



Township of Haverford
Delaware County, PA
1014 Darby Road
Havertown, PA 19083

REQUEST FOR PROPOSALS – INDEPENDENT FINANCIAL STATEMENT AUDIT

Introduction

The Township of Haverford is seeking proposals for an independent audit of the Township financial statements for the years ended December 31, 2022, 2023 & 2024. In accordance with the Home Rule Charter, the services must be performed by a Pennsylvania licensed CPA or firm of CPA's appointed by the Board of Commissioners. The Township reserves the right to reappoint the same firm for two (2) consecutive 3 year terms but mandates auditor rotation after a maximum of six (6) years of service.

Description of the Township and Records

- The attached 2021 Annual Financial Report sufficiently describes the Township – the form of government, funds, accounting policies, and other appropriate information.
- The Township utilizes Caselle Connect for all general ledger, accounts payable, receivable, and fixed asset functions. The Township utilizes MTS (Municipal Tax Systems) for all real estate tax, sewer and trash billing and collection. Payroll is currently outsourced to Paychex.

Scope of Audit

- The audit will be performed in accordance with generally accepted auditing standards. Single audit work will be performed in accordance with generally accepted governmental auditing standards and must meet all federal and state audit requirements.
- The audit report for the Township will express an opinion on the financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the municipality. All such financial statements will be prepared in accordance with generally accepted accounting principles.

Single Audit

- The Township expects to meet the automatic (\$750,000) threshold of the Single Audit Act for the years 2022, 2023 and 2024 thru direct funding received through the American Rescue Plan Act and Community Development Block Grant programs.

Audit Reports and Deliverables

- The Department of Community & Economic Development's Annual Financial Report (DCED Report) will be prepared by the auditor. The auditor will also be responsible for preparing a required opinion and providing a print copy of the report no later than March 31 of each year. The Township will submit electronically through the DCED Portal.
- The auditor will be available to make an oral presentation to the Board of Commissioners at a worksession, typically in May of each year. This is an executive level presentation and final reports are not expected to be delivered by the May presentation.
- An Annual Financial Report (AFR) is the main audit report.
 - The auditor will provide a complete draft no later than April 30 of each year. The Haverford Township Free Library will provide a final copy of its own audit for inclusion in the AFR no later than May 15 of each year.
 - The Township will prepare the Management Discussion & Analysis (MD&A) and submit back to the auditor no later than May 15 of each year.
 - A final electronic copy of the completed AFR, required communications with management and any reports required by the Single Audit Act are expected for delivery to the Township no later than June 15 of each year.
 - 5 paper copies of the completed AFR, required communications with management and any reports required by the Single Audit Act are expected for delivery to the Township no later than June 15 of each year.

Audit Timing

- The earliest date field work may begin is the 3rd week of February with the understanding that accruals will not be complete until the end of February.
- Interim work may be performed at any time prior to year end.
- Field work must be substantially complete by March 15 of each year.
- Final grouping schedules and account balances must be made available to the Township by March 31 for the Township's preparation of its summarized financial information for publication in our local newspaper.

Audit Assistance

- The Township's accounting staff will prepare schedules and reconciliations for the final audit work. The Township and firm will agree upon a list and timetable for schedules and reconciliations during interim work.
- The Township's computer system is available to generate trial balances, revenues/expenditures detail reports, etc. The content and form of such reports will be agreed upon during the interim work.
- The Notes to Financial Statements will be written by the Township with any technical advice provided by the Proposer.

Other Audit Considerations

- The auditor will be required to lead and assist in the annual conversion of the standard and appropriate financial statement presentation pursuant to GASB34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments, as well as, any subsequent standards.
- The Township expects that, should matters come to the attention of the firm, a management communication will be issued. Any significant comments should be reviewed with the Assistant Township Manager/Director of Finance and Township Manager before inclusion in any formal communication.
- No subcontractors may be permitted to participate in the audit of the Township without express written consent of the Township.

Additional Services

- It is expected that the firm will be available throughout the year for consultation on financial matters, as appropriate.
- Working papers must be maintained for a minimum three (3) years and must be made available for examination at the request of the Township.
- Any special grant requirements beyond the scope of this RFP will be negotiated separately, as will any special consultation projects.

