

TWIN VALLEY SCHOOL DISTRICT

Request for Proposal for Audit Services

February 6, 2023

For the 2022-2023, 2023-2024, 2024-2025, 2025-2026, and 2026-2027

Fiscal Years

Complete Proposal is due by Monday, February 27, 2023

at 3:00 p.m.

In the Twin Valley School District Administration Office

4851 N. Twin Valley Road, Elverson, PA 19520

or emailed to emathias@tvsd.org

*The Twin Valley School District reserves the right to extend this Contract.

REQUEST FOR PROPOSAL FOR AUDIT SERVICES

Document Purpose

The purpose of this "Request for Proposal" is to provide interested Audit Firms with sufficient information to enable them to prepare and submit proposals (i.e. quotations) for consideration by the Twin Valley School District for auditing services for the School District's fiscal years; 2022-2023, 2023-2024, 2024-2025, 2025-2026, and 2026-2027.

District Contact

The point of contact with Twin Valley School District is Elaine Mathias, Business Administrator (610) 286-8600.

Incurred Proposal Costs

The School District is not liable for any costs incurred by Audit Firms prior to the issuance of an agreement or contract.

GASB Compliance

Twin Valley School District is a Phase 2 (\$10 million to \$100 million in revenue) District. The Audit Firm will need to supply audited statements in compliance with all current and future GASB pronouncements for the years of the Proposal and beyond if this Agreement is extended.

Electronic Reports

The Audit Firm **must** accept electronic versions of the District's financial transactions. If available, all records and backup documentation will be provided to the Firm either in Microsoft Office or PDF formats. Some backup documentation will still be provided in paper format.

Response Date for Proposals

In order to be considered for selection, Audit Firm proposals for auditing services must be received in a sealed envelope clearly marked "Auditing Services Request for Proposal" no later than 3:00 PM on Monday, February 27, 2023 at the Twin Valley School District Administrative Office, 4851 N. Twin Valley Road, Elverson, PA 19520 or by email to emathias@tvsd.org.

The auditors assigned to perform the audit must collectively possess adequate professional proficiency for the task required. The Commonwealth of Pennsylvania has defined qualified auditors to perform Single Audits to be Certified Public Accountants (CPA) or Public Accountants (PA) who are: (1) Registered under Act 140 P.L. 318, May 26 1947, entitled "The CPA Law", as amended by Act 286, P.L. 1280, dated December 8, 1976; and (2) conforming to the independence requirements and professional standards promulgated by the GAO Audit Standards.

Informality of Bid and Acceptance, Rejection or Selection of Quotation

The School District expressly reserves the right to reject any or all proposals, to waive any informalities or irregularities in the proposals, and to accept that proposal which is in the best interest of the School District.

The School District further reserves the right to reject all proposals and seek new proposals when such a process is in the best interest of the District.

If any proposal is accepted by the School District, the awarding of an auditing contract will be evidenced by the execution of the School District's "Auditing Services Agreement" by the Audit Firm within twenty (20) days of the contract award.

Acceptance by School Board

The School Board will consider the auditing proposals at a future Regular Board of Education Meeting.

In determining the award to the proposing Audit Firms, the following will be considered:

1. Evidence in proposal that the submitting firm clearly understands the scope of the audit services to be performed.
2. Technical experience of the firm.
3. Qualifications of the audit staff.

A qualified Partner of the firm must actively oversee the audit at all times and be available for questions and be knowledgeable on the progress of the audit.

4. Size and structure of the firm.
5. Costs quoted to perform the specified audit services.

Execution of this "Request for Proposal"

This "Request for Proposal" shall be executed as follows:

1. As an individual auditor - He/She shall sign the proposal personally.
2. As a partnership or corporation - Signed in the name of the firm by a partner.

Audit Proposal Instructions

General Scope of Work

The audit will cover all programs of the School District including, but not limited to, the general fund, food service fund, student activity funds, construction/capital reserve funds and Federal programs.

Non-Federal Programs Scope of Work

The audit will encompass a financial and internal control audit of the financial records and systems of the School District for the school year ending June 30th. The audit report must give an opinion on the fair presentation of the district's general purpose financial statements in accordance with Generally Accepted Accounting Principles and must include a review of the internal controls of the School District's accounting systems which include a minimum review of the following:

1. Board Minutes
2. Verification of receipts
3. Expenditures
4. Journal entries
5. Budget transfers
6. Payroll system
7. Verifications of assets and liabilities
8. Reconciliation of bank statements and investments
9. Subsidiary records including insurance

The Audit Firm shall provide to the School District a Management Letter listing recommendations for improvements in School District procedures. The Management Letter will include specific reasons why the Audit Firm is suggesting changes to the district procedures.

