

**REQUEST FOR PROPOSAL  
PROFESSIONAL AUDITING SERVICES  
FOR FISCAL YEAR 2019**

Upper Makefield Township (herein called the “Township”) is a Township of the Second Class comprising of approximately 8,000 residents, located in Bucks County, Pennsylvania, hereby invites independent certified public accountants to submit a proposal for the performance of an audit of its financial accounts and records for the fiscal year ending December 31, 2019, for the purpose of rendering an auditor’s opinion regarding the fairness of the presentation of the financial statements in accordance with the generally accepted accounting principles (GAAP). The most recent available audit of the Township was performed for the fiscal period January 1, 2018 to December 31, 2018. A copy of the Township’s 2018 Audit is available.

**DESCRIPTION OF ACCOUNTING SYSTEM**

The Township’s annual operating revenues are approximately \$8 million per year in our General Fund. Financial statements are prepared on cash to modified accrual to full accrual basis. We operate on a calendar year basis with a requirement to receive an audited financial statement by June 1<sup>st</sup> of each year.

**SCOPE OF AUDIT**

1. Funds to be Audited:
  - a. General Fund
  - b. Fire Fund
  - c. Open Space Fund
  - d. Building Construction Fund
  - e. Park and Recreation Fund
  - f. Park and Recreation Capital Fund
  - g. Capital Reserve Fund
  - h. Liquid Fuels Fund
  - i. Tree Fund
  - j. Emergency Services Fund
  - k. Riparian Restoration Grant Fund
  - l. Water & Sewer Fund
  - m. Water & Sewer Capital Reserve Fund
  - n. Sewer – Dutchess Farm Fund
  - o. Sewer - Dutchess Farm Capital Fund
  - p. Water & Sewer – Enclave Fund
  - q. Water & Sewer – Enclave Capital Fund
  - r. Police Pension Fund
  - s. Non-Police Pension Fund
  - t. Grading Escrow Fund

2. Audit Standards: The audit shall be performed in accordance with generally accepted auditing standards (GAAS). If applicable, single audit work will be performed in accordance with generally accepted government auditing standards (GAGAS) and must meet all federal audit requirements. The Township seeks to comply with Generally Accepted Accounting Principles (GAAP), as presented by the Government Accounting Standards Board.
3. Reporting: The auditor will submit an opinion on the fair presentation of all Township Financial Statements. The Auditor will issue general purpose financial statements with required supplementary information and other accompanying schedules and notes. The Auditor will prepare and submit the Pennsylvania DCED Annual Audit and Financial Report in accordance with acceptable deadlines. A draft will be reviewed by the Township Manager prior to issuance.
4. Management Letter: The Township expects the Auditor to make necessary recommendations for the improvement of internal controls or other management issues to maximize the Township's ability to record and process and report financial data consistent with the assertions of management in the financial statements. A draft management letter shall be reviewed by the Township Manager prior to issuance of the letter.
5. GASB 34: The Auditor should be able to provide comprehensive financial statements in compliance with GASB 34 as well as assist the Township with recommendations for compliance.

## **SINGLE AUDIT**

Currently, the Township does not expect to meet the threshold for the Single Audit. The Township does, however, apply for federal funding on an ongoing basis. Any future determination as to whether or not to perform a Single Audit will be made in consultation with the audit firm. If a Single Audit is needed, fees for this service will be negotiated at that time.

## **PROPOSAL REQUIREMENTS**

1. Qualifications: The Township requires a description of qualifications of the firm and its ability to perform the scope of the audit. This description shall include a resume of the firm's governmental experience and reference list of applicable clients. The reference list should indicate any clients that have implemented GASB 34.
2. Personnel Qualifications: The Auditor will provide detailed resumes of partners, managers and supervisory personnel who will be assigned to the audit.

3. Technical Approach: A description of audit procedures and methodology along with a tentative schedule for performing key phases of the audit.
4. GASB 34: A description of the firm's knowledge and training of GASB 34 Statements shall be included in the proposal.
5. Fees: Provide the maximum fees to be charged for the audit described. The price quoted shall include all fees, expenses, and costs and shall remain firm. Should the auditor encounter circumstances requiring an increase in the scope of the audit, or in the extend of detailed investigation, written notice to that effect will be given to the Township Manager and this contract will be modified by mutual agreement as to additional work and compensation.

### **WORK PAPER RETENTION**

The Township requires that the firm selected agrees to maintain audit work papers for a period of three (3) years after the audit is completed. Work papers must be made available to the Township upon request within five (5) working days of such a request.

### **EVALUATION OF PROPOSALS**

Proposals will be evaluated for professional qualifications including, but not limited to, the understanding of the work to be performed, responsiveness to the RFP, technical experience and staff qualifications. Costs will be evaluated after professional qualifications have been examined.

### **SUBMISSION OF PROPOSAL**

Entities interested in submitting a proposal, please mail or deliver (i.e. FedEx, UPS, hand delivery) eight (8) copies of the proposal and an electronic copy no later than 2:00 pm on Friday, November 15, 2019 to David R. Nyman, Township Manager, 1076 Eagle Road, Newtown, PA 18940. Envelope should be clearly printed with the cover statement: RFP-Auditor.