Professional Qualifications of Proposers

- The proposal must describe the professional qualifications of the firm. At a minimum, the following points must be addressed in the proposal:
 - Affirmation that the proposer is a Pennsylvania licensed CPA or firm of CPA's and meets the independence standards of the GAO Standards for Audit.
 - Affirmation that the proposer has no direct or indirect personal interest in the financial affairs of Haverford Township or to any of its elected or appointed officials.
 - Affirmation that the individuals assigned to the engagement meet the continuing education requirements stipulated by AICPA, Commonwealth of Pennsylvania, and the GAO Yellow Book.
 - Affirmation that an independent quality review (or peer review) under the auspices of the AIPCA or PICPA has been completed within the past two years and received an unqualified report without a letter of comments. A copy of this report may be requested by the Township.
 - Affirmation that the proposer has read and agreed to all expectations and requirements as outlined in this Request for Proposal.
 - Description of any record of any adversely resolved regulatory enforcement actions, or evidence of recent substandard audit work, including, but not limited to, any incidence of restatement of financial statements by successor auditors for corrections of errors on financial statements on which the proposer has previously opined.
 - Description of firm, including size and management structure.
- The proposal should include a list of current government clients and scope of services provided to each.
- The proposal should identify the intended staff to be assigned to this engagement and should briefly describe the relevant government experience of the manager and in-charge staff. Resumes are encouraged to be included in the proposal.

Compensation and Terms of Payment

Fees for audit services are to be proposed for each of the three (3) years:

	2022	2023	2024
Township Audit	\$	\$	\$
Single Audit	\$	\$	\$
Total Fee	\$	\$	\$

- In addition, any expected out of pocket costs should be made known if additional costs will be incurred by the Township for these costs; otherwise, the fee proposed will be considered final and firm with no additional billings expected unless expressly agreed upon.
- Billings may be made as frequently as monthly; however, the Township would agree to more general terms such as 1/3 upon commencement of audit, 1/3

upon completion of field work and 1/3 upon delivery of any and all reports pertaining to the audit.

Evaluation of Proposals

- As a professional service, the Township is not required to accept the lowest bidder solely on cost.
- The Township will consider the following criteria:
 - Experience record and technical expertise with an emphasis on governmental knowledge and comprehension
 - Resources and capabilities
 - Reputation within local government industry
 - Staff qualifications
 - Summary of costs
- Oral interviews will only be required if deemed necessary by the Township.

Indemnification/Hold Harmless

Proposer, for itself, its successors and assigns, hereby agrees, to the extent permitted by law, to indemnify, protect, defend and hold harmless the Township and the Township's representatives, including but not limited to supervisors, officers, attorneys, directors, employees, elected officials, agents, contractors, successors and assigns from and against any and all losses, liabilities, claims, demands, causes of action, damages (including consequential and/or any other damages allowed by law), costs, including reasonable attorneys' fees, and reasonable expenses of every kind and nature, whether or not covered by insurance, arising out of, resulting from or caused by, in whole or part, any negligent act, error, omission or willful misconduct (whether or not such acts or omissions constitute a violation of applicable law or of this Agreement) on the part of the Proposer, its agents, employees, officers, workers, and/or subcontractors in connection with this Agreement, including but not limited to, those in connection with loss of life, bodily injury, personal injury, damage to property, contamination or adverse effects on the environment, any liability for fines, fees or penalties for violations of any statutes, ordinances, codes, rules, regulations or standards applicable to the services performed by Proposer, its agents, officers, employees and/or subcontractors. This obligation to indemnify, defend and hold harmless Haverford Township, and Haverford Township's representatives, officers, directors, employees, elected officials, successors, and assigns, shall survive the termination of this Agreement.

Insurance

Before commencing performance of any services under this Agreement, the Proposer shall procure, pay for, and maintain the following minimum types and limits of insurance, on forms reasonably acceptable to Township. Such insurance shall be maintained in full force and effect until final acceptance of the Services or the

completion of all post-acceptance warranty or related work by Proposer, whichever is later.

Coverage shall be obtained from insurance carriers approved to transact that class of business in the state where the work will be performed, having an A.M. Best Rating of A- VII or better.

Certificates of insurance evidencing that the below requirements have been met shall be provided to Township prior to the start of work.

1. General Liability

Commercial General Liability, written on an occurrence basis, covering bodily injury, property damage and/or personal/advertising injury to third parties, which may arise from operations under the Agreement, whether such operations are performed by the Proposer or its Sub-Consultant, with limits not less than:

Each Occurrence, Bodily Injury and Property Damage	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Products/Completed Operations Aggregate	\$2,000,000
Per Project Aggregate	\$2,000,000

The General Liability policy shall include contractual liability, covering liability assumed by the Provider under the Indemnification and other provisions of the Agreement.