Interim audits by the Audit Firm within the audited year are encouraged.

The Audit Firm shall provide to the Board of School Directors a certified audit of the School District's financial records encompassing all funds, including the Food Service Fund and the Student Activities Fund. The School District Business Administrator shall determine the number of bonded copies of the report that the Audit Firm shall provide. The General Purpose Financial Statements must include:

District-wide Financial Statements:

Statement of Net Assets

Statement of Activities

Fund Financial Statements:

Balance Sheet - Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual
- Governmental Funds
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
Statement of Net Assets – Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds
Statement of Cash Flows - Proprietary Funds
Statement of Net Assets - Fiduciary Funds
Statement of Changes in Net Assets - Fiduciary Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
- General Fund
Notes to Financial Statements

Supplemental Information:

Combining, Individual Fund Statements, and General Long-Term Debt

Any other statement as required by the Governmental Accounting Standards Board

Federal Programs Scope of Work

The audit will also encompass a financial and compliance audit as outlined in the Single Audit Act of 1996. For a review of each program's compliance, the Audit Firm will use the Compliance Supplement for Single Audits of State and Local Governments, and AICPA Audit and Accounting Guide for Audits of State and Local Governmental Units, Revised 1986 and any current revisions, and the PDE Audit Guidelines for Single Audit. As required, the Audit Firm shall design its own procedures to supplement existing audit steps in order to form an opinion.

In addition to the audit guides, the Audit Firm shall apply its own audit standards and procedures and those developed by the American Institute of Certified Public Accountants (AICPA), "Generally Accepted Auditing Standards", (Statement of Auditing Standards (SAS) Number 1 Codification of Auditing Standards and Procedures) and those developed by the U.S. General Accounting Office (Standards for Audit for Government Organizations, Programs, Activities and Functions and Guidelines for Financial and Compliance Audits of Federally Assisted Programs)

Federal Programs Opinion

The Audit Firm shall perform sufficient work to issue a report and render an **unqualified** opinion. All audit work, which can be performed on existing records, must be completed in accordance with the pertinent audit guides. Findings shall be made, costs questioned or recommended for disallowance, corrective measures recommended, and a report issued. All reports shall contain the appropriate Opinion or Disclaimer of Opinion in accordance with Statement of Auditing

Standards (SAS) Number 2, "Reports on Audited Statements", issued by the AICPA in October 1979 (Volume 1, AICPA Professional Standards, Section 509).

Single Audit Report Package

The Single Audit Report Package shall contain a Table of Contents indicating the following sections by page number. All pages must be numbered.

1. Management Letter
 - Includes recommendations and suggestions for changes and improvements in School District operations
2. Single Audit Report Distribution List
 - Lists the agencies which will receive the Single Audit Report
3. Transmittal Letter Containing:
 - Name of Local Education Agency
 - Period covered by the report
 - A statement that the audit was done to fulfill the requirements of the Office of Management and Budget's Circular A-133
 - A summary of what the audit examination covered
 - A statement as to whether a management letter was prepared
4. Opinion on General Purpose Financial Statements
5. General Purpose Financial Statements
6. Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements performed in Accordance with Governmental Auditing Standards, which shall include:
 - Identification of all accounting controls, any material weaknesses found, and which controls should not be relied upon, and
 - Audit Firm comments on material control weaknesses, and
 - Other specifications as stated in the Single Audit Act of 1996, and
 - A statement that the examination was performed in compliance with the GAO Standards for Audit of Governmental Organizations, Programs, Activities and Functions.
7. Schedule of Expenditures of Federal Awards
 - The Schedule of Expenditures of Federal Awards shall include the following information:
 - a. Federal Grantor/Pass-Through Grantor/Project Title
 - b. CFDA Number (Catalog of Federal Domestic Assistance Number)
 - c. Grantor Contract Number
 - d. Grant Period
 - e. Total Grant Award
 - f. Accrued (Deferred) Grant Revenue as of July 1st

- g. Total Cash Received
 - h. Revenue Recognized
 - i. Expenditures
 - j. Accrued (Deferred) Grant Revenue as of June 30th
 - k. Source of Federal Receipts
8. Report on Compliance with Requirements applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.

This report shall include the following information:

Identification of all accounting controls, any material weaknesses found, and which controls should not be relied upon, and

Audit Firm comments on material control weaknesses, and

Other specifications as stated in the Single Audit Act of 1996, and

A statement that the examination was performed in compliance with the GAO Standards for Audit of Governmental Organizations, Programs, Activities and Functions and OMB Circular A-133 and

An opinion of federal compliance

9. Schedule of Findings and Questioned Costs

This schedule shall identify and quantify the nature and extent of the examination and disclose the dollar impact of all questioned costs questioned for noncompliance with terms of agreement or provisions of laws and regulations and the effect upon the financial statements whether material or not. Questioned costs are contingencies and are not accrued in the financial statements unless the criteria specified in FASB Statement Number 5, Accounting for Contingencies, are met.

