

AMITY TOWNSHIP
REQUEST FOR PROPOSALS
PROFESSIONAL FINANCIAL AND ADMINISTRATIVE
AUDITING SERVICES

AMITY TOWNSHIP
2004 Weavertown Road
Douglassville, PA 19518
(610) 689-6000

Troy S. Bingaman
Township Manager

November 10, 2021

Township of Amity Request for Proposal

Amity Township, Berks County, PA is requesting proposals from qualified firms of certified public accountants to audit its financial records and administrative operations for the three (3) fiscal years ending December 31, 2021; December 31, 2022; and December 31, 2023, with an option of auditing its financial statements and administrative operations for each of the two subsequent fiscal years.

Amity Township is a Second Class Township, which operates under a 5-member Board of Supervisors. The Municipality desires the auditor to express an opinion on the fair presentation of its basic financial statements in accordance with the cash basis of accounting. The auditor will be required to: (1) Complete the Department of Community and Economic Development (DCED) audit report and file it with the DCED and Berks County by the deadline; (2) Publish the Audit Notice by the required deadline; (3) Prepare Financial Statements of the Township prepared in accordance with the format of GASB 34 on the cash basis of accounting. The Township does not expect to be subject to the single audit act.

It is expected that the firm retained be available throughout the year for consultation for financial matters as appropriate. The audit firm shall assist as necessary with the implementation of new GASB standards applicable during the term of the audit engagement. The Township may elect to early implement standards at its discretion.

The Township expects that, should matters come to the attention of the firm; a management letter will be issued. The letter should offer suggestions for improvement in financial management and internal controls. Any significant management letter comments must be reviewed with the Township Manager and Treasurer before issuance of the letter.

There is no expressed or implied obligation for Amity Township to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Questions about this Request for Proposals may be directed to the Township Manager, Monday through Friday from 8:00 a.m. to 4:30 p.m.

To be considered, Amity Township must receive one (1) bound copy and one (1) electronic file of a proposal by 4:00 P.M. on December 8, 2021, proposals not received prior to the due date and time will be returned to the proposer unopened. Amity Township reserves the right to reject any or all proposals submitted.

SCOPE OF CONTRACT

Amity Township has a total land area of 18.5 square miles with a population of 13,396 residents as of the 2020 Federal census. Amity Township is a Township of the Second Class in Berks County, in the Commonwealth of Pennsylvania, established in 1719. The Township's current work force comprises 32 full-time employees (including 14 uniformed police officers), plus 1 part-time employee. The governing body consists of an elected five-member Board of Supervisors serving six-year terms.

The scope of the audit will include all funds of Amity Township. The Township presently uses the following funds:

- General Fund
- State Liquid Fuels Highway Aid Fund
- Sewer Fund / EDU Fund
- Fire Services Fund
- Recreation Fund
- Capital Fund
- Traffic Impact Fund(s)
- Monocacy Hill Fund
- Non-Uniformed & Police Pension Fund
- Escrow Fund(s)
- ARPA Fund

The 2021 approved General Fund Budget is \$5,106,378 for revenue and \$5,213,914 for expenditures. Total budgeted revenue for all funds is \$9,139,672.23 and total budgeted expenditures for all funds are \$11,639,880.86. Amity Township bills quarterly for sewer usage based primarily on a flat rate; and, in some cases based on the number of EDU's however, the Township does not bill for water. We also have three (3) tributary municipalities connected to our WWTP, billed quarterly based on their respective flows. The Township has approximately 4,000 accounts. The Township owns and maintains pumping stations and a wastewater treatment plant.

The Township's accounts are maintained on the cash basis, and the statements of cash receipts and disbursements reflect only cash received and disbursed. The financial records to be audited are maintained on a networked personal computer system by the Administration Department. Utility billing is also processed on the same system by Township staff. However, payroll is outsourced to a third party.

Township administration staff is responsible for making all financial records and related information available to the auditing firm and for the accuracy and completeness of that information. The Treasurer, or designee, will prepare various information schedules as agreed upon during the pre-field work conference. As part of the audit, the auditing firm will prepare a draft of the financial statements and related notes. In accordance with Government Auditing Standards, the Treasurer and Manager will be required to review and approve the financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on the financial statements. The Township will provide copier and fax services, a suitable work area with access to wireless internet.

The audit of financial statements must be conducted in accordance with auditing standards generally accepted in the United States of America as applied to governmental units and would include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit would not be designed to provide assurances on internal control or to identify significant deficiencies or material weakness; however, it would be understood the auditor would communicate to management and the Board of Supervisors any significant deficiencies or material weaknesses that became known during the course of the audit.

