

Drumore Township

Lancaster County, Pennsylvania

REQUEST FOR PROPOSALS

PROFESSIONAL FINANCIAL AND ADMINISTRATIVE

AUDITING SERVICES

**Drumore Township Supervisors
1675 Furniss Road
Drumore, PA 17518
717-548-2660**

November 8, 2022

Drumore Township

Request for Proposal

Drumore Township, Lancaster County, PA (hereinafter referred to as “Township”) 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, 2022; December 31, 2023; and December 31, 2024, with an option of auditing future years by management agreement. If either party wishes to terminate the contract, they may do so by mutual agreement.

Drumore Township is a Second-Class Township, which operates under a three-member Board of Township Supervisors. The Township 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 audit is to be performed on information contained in DCED financial statements as prepared and excludes the nonuniformed pension plan from the audit scope. The auditor will be required to: (1) Complete the Department of Community and Economic Development (DCED) and file it with the DCED and Lancaster County by the deadline; (2) Complete the Audit Notice for Township publishing by the required deadline; (3) Present the audit report to the Board of Supervisors at their regularly scheduled meeting within 45 days after the audit is complete for their acceptance and approval.

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 Administrators before issuance of such letter.

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

Questions about this Request for Proposal may be directed to Drumore Township Supervisors @ 717-548-2660 or email drumoretwp@epix.net.

To be considered, Drumore Township must receive two (2) bound and one (1) unbound copies of a proposal by 4:00 p.m. on Wednesday, November 30, 2022. Proposals not received prior to the due date and time will be returned to the proposer unopened. Drumore Township reserves the right to reject any or all proposals submitted.

The proposal should be mailed or delivered in a sealed envelope marked “Proposal for Auditing Services” directly to:

Drumore Township Supervisors
1675 Furniss Road
Drumore, PA 17518-9768

Additionally, proposals may be received electronically by emailing your proposal to drumoretwp@epix.net by Wednesday, November 30, 2022.

SCOPE OF CONTRACT

Drumore Township has a total land area of 70.62 road miles with a population of 2,561 residents as of the 2020 Federal census. Drumore Township is a Township of the Second Class in Lancaster County, in the Commonwealth of Pennsylvania, incorporated in 1729. The Township's current work force comprises of 2 full-time employees, plus approximately 8 part-time and seasonal employees. The governing body consists of an elected three-member Board of Supervisors serving six-year terms.

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

- General Fund
- Municipal Liquid Fuels
- SWM/Construction Escrow Fund
- ARPA Fund

The 2022 approved General Fund Budget is \$563,700.00 for revenue and \$563,700.00 expenditures.

The Township's accounts are maintained on the cash basis of accounting. The financial records to be audited are maintained on a computer system by the Township administrative staff (Secretary-Treasurer). Payroll is also processed on the same system.

The Township Secretary-Treasurer is responsible for making all financial records and related information available to the auditing firm and for the accuracy and completeness of that information (early to mid-January). The Secretary-Treasurer will prepare various information schedules as agreed upon. The Township will provide copier and fax services, a suitable work area, access to a telephone and wireless internet access at the Drumore Township Municipal Building located at 1675 Furniss Road, Drumore, PA 17518.

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.

The auditor would communicate to the Board of Supervisors any: (a) fraud involving township employees, or other elected/appointed officials, 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 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 Secretary-Treasurer and the Chairman 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 Drumore Township of the need to extend the retention period. In addition, the firm shall respond to the 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.
- Respondents must currently be actively engaged in auditing governmental units in Pennsylvania (preferably local government).
- 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 by the Drumore Township Supervisors and Consultants and the Drumore Township Board of Supervisors 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 of Supervisors 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) 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; (7) A listing of any and all subcontractors intended to be used on this project, along with the scope of work expected to be assigned; (8) 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 Contract 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 firm fee quote per year as well as an hourly rate for potential services outside the scope of the audit.

CONTRACT AWARD

Drumore Township anticipates a contract award at a regularly scheduled Board of Supervisors' Meeting no later than Thursday, December 22, 2022.

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 Pennsylvania Right to Know Law.