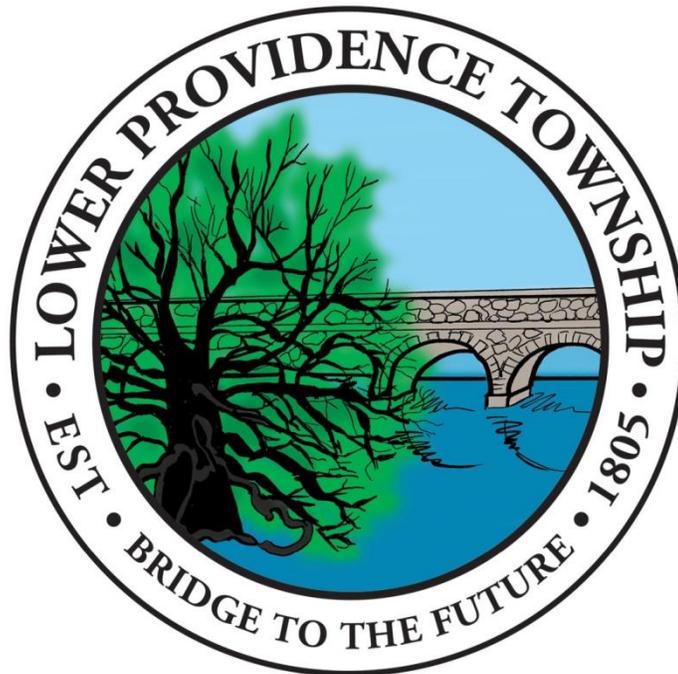


LOWER PROVIDENCE TOWNSHIP

Montgomery County

Pennsylvania



REQUEST FOR PROPOSALS

INDEPENDENT AUDIT SERVICES

July 21, 2017

LOWER PROVIDENCE TOWNSHIP
REQUEST FOR PROPOSAL
INDEPENDENT AUDIT SERVICES

I. INTRODUCTION

A. General Information

The Board of Supervisors of Lower Providence Township is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending December 31, 2017, 2018, and 2019. The Board will also explore a fourth and/or fifth year option to include fiscal year(s) December 31, 2020 and 2021. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (1988), the provisions as set forth by the Government Accounting Standards Board (GASB), the provisions of the federal Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments.

For more information on Lower Providence Township or to view the Township's past audited financial statements please visit the Township's website.

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

B. Selection Process

To be considered, four (4) copies of the proposal must be received by Donald D. Delamater, Township Manager, at the Lower Providence Township Building, 100 Parklane Drive, Eagleville, PA 19403 by 3:00 p.m. on August 14, 2017.

The Township of Lower Providence reserves the right to reject any or all proposals submitted.

Proposals must include the total cost per year for the initial three (3) year period. The proposed yearly cost should be inclusive of all charges to the Township (postage, printing, etc.). Proposals must also include 3 references, preferable governmental clients that can comment on the firm's qualifications and work on similar audits.

Proposals submitted will be evaluated by a selection committee consisting of the following Township officials:

Township Manager
Assistant Township Manager
Accounting Manager

The proposals will be evaluated based on the following criteria:

- Professional qualifications
- Experience and technical expertise with governmental entities of similar size and structure to East Norriton
- Annual cost to the Township
- Responsiveness and quality of the proposal
- Any other criteria deemed appropriate by the Township in its sole discretion

The Selection Committee will make a recommendation to the Board of Supervisors, who will make the final selection. During the evaluation process, the Selection Committee reserves the right, where it may serve the Township's best interest, to request additional information or clarifications from proposers, to conduct interviews, or to allow corrections of errors or omissions. The Township is not required by the Second Class Township Code to accept the lowest cost proposal.

It is anticipated the selection of a firm will be completed by September 7, 2017. Following the notification of the selected firm, it is expected a contract will be executed between both parties.

All questions regarding this RFP should be directed to:

Susan C. Law
Accounting Manager
100 Parklane Drive
Eagleville, PA 19403
610-635-3507
slaw@lowerprovidence.org

B. Term of Engagement

A three-year contract is anticipated, subject to the annual review and recommendation of the Board of Supervisors, the satisfactory negotiation of terms and the annual availability of an appropriation. However, the Board of Supervisors may also desire to exercise an option to extend the contract to an additional fourth and/or fifth year.

II. AUDIT SCOPE

The audit must be performed in accordance with generally accepted auditing standards. The successful auditing firm will audit the financial statements of the government activities, the business-type activities and each fund, which collectively comprise the basic financial statements of Lower Providence Township. United States (U.S.) generally accepted accounting standards provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany Lower Providence Township's basic financial statements. As part of the engagement, the auditing firm will apply certain limited procedures to Lower Providence Township's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming in its representation letter. Unless the auditing firm encounters problems with the presentation of the RSI or with procedures relating to it, they will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedule.
3. Pension Plan Funding Progress.

Audit Objective

The objective of the audit is the expression of opinions as to whether the Township's basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to above when considered in relation to the basic financial statements taken as a whole.

Other Audit Services

- The auditor shall assist as necessary in the implementation of new GASB standards during term of the audit services. The Township may elect to early implement standards at its discretion.
- The Township expects that, should matters come to the attention of the auditor; a management letter will be issued. Any significant management letter comments must be reviewed with the Accounting Manager and/or Township Manager before the issuance of the letter.
- It is expected that the auditor will attend one meeting of the Board of Supervisors and one meeting of the Finance Committee on an annual basis to detail the audits results and findings.
- It is expected that the auditor retained be available throughout the year for periodic consultation on financial and accounting matters as appropriate.

Audit Timing

- Field work may start in early February. Exact dates will be determined jointly by the Township and selected vendor.
- The Township would prefer for on-site field work to be limited to one week.
- The audit should be completed in early to mid-March to ensure timely filing and completion of DCED forms and other requirements.

Township Responsibilities

The Township 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 Township's financial software package (Freedom) maintains the accounting records of the Township. The Township will generate trial balance, general ledger, revenue/expenditure reports, and any other reports that are agreed upon during the audit planning process.

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 Township will be required to review and approve those 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 those financial statements. Further, the Township is required to designate a qualified management-level individual to be responsible and accountable for overseeing the auditing services.

In addition to the Township's Annual Audit Report, the auditing firm shall compile the Department of Community and Economic Development (DCED) Annual Audit and Financial Report from schedules provided by the Township and files the report with the appropriate agencies on a timely basis.

Audit Procedures – Internal Control

The audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies. However, during the audit, the auditing firm will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, the auditing firm will perform tests of Lower Providence Township's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of the audit will not be to provide an opinion on overall compliance.