

**Township of Ligonier
Westmoreland County, Pennsylvania**

**REQUEST FOR PROPOSALS
PROFESSIONAL FINANCIAL AND ADMINISTRATIVE
AUDITING SERVICES**

**Township of Ligonier
1 Municipal Park Drive
Ligonier, PA 15658
(724) 238-2725**

**Terry Carcella
Township Manager**

January 23, 2019

Township of Ligonier

Request for Proposal

Ligonier Township, Westmoreland 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, 2019; December 31, 2020; and December 31, 2021, with an option of auditing its financial statements and administrative operations for each of the two subsequent fiscal years.

Ligonier Township is a Second-Class Township, which operates under a five-member Board of Supervisors. The Township desires the auditor to express an opinion on the fair presentation of its basic financial statements in accordance with accounting principles generally accepted in the United States of America. 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 Westmoreland 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. 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 implement standards at its discretion early.

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 Director of Finance before issuance of such letter.

There is no expressed or implied obligation for Ligonier 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 Township Manager, Terry Carcella Monday through Friday from 7:00 a.m. to 3:30 p.m.

To be considered, Ligonier Township must receive two (2) bound and one (1) unbound copies of a proposal **by 3:30 P.M. on Tuesday, March 1, 2019**. Proposals not received prior to the due date and time will be returned to the proposer unopened. Ligonier 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:

Terry Carcella, Township Manager –or– Roxanne Shadron, Finance Director
Ligonier Township
1 Municipal Park Drive
Ligonier, PA 18103

SCOPE OF CONTRACT

Ligonier Township has a total land area of 92 square miles with a population of 6,603 residents. Ligonier Township is a Township of the Second Class in Westmoreland County, in the Commonwealth of Pennsylvania, established in 1882. The Township's current work force comprises of 9 full-time employees, plus 3 part-timers and seasonal employees. 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 Ligonier Township. The Township presently uses the following funds:

- General Fund
- Act 13 Fund
- Developers Fund
- State Liquid Fuels Highway Aid Investment Fund
- State Liquid Fuels Highway Aid Fund

The 2019 approved General Fund Budget is \$2,375,829.73 for revenue and \$2,599,729.38 for expenditures.

The Township's accounts are maintained on the cash basis of accounting. The financial records to be audited are maintained on a networked personal computer system by the Administration Department. Payroll is processed by Township staff and 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 Director of Finance or designee will prepare various information schedules as agreed upon. 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 Director of Finance and Township Manager will be required to review and approve the financial statements prior to their issuance and have 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, access to a telephone and wireless internet access at the Ligonier Township Municipal Building located at 1 Municipal Park Drive, Ligonier, PA 15658.

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 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 accounting principles generally accepted in the United States of America.

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 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 Ligonier 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).

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 Director of Finance 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.

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 firm's 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 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 detailed fee schedule for the audit for each of the three (3) years of the contract, plus two (2), 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. The proposal shall also include payment terms.

CONTRACT AWARD

Ligonier Township anticipates a contract award at a regularly scheduled Board of Supervisors’ Meeting no later than Tuesday, March 12, 2019.

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.