SCOPE OF CONTRACT (continued)

The auditor would communicate to the Board of Supervisors any: (a) fraud involving senior management and other fraud that caused a material misstatement of the financial statements; (b) illegal acts (unless clearly inconsequential); (c) disagreements with management and other serious difficulties encountered while performing the audit; and, (d) various matters related to the entity's accounting policies and financial statements.

REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue a report on the fair presentation of the financial statements in conformity with the cash basis of accounting.

The auditor is required to make an immediate written report of all irregularities or illegal acts of which they become aware to the Township Manager and the Chairperson of the Board of Supervisors.

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by Amity Township of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

QUALIFICATIONS

The following are minimum qualifications for respondents:

- Respondents must currently be licensed in the Commonwealth of Pennsylvania to practice as Certified Public Accountants.
- Respondents must currently be actively practicing as Certified Public Accountants and must have been actively practicing for a minimum of five (5) years, preferably ten (10) years prior to the date of submission of their proposal.
- Respondents must currently be actively engaged in auditing governmental units in Pennsylvania (preferably local government) and must have been actively engaged in the performance of such audits for a minimum of five (5) years prior to the date of submission of their proposal.
- The firm must be a member of the American Institute of Certified Public Accountants and the Pennsylvania Institute of Certified Public Accountants and must adhere to the AICPA and PICPA professional standards of audit practices and conduct.

SELECTION CRITERIA

Proposals submitted will be evaluated under the Township's professional services procurement procedures. The Auditor Selection Committee including but not limited to the Township Manager and Treasurer will review the proposals and make a recommendation to the Township Board of Supervisors, who will make the final decision.

The Township reserves the right to reject any and all proposals; and to waive any immaterial irregularities. The contract will be awarded by formal action at a regularly scheduled public Board Meeting.

REQUIRED PROPOSAL ELEMENTS

All submitted proposals shall conform to the following general format. The Proposer may supplement the format with additional information but must include the indicated information at a minimum. The order indicated does not have to be followed as long as each requested component is clearly indicated in a table of contents.

- **Transmittal Letter**
Including the signature of a representative of the firm authorized to negotiate and enter into contracts on its behalf.
- **Statement of Qualifications**
Proposers shall present a profile of their firm or entities to include: (1) Description of the firm; (2) A statement of whether the firm is local, regional, national or international; (3) A listing of the firms principals and other project staff anticipated to be assigned to this project, along with an experience statement for each of these individuals to include the appropriate training and/or certifications; (4) The location of the office or facility from which the services will be administered; (5) The extent of experience with audits of Township governments and the extent of experience with audits of other Pennsylvania local municipal entities; (6) The extent of experience conducting reviews in accordance with Federal Single Audit Requirements; (7) A list of references including company, address, telephone number and contact person(s) for organizations for whom the firm has performed audits during the past two (2) years; (8) A listing of any and all subcontractors intended to be used on this project, along with the scope of work expected to be assigned; (9) Indication as to whether the firm has received a positive peer review within the last three (3) years.
- **Work Plan**
Based on the Scope of Services as outlined in this Request for Proposals, the firm shall include a work plan that explains its approach to this project. At a minimum, the work plan shall identify the following key items: (a) an explanation of procedures to be used to conduct the audit; (b) a schedule for completion of the audit, including any assumptions as to the availability of data/assistance from Township staff.
- **Fee Schedule**
The proposal shall include a detailed fee schedule for the audit for each of the three (3) years of the contract, plus two (2), optional one-year extensions. The price quoted shall be “all-inclusive” and contain projected hours, applicable hourly billing rates and a breakdown of projected costs attributed to each major task. Any assumptions made relative to the pricing should be clearly stated in the proposal.

PAYMENT TERMS

Payments to the audit firm shall be made as follows: 1/3 at the initiation of the audit; 1/3 at 50% completion; and 1/3 upon the completion of the audit and submission of the required reports.

CONTRACT AWARD

Amity Township anticipates a contract award at a regularly scheduled Board of Supervisor's Meeting no later than December 15, 2021.

VALIDITY OF PROPOSAL

Proposers agree that their proposals will remain valid for a period of sixty (60) days after the above-cited closing date for submission of proposals and may be extended beyond that time by mutual agreement. Proposers agree that the technical portion of their proposals (not including proprietary information) may be released to other proposers upon announcement of an award, if requested by such other proposers. Any proprietary information must be clearly marked as such and the release of proposal information shall be in accordance with provisions of the Right to Know Act.