

Request for Proposals

Township of Derry

Audit Services – Appointed Township Auditor

In accordance with Article IX, Section 917 of the Pennsylvania Second Class Township Code, the Township of Derry Board of Supervisors is seeking proposals for auditing services from interested certified public accountants and/or accounting firms. The selected accountant and/or firm will make an examination of all accounts of the Township of Derry and conduct the annual audit for fiscal years 2021, 2022 and 2023 and may be retained for future audits, if so appointed by the Board of Supervisors.

Interested certified public accountants and/or accounting firms are invited to submit a proposal to conduct the annual audit for the Township of Derry in accordance with the specifications contained in the following:

1. Instructions
2. Proposal Instructions
3. Audit Schedule
4. Evaluation Procedures

Proposals must be *hand delivered* to the Township Building (600 Clearwater Road, Hershey, PA 17033) by **November 08, 2021 at 10:00 AM**, OR the proposals must be *post marked* no later than **November 05, 2021**. An official of the firm authorized to bind the interested accounting firm must sign the proposal.

Requests for any information concerning this Audit Services RFP should be referred to Diana M. Reed & Associates, PC, the current Township contracted CPA firm, at (717) 533-5513 or email to: loria@dianamreed.com

1. Instructions:

- A. Interested certified public accountants and/or accounting firms may submit questions concerning this Request for Proposals in to the current Township contracted CPA firm (see above). After submission of proposals and closing thereof, no information will be furnished until the Board of Supervisors makes the appointment.
- B. Township financial statements from prior years are available for review at: <https://www.derrytownship.org/departments/administration>
- C. A total of eight (8) copies of the proposal in a sealed package are required for distribution to the Board of Supervisors, staff and public file.
- D. Hand delivered proposals must be delivered to the Township Building during business hours of 8:00AM to 5:00PM. Any proposal not received at the Township Building before 10:00AM on November 08, 2021, will not be considered unless otherwise set forth herein. Any proposal without the above-referenced postmark date will not be considered.
- E. The Board of Supervisors reserves the right to make an award and appointment for the period it chooses, which may be shorter than provided for herein if deemed in the best interest of the Township, without further discussion of the proposals submitted. Therefore, the proposal should be submitted with the most favorable terms for both the price and technical standpoint that the applicant can propose to the Township. The Township reserves the right to reject any and all proposals received. It is understood that all proposals will become a part of the official file on this matter without any obligation to the Township.

- F. Proposals may be withdrawn or modified in person by any authorized representative of an interested certified public accountant and/or accounting firm, provided that a request is in writing to release the proposal from the Township's file, and provided that the proposal is returned to the Township on or prior to the dates specified above.
- G. This RFP is for a professional service and therefore competitive bidding requirements do not and are not intended to apply.

2. Proposal Instructions:

Interested certified public accountants and/or accounting firms shall submit a document entitled "Audit Proposal." The document should be organized by separate sections and address the specific criteria outlined below:

A. Personnel Qualification and Experience

Résumés must be submitted covering the qualifications of all staff to be assigned to the audit. This information shall include partners, managers/supervisors, and senior accountants who are anticipated to be utilized in the performance of the audit, whether full-time or per diem. The résumés should indicate education as well as years and type of experience. This section will also indicate the date, state of issuance and certificate number of all CPA's.

Experience in the résumés should primarily be limited to audits for townships or similar local governments, but may include other government experience, non-profit organizations and commercial entities. Please cite the timing/dates of the engagements listed. Completed CPE courses of particular interest may also be included.

B. General Qualifications and Project Management Team

All interested CPAs and/or firms shall provide a list of the CPA's and/or firm's principal government clients, organizations and agencies for which audit services have been provided in the last three (3) years. The name, address and telephone number of the client's representative shall be included in order for them to be contacted by the Township.

Availability of professional time should be stated in the proposal. Total time available, time devoted to audits of this nature, and time available under this contract by level of effort shall be outlined in the interested firm's proposal.

C. Understanding and Approach to the Audit

A short narrative must be included to demonstrate the technical understanding of the audit and related work to be performed and the contract schedule and approach to the audit. Specific deliverable dates of the audit report should be specified.

NOTE: Supplemental audit guides, manuals, work paper packages, sample audit reports, etc., will not be evaluated and should not be submitted.

D. Cost and Pricing Data

The interested CPA and/or accounting firm is required, at a minimum, to submit cost proposals fully supported by cost and pricing data adequate to establish the reasonableness of the overall price proposal. The fee proposal should designate an amount not to exceed, and should include the number of professional hours, by classification, together with applicable hourly rates and extensions. In addition, indicate how and when unanticipated expenses would be identified and resolved. Please include with the cost pricing data fees to perform an audit under the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as a separate price quote in the event a Single Audit is required.

3. Audit Schedule:

A. Scope of Work

The purpose of this RFP is to obtain the service proposals of a certified public accountant and/or accounting firm ("Contractor") to perform an audit of the Township financial records. The chosen contractor must be certified or licensed by a regulatory authority of the Commonwealth of PA, or other political subdivision of the United States and must meet applicable State Board of Accountancy requirements. The Board of Supervisors will appoint the CPA and/or Accounting Firm as the "Township Auditor" for the Township in accordance with Section 917 of the PA Second Class Township Code. The Board of Supervisors is making this appointment and is anticipating services that will meet the requirements of Article IX, Section 917 of the Pennsylvania Second Class Township Code, GASB 34, and any related accounting and auditing standards and practices.