Each finding shall contain: Condition, Cause, Effect, Criteria, and Discussion of supporting facts and analysis, and Auditor's Recommendations.

10. A "Response and Corrective Action Plan" recommendation for each finding and any weaknesses disclosed within the examination.
11. "Report on the Status of Prior Year's Compliance Findings and Internal Control Weaknesses".
12. Signature

An officer of the Auditing Firm shall sign and date the reports.

Retention of Audit Working Papers

The Audit Firm shall retain work papers and reports for a minimum of seven (7) years from the date of the audit report. An appropriate Federal or State Agency or the School District must make audit work papers available upon request.

Access to Audit Working Papers

The School District and any appropriate Federal or State Agency shall have free and unrestricted access to the work papers, records, other supportive documentation and reports prepared, or in

the process of being prepared, in connection with the audits performed under this proposal. Free and unrestricted access to and the right to require submission of the documentation to School District or appropriate agency shall exist during the contract term and shall continue for seven (7) years from the date of submission of the final invoice or until litigation, audit or claim has been fully resolved, if later.

Time limit of Audit

The firm shall execute and complete the annual audit between July 1st and September 30th of the subsequent fiscal year. The Audit shall be completed no later than October 10th of each year. A draft of the financials is due by October 15th of each year. The Audit Firm shall complete and have available the financial statements by October 31st of each year.

Cost and Pricing Data

Proposals must be for a total amount for the audit of both Non-Federal and Federal Programs. Fee structures for staff and costs should be included in the event that the School District requests the Audit Firm to do additional work.

Unacceptable Work

If the Audit Firm's audit reports are determined to be unacceptable by the School District, the AICPA Standards or the Standards for Audit of Governmental Organizations, Programs, Activities and Functions and Guidelines for Financial Compliance Audit of Federally Assisted Programs, issued by the Auditor General, the Single Audit Act of 1984, and OMB Circular A-133, the Audit Firm may, by written request, be required to re-audit at its own expense and submit a revised acceptable audit report.

The School District has the right to reject the Auditor's audit report for one (1) year after the School District has submitted the audit report to State and Federal agencies.

If the Audit Firm fails to comply with any of the terms of this proposal, the School District may terminate this contract.

Audit Report Distribution

The Audit Firm shall file on behalf of the School District the Annual Auditor's Report to the Commonwealth of Pennsylvania, the Bureau of Census and required Federal agencies. The Audit Firm shall provide assistance to the School District in completing the Annual Financial Report that must be filed by the School District with the Commonwealth.

Fraud and Illegal Acts

If, during the course of the examination, the auditors uncover indications of possible fraud or other illegal acts, the auditors shall immediately notify the officers of the Board of Education and appropriate State and Federal agencies in writing. The auditors shall perform sufficient fieldwork to be able to clearly describe and document the situation.

Advisory Assistance

The Audit Firm shall be available to provide advisory assistance to School District Administration throughout the school year including but not limited to assistance with audits of State and Federal agencies. The School District will maintain its financial records and the Audit Firm will advise as may be necessary to enable the School District to comply with the requirements of regulatory agencies.

The Audit Firm shall provide year end adjusting journal entries to district business staff, assist in reconciling accounts as needed and assist in the preparation of year end financial statements and the Annual Financial Report as needed.

Additional Information

1. The submission of a proposal shall be prima facie evidence that the firm submitting the proposal has full knowledge of the scope, nature, quantity and quality of work to be performed; the detailed requirements of the specifications; and the conditions under which the work is to be performed.
2. The firm submitting the proposal shall furnish the District such additional information as the District may reasonably require.
3. The District will not be liable and will not pay for any costs not included in the proposal. Specifically, it will not be subject to any fees for "extra work."
4. The auditing firm will be responsive to the District's requests for miscellaneous payroll tax form processing information and other general accounting and tax matters throughout the year at no additional cost to the District.
5. The District reserves the right to conduct interviews of any or all firms submitting proposals prior to selection. The District will not be liable for any costs incurred by the firm in connection with such interview (i.e., travel, reproduction costs, etc.).
6. The District reserves the right to conduct pre-contract negotiations with any potential firms that have submitted proposals.

Information Requested

In order to facilitate a uniform audit proposal review process and maximize comparability, it is required that the Audit Firms submitting proposals organize their proposal in the following manner.

