expiring certificates shall be filed thirty (30) days prior to expiration. The Town reserves the rights to require complete, certified copies of all required policies, at any time.

All insurance documents required by this Exhibit shall be mailed to the Director of Finance.

Signed:



Auditor _____

Date April 24, 2024

[Town or City] West Hartford, CT

Date April 24, 2024

Appendix D Sample Audit Services Proposal Letter

Provided on the following page.





APPENDIX D

SAMPLE AUDIT SERVICES PROPOSAL LETTER
(To be submitted on your firm’s letterhead)

[Chief Financial Officer]
[Address]

Dear Richard _____:

We have read the Request for Proposal and fully understand its intent and contents. We certify that we have adequate personnel, insurance, equipment, and facilities to fulfill the specified requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the Selection Committee.

We have attached the following:

1. Audited financial reports for three (3) clients as outlined in Section IV, B.
2. Proposal as outlined in Section VI
3. Appendix B: Proposer Guarantees and Warranties
4. Appendix C: Insurance
5. Appendix D: Fixed Fees (separate envelope).

It is further understood and agreed that all information included in, attached to, or required by the Request for Proposal shall be public record upon delivery to the [Town or City].

Submitted by Leslie Zoll _____ Date April 26, 2024

Signature  _____ Title Principal _____

Telephone 860-570-6376 _____ E-mail Leslie.zoll@CLAconnect.com

Appendix E Non-Collusion Affidavit

Provided on the following page.



APPENDIX E
NON-COLLUSION AFFIDAVIT

The undersigned proposer, having fully informed himself/herself regarding the accuracy of the statements made herein, certifies that:

- (1) the proposal is genuine; it is not a collusive or sham proposal;
- (2) the proposer developed the proposal independently and submitted it without collusion with, and without any agreement, understanding, communication or planned common course of action with, any other person or entity designed to limit independent competition;
- (3) the proposer, its employees and agents have not communicated the contents of the proposal to any person not an employee or agent of the proposer and will not communicate the any such person prior to the official opening of the proposal; and
- (4) no elected or appointed official or other officer or employee of the Town of Weston is directly or indirectly interested in the proposer's proposal, or, in the supplies, materials, equipment, work or labor to which it relates, or, in any of the profits thereof.

The undersigned proposer further certifies that this affidavit is executed for the purpose of inducing the Town of Weston to consider its proposal and make an award in accordance therewith.

_____ CliftonLarsonAllen LLP

Legal Name of Proposer

(Signature)



Proposer's Representative, Duly Authorized

_____ Leslie Zoll

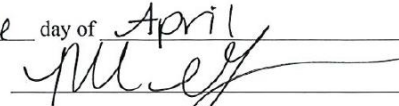
Name of Proposer's Authorized Representative

_____ Principal

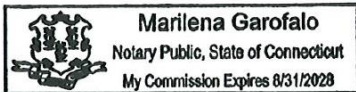
Title of Proposer's Authorized Representative

Date: _____ 4/16/24

Subscribed and sworn to before me this 16 day of April, 2024.



Notary Public; My commission expires: 8/31/2028



Sample Reports

Enclosed please find copies of three Annual Financial Reports issued by Connecticut municipalities in which CLA's opinion is contained.

- City of Hartford, Connecticut
- City of New Britain, Connecticut
- Town of Ridgefield, Connecticut



Appendix

Your service team biographies





Leslie Zoll, CPA

CLA (CliftonLarsonAllen LLP)

Principal
West Hartford, Connecticut

860-570-6376
leslie.zoll@CLAconnect.com



Profile

Leslie has more than 25 years of experience auditing municipal and nonprofit organizations. She has an in-depth understanding of municipal financial reporting and has been extensively involved in the development of comprehensive financial reports that have qualified for the Government Finance Officers Association Certificate Program. She is also knowledgeable of reporting requirements of both Uniform Guidance and the State Single Audit Act.

Leslie has served as partner in charge of the audits of municipalities, nonprofit organizations, housing authorities, as well as realty companies with Section 232 National Housing Act financing from the U.S. Department of Housing and Urban Development relating to healthcare facilities. She has played an instrumental role in the electronic submission of financial information to the Real Estate Assessment Center (REAC), a subdivision of the U.S. Department of Housing and Urban Development, for several housing authorities and other HUD projects.