B. Statement of Work

The contractor is anticipated to perform an audit of the Township of Derry for the fiscal periods beginning January 1, 2021 to December 31, 2021; January 1, 2022 to December 31, 2022; and, January 1, 2023 to December 31, 2023 as required by state statute. The audit shall be made in accordance with generally accepted auditing standards covering financial and compliance audits. The contractor shall apply its own standards and procedures for conducting the audit, as well as those developed by the American Institute of Certified Public Accountants.

The audit is to cover Township funds and accounts of Township of Derry used during the respective fiscal year at year-end. The Township utilizes the services of a contractual CPA firm for financial reporting and accounting services. This firm will prepare draft financial statements, the DCED report and the concise financial statement for publication.

The chosen proposal and auditor appointment will be approved in a resolution by the Township of Derry Board of Supervisors at a regularly scheduled meeting date or advertised special meeting date. Audit work may be commenced immediately following the award and adoption of the appointment resolution. The date for the first final report submission to the Board of Supervisors shall be determined in conjunction with Township staff and the contractual CPA firm. The Township is subject to the Continuing Disclosure Requirements for Municipal Securities which is due annually by October 1.

C. Opinion

In the conduct of the audit, the contractor shall perform sufficient work to issue a report and render an opinion. All audit work that can be performed on existing records must be completed in accordance with the pertinent audit guides. Findings shall be made, costs questioned or recommended for disallowance, corrective measures recommended, and a report issued. All reports shall contain the appropriate opinion(s) or disclaimer(s) of opinion(s) for the audit.

The contractor will also submit to the Township the following additional information:

1. Management Letter.
2. Annual report required by the PA State Department of Community and Economic Development for submission with the Township's DCED-CLGS-30.

D. Audit Report Format

The Township is seeking a professional report format for public use and reference. The report shall be prepared in accordance with GASB 34.

E. Retention of Audit Working Papers

The contractor shall retain work papers and reports for a minimum of three (3) years from the date of the audit report.

F. Fraud, Waste and Illegal Acts

If during the course of the Township audit, the contractor uncovers indications of possible fraud or other situations that need to be brought to the attention of the Township immediately, they shall notify the Township Manager in writing, or the Township Solicitor when appropriate for discussion by the Board of Supervisors. The contractor shall perform sufficient fieldwork to be able to clearly document the situation in question.

Examples of the type of situations that need to be brought to the attention of the Board of Supervisors, Township Manager and Township Solicitor are intent to commit an illegal or wrongful act or series of such acts to achieve a purpose inconsistent with law or public policy in order to obtain money, property, or personal advantage, deceit, trickery, cheating, misrepresentation, intentional deception, deliberate conduct as keeping a double set of books, making alterations, false entries, false invoices or false documents, destruction of records, concealment of assets, covering up sources of income, handling of one's affairs to avoid making records that are customary in business transactions, and any conduct, the likely effect of which would be to intentionally mislead or conceal.

G. Unacceptable Work

If it is determined that the contractor's audit work was unacceptable, because it did not meet AICPA or relevant auditing standards for local governments, the contractor may, at the Board of Supervisors written request, be required to re-audit at its own expense and resubmit a revised audit report in accordance with Section B of the Contract Schedule.

In accordance with Article IX of the PA Second Class Township Code, the audit report of the contractor may be subject to appeal by electors, taxpayers, or officer of the Township. Appeals of this nature will be addressed in accordance with the appropriate requirements of the Township Code.

If the contractor fails to comply with any of the terms specified, the Board of Supervisors may, by written notice to the contractor, terminate the working relationship with the contractor.

4. **Evaluation Procedures:**

On behalf of the Board of Supervisors, the Township Manager will conduct a preliminary evaluation of all proposals received that are qualified in accordance with the proposal requirements and the criteria discussed above.

Cost of work to be performed is one of several important factors in the selection of a proposal and for entering into a contract for services. In making a recommendation to the Township Board of Supervisors, the Township Manager will not give cost of services primary weight in recommending a firm for selection. Cost will be given consideration when all other evaluation criteria have been met and the proposals are relatively equal in qualifications.

Right to Reject

The Township Board of Supervisors is ultimately responsible for the selection of the certified public accountant and/or accounting firm to prepare the Township audit and the appointment of the Township Auditor. The Board of Supervisors reserves the right to reject any and all proposals submitted and/or to request additional information from one or all of the applicants. The Board of Supervisors will appoint the auditor who in its view is determined to be the best qualified to conduct the audit. This decision will be based on the Board's evaluation of the proposals, applying all criteria, and oral interviews if necessary.

This RFP does not commit Derry Township to award a contract. Any response, including written documents and verbal communications, by any applicant to the RFP, shall become property of Derry Township and may be subject to public disclosure.

This is a request for proposals for a professional service from a certified public accountant and/or accounting firm, and therefore is not being bid out under the competitive bidding process and shall not be required to comply with such competitive bidding process. The Township is not proceeding with competitive bidding for the anticipated professional services described herein and specifically reserves the right not to proceed with the competitive bidding process. The Township may award the contract for such professional services to the firm and/or accountant determined to be in the best interest of the Township.

Submissions

Proposals shall be submitted to:

Christopher S. Christman
Township Manager
Township of Derry
600 Clearwater Road
Hershey, PA 17033