2. Business Automobile Liability

Business Automobile Liability coverage for bodily injury and property damage arising out of the ownership, maintenance, or use of owned, non-owned, hired, and leased vehicles, including uninsured/underinsured motorists coverage, with limits not less than:

Combined Single Limit	\$ 1,000,000
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3. Workers' Compensation and Employers Liability

Workers Compensation and Employers Liability as required by the state of hire and/or the state in which the work will be performed, including "other states" coverage, with limits not less than:

Workers Compensation	Statutory
Bodily Injury by Disease, each Employee	\$500,000
Bodily Injury by Disease, Policy Limit	\$500,000

Bodily Injury by Accident \$500,000

4. Umbrella Liability

Umbrella Liability applying excess of the General Liability, Automobile Liability, and Employers Liability policies, on a following-form basis, with limits not less than:

Each Occurrence \$2,000,000
Aggregate, Per Project \$2,000,000

5. Commercial Crime (if applicable)

Commercial Crime or Fidelity (Employee Dishonesty) insurance extending to third parties (i.e., theft from Owner or third parties), including but not limited to Theft of Money and Securities both on- and off-premises and in transit, ERISA, Forgery or Alteration, Computer Fraud, Embezzlement and Funds Transfer Fraud, with limits not less than:

Employee Dishonesty, First Party \$1,000,000
Employee Dishonesty, Third Party including
Theft of Property \$1,000,000
Computer Fraud \$1,000,000
Forgery or Alteration \$1,000,000
Funds Transfer Fraud \$1,000,000
ERISA Included
On Premises \$ 50,000
In transit \$ 50,000
Annual Aggregate \$1,000,000

6. Professional Liability/Errors & Omissions (E&O)

All proposers who will perform professional services in connection with the audit shall provide Professional Liability insurance covering negligent acts, errors, or omissions in the performance of the Services, with limits not less than:

Each Claim \$2,000,000
Annual Aggregate \$2,000,000

7. Cyber/Technology Insurance (if applicable)

Cyber/Technology insurance coverage with the following coverage parts and with limits not less than:

Network Security Liability, each claim and aggregate \$1,000,000

Liability coverage for when the insured's web-based platform or computer system fails to prevent a security breach or a privacy breach, including but not limited to transmission of a computer virus and liability associated with the failure to provide authorized users with access to the web-based system.

Regulatory Liability, each claim and aggregate \$1,000,000
Liability coverage for lawsuits or investigations by Federal, State, or Foreign regulators relating to Privacy Laws.

Crisis Management (*including* the following coverages): Included
Notification Expense (*First party expenses to comply with Privacy Law notification requirements*); Credit Monitoring Expense (*First party expenses to provide up to 12 months credit monitoring*); Forensic Investigations (*First party expenses to investigate an intrusion into an Insured's computer system*); Public Relations (*First party expenses to hire a public relations firm*)

Cyber Extortion \$1,000,000
Payments to a party threatening to attack an Insured's computer system in order to avert a cyber-attack.

General Insurance Provisions

Proposer shall be responsible for the payment of all deductibles or self-insured retentions applicable to its insurance coverages.

All policies required hereunder other than Workers Compensation, Professional Liability, and Commercial Crime shall name Haverford Township and its officers, directors, employees, agents, subsidiaries, and affiliated companies as Additional Insureds on a primary and noncontributory basis, for losses arising from the work of the Proposer. Additional Insured status shall include defense and shall apply to both Ongoing and Completed Operations, for a period of not less than three years after completion of services.

All policies shall provide a Waiver of Subrogation in favor of Township and/or Township's agent(s) and/or other parties designated by Township.

If coverage is written on a claims-made basis, an Extended Reporting Period, or tail coverage, shall be provided for three (3) years following completion of the Provider's services. In the alternative, the claims-made policy shall be renewed for not less than three (3) years following completion. The policy retroactive date shall be no later than the effective date of this Agreement.

Policies shall not be canceled, terminated or non-renewed unless sixty (60) days prior written notice is sent to the additional insured parties.

General

- The Township contact for the submission of proposals is:

Aimee M. Cuthbertson, CPA
Assistant Township Manager/Director of Finance
Haverford Township
1014 Darby Road
Havertown, PA 19083
Phone: 610-446-1000 x2240
Email: acuthbertson@havtwp.org

Date and Awarding

- All questions regarding the Township or its request for proposals should be submitted via email to the Assistant Township Manager/Director of Finance, Aimee Cuthbertson, at acuthbertson@havtwp.org up until Friday, August 19, 2022 at 4:00pm (no phone requests will be honored).
- In the spirit of fairness, responses to questions will be posted as an addendum no later than Friday, August 26, 2022 at 4:00pm.
- Proposals must be received no later than Friday, September 16, 2022 at 4:00pm to the Assistant Township Manager/Director of Finance. Electronic copies in PDF are preferred; however, paper versions will also be accepted.
- The award is expected to be made at the October 11, 2022 Board of Commissioners meeting.
- The Township reserves the right to request additional information from any proposer.
- The Township reserves the right to reject any and/or all proposals and the right at its sole discretion to accept the proposal most favorable to its interest.