Technical experience

- Financial Statement Audits
- Federal and State Single Audits
- HUD Audits

Education and professional involvement

- Bachelor of arts in accounting from University of Connecticut
- American Institute of Certified Public Accountants
- Connecticut Society of Certified Public Accountants, *Former Chairperson, Governmental Accounting and Auditing Committee, Advisory Council 2014 – 2017*
- Government Finance Officers Association of Connecticut

Civic organizations

- Church of St. Mary, Former President, Parish Council
- National Association of Professional Women
- Family Promise of Central Connecticut, *Former President, Board of Directors, Former Vice President, Board of Directors, Former Treasurer, Board of Directors*



Continuing professional education

Attends a minimum of 20 credits annually of continuing professional education classes, including a minimum of eight credits of audit and accounting classes, resulting in 120 credits for three-year requirement. Every two years, a minimum of 24 credits of CPE specifically related to Yellow Book requirements is completed.

CLAconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





Grace Musiitwa, CPA

CLA (CliftonLarsonAllen LLP)



Director
West Hartford, Connecticut

860-570-6469
grace.musiitwa@CLAconnect.com

Profile

As a director in our Accounting and Auditing Group, Grace provides audit services to various clients with a focus on government entities, nonprofit organizations, and manufacturing, distribution, and retail companies.

In a previous position, Grace worked as a principal auditor at the office of the Auditor General Uganda, performing financial audits and regularity audits of government ministries, departments, and agencies.

Technical experience

- Financial Statement Audits
- Federal and State Single Audits

Education and professional involvement

- Master of Business Administration from Heriot-Watt University (United Kingdom)
- Bachelor of Science in Applied Accounting from Oxford Brooks University (United Kingdom)
- American Institute of Certified Public Accountants
- Connecticut Society of Certified Public Accountants
- Information Systems Audit and Control Association

Continuing professional education

Attends a minimum of 20 credits annually of continuing professional education classes, including a minimum of eight credits of audit and accounting classes, resulting in 120 credits for three-year requirement. Every two years, a minimum of 24 credits of CPE specifically related to Yellow Book requirements is completed.

CLAconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





Jeffrey Ziplow, MBA, CISA, CGEIT

CLA (CliftonLarsonAllen LLP)

Principal
West Hartford, Connecticut

860-561-6815
jeffrey.ziplow@CLAconnect.com



Profile

Jeff is a Principal in the firm's Business Risk Services team apart of CLA's Value & Risk Services group. Over his 35-year career he has had significant experience working with organizations to assess their IT controls as they relate to business operations and helps to develop recommendations to mitigate risk. In this role, Jeff works with clients on data breach responses, cyber security risk assessments and provides insight and guidance on developing better security practices. In addition, he works on process control related projects to enhance operational efficiencies and provide tangible control recommendations.

Jeff also oversees various IT audits based on the AICPA's SSAE-18 (SOC-1) and AT-101 (SOC-2) compliance standards as well as working with the NIST based security standards. Over the past several years, he has been actively involved in providing cybersecurity and risk assessments presentations to municipalities, nonprofits, and various companies to enhance leadership in these areas. He also works with the attorney generals of Connecticut, Florida, and Indiana to provide guidance/support on cyber security matters.

Technical experience

- Risk management
- Information system
- Security assessments
- Processes and controls
- SOC-1 and SOC-2 audits
- HIPAA audits
- NIST compliance standards

Education and professional involvement

- Master of business administration from Boston College, Boston, Massachusetts
- Bachelor of arts from the University of Vermont, Burlington, Vermont
- Certified Information Systems Auditor
- Certified Governance of Enterprise IT
- Information Systems Audit and Control Association
- Government Finance Officers Association of Connecticut



Continuing professional education

Attends a minimum of 20 credits annually of continuing professional education classes, including a minimum of eight credits of audit and accounting classes, resulting in 120 credits for three-year requirement. Every two years, a minimum of 24 credits of CPE specifically related to Yellow Book requirements is completed.

[CLAconnect.com](https://www.claconnect.com)

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