1. Title Page
State that the document is a "Proposal for Audit Services" and list the following; date, Audit Firm name, local address, telephone number, and contact person.
2. Table of Contents
Identify the contents by section and page number.
3. Letter of Transmittal (Limit to one or two pages)
Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the required time period.
4. Profile of the Audit Firm
State whether your audit organization is national, regional or local.

Indicate the number and level of people from the closest office that will perform the audit.

Provide a reference list of Public School District audit clients indicating the type of service performed, years of engagement, contact person and phone number.
5. Describe your firm's participation in AICPA sponsored **quality control programs** and attach your latest Quality Control Report issued by your Peer Reviewer.
6. Describe your firm's approach to the audit including at least the following:
Type of audit program used.
Use of statistical sampling.
Use of computer audit specialists.
Organization of audit team and approximate time to be spent on the audit.
Provide a tentative audit activity schedule for the next school year's audit.
7. Auditors Experience Summary
Describe the public school audit experience of each person to be assigned to the audit. Include position level held while on each audit.

About Twin Valley School District

Twin Valley School District is situated in the picturesque hills of Berks and Chester counties. Seven municipalities in two counties form the district:

- Caernarvon Twp
- Elverson Borough
- Honey Brook Borough
- Honey Brook Twp
- New Morgan Borough
- Robeson Twp
- West Nantmeal Twp

Honey Brook and Elverson Boroughs, Honey Brook and West Nantmeal Townships in Chester County; New Morgan Borough, and Caernarvon and Robeson Townships in Berks County. Twin Valley High School, Twin Valley Middle School, Twin Valley Elementary Center and the District Administrative offices are located close to the geographic center of the school district.

Currently, three regional elementary centers accommodate grades K-4. Honey Brook Elementary Center is located on Walnut Road off of Route 10 South in Honey Brook Township. Robeson Elementary Center is located on White Bear Road in Robeson Township. Twin Valley Elementary Center is located at 50 Mast Drive in Elverson.

Total district enrollment is approximately 3,050. For a detailed District map showing school boundaries, check our website. The Pennsylvania Turnpike, Interstate I-76, and State Routes 10 and 23 all intersect at Morgantown, which provides easy access in and out of the area. We are within 15 miles of Reading, 25 miles of Lancaster, 16 miles of Downingtown, 30 miles of King of Prussia, and 45 miles of Philadelphia.

More information about the District can be found at www.tvsd.org.

Request for Proposal

For

Audit Service

2022-2023, 2023-2024, 2024-2025, 2025-2026 and 2026-2027

(Return this page as Page 1 of your Auditing Services Proposal)

Name of Audit Firm _____
Address _____
Contact Person _____
Telephone Number _____

FIRST, the undersigned have carefully examined the Request For Proposal for Auditing Services in accordance with the specifications of the proposal and therefore submit this proposal and agree to furnish and perform the specified audit services for the School District within the time limits specified for the amounts indicated below, subject to the terms outlined in our engagement proposal attached hereto and made a part hereof.

SECOND, the undersigned agree to enter into a written contract to furnish such materials and services as required in the proposal specifications, subject to the terms outlined in our engagement proposal attached hereto and made a part hereof.

THIRD, the following quotation prices are listed as firm for a period of sixty (60) days after the due date of this request for proposal.

FOURTH, the Audit Firm agrees to maintain a record of their audit time by Federal Program so that the cost of the audit can be allocated to various Federal Programs.

FIFTH, if services are performed by the Audit Firm in addition to the specified audit services, the Audit Firm will supply time records and service descriptions to validate any invoiced charges.

SIXTH, no plea of mistake for this proposal shall be made available to the undersigned Audit Firm. No proposal may be withdrawn before sixty (60) days from the due date of this proposal.

*SEVENTH, the School District maintains sole discretion to extend this contract and all of these provisions as it may see fit, subject only to price adjustment.

Request for Proposal

For

Audit Service

2022-2023, 2023-2024, 2024-2025, 2025-2026 and 2026-2027

(Return this page as Page 2 of your Auditing Services Proposal)

EIGHTH, the Audit Firm's staffing fee structure, hourly rates and other costs will be as follows:

NINTH, the Audit Firm agrees to do the auditing services for the amounts quoted as follows:

Auditing Services for 2022-2023	\$ _____
Auditing Services for 2023-2024	\$ _____
Auditing Services for 2024-2025	\$ _____
Auditing Services for 2025-2026	\$ _____
Auditing Services for 2026-2027	\$ _____

Signature _____ Date _____

Title or Office _____

*The School District maintains sole discretion to extend this contract and all of these provisions as it may see fit.