

***ALLEGHENY COUNTY CENTRAL TAX
COLLECTION COMMITTEE***
(Pittsburgh, PA)

**REQUEST FOR PROPOSALS
FOR EXTERNAL AUDITING SERVICES**

Issuance Date: April 8, 2014

Submission Date: April 24, 2014

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1. Introduction

The purpose of this Request for Proposal (“RFP”) is to solicit proposals from Certified Public Accounting firms to audit the Allegheny County Central Tax Collection Committee (ACCTCC) financial records for the period from January 2012 to December 31, 2013.

The scope of the audit is as follows:

- Perform an audit of Political Subdivision (PSD) codes to include
 - Actions against non-compliant employers
 - Monies that are unidentifiable
- Perform a verification of residency to PSD codes and classification of wages to include
 - Non-residents of PA (1%)
 - School subsidy
 - McNeilly Road residents
- Perform an audit of the Tax Collector for tax year 2013 and issue all items and reports required under Act 32 (Appendix A) and the agreement between the ACCTCC and the Tax Collector (Appendix B)
- Perform other auditing, control, finance or consulting tasks designated by the ACCTCC. These tasks may include, but are not limited to, additional testing of the accuracy of specific collections and disbursements, design and operating effectiveness of controls in place at Jordan Tax, and substantive testing of reports provided by Jordan Tax to the ACCTCC

2. Timetable/Response Submittal

The Committee is requesting proposals from experienced and qualified firm(s) to complete the audit of our financial statements. Selection of the firm will be made based on the proposals submitted. A tentative timetable for the selection process is provided below:

- | | |
|--------------------|--|
| • April 8, 2014 | Release of RFP |
| • April 24, 2014 | Receipt of Proposals |
| • To be determined | Interview |
| • April 29, 2014 | Legislative Approval by Tax Collection Committee |

Upon the release of this RFP and during the conclusion of the selection process, there shall be no communication between any prospective respondents and/or their lobbyist(s) or agent(s) with any elected representatives or other appointed official of the Committee, except as provided in the RFP. Any violation of this provision by

any prospective firm and/or its agent shall be grounds for immediate disqualification.

All proposals shall be submitted to the Committee as follows:

Steve Packosky
Office of Budget Development, Management and Operations
School District of Pittsburgh
341 South Bellefield Avenue
Pittsburgh, PA 15213
Tel: (412) 622-3905

- One (1) original and four (4) copies of the proposal shall be prepared and submitted to the Committee in such form as is set forth in this RFP by 12:00 p.m. on _____ .
- Proposal including any/all attachments, cover letter and tabs should not exceed fifty (50) pages in length on 8 ½” X 11” paper, single spaced using a minimum font size of 10 pt.
- Proposals should be submitted in accordance with the instructions detailed below. The Committee reserves the right to select a proposal in its entirety or some portion(s) thereof. Furthermore, the Committee reserves the right to reject any and all proposals and to waive irregularities.
- Proposals which are submitted in electronic format or faxed will not be accepted.
- The Committee will not be held liable for any cost incurred in the preparation of proposals.
- The proposer shall provide the Committee with additional information, if necessary.
- The Committee reserves the right to interview one or more finalists.
- Any questions regarding this RFP should be addressed to Mr. Packosky

3. Specific Response Requirements

Responses should address the following questions or requests for information and be organized so that the specific questions or requests for information each begin on a new page with the question repeated at the top of the page.

Letter of Transmittal

Each proposal should be accompanied by a letter of transmittal which summarizes key points of the proposal and which is signed by an authorized officer.

Firm Experience and Qualifications

- A. Please provide an overview of the firm and its qualifications. Please include the location of the firm's office(s).
- B. Please describe the firm's auditing experience for the past 3 years for the following categories:
 - 1. Tax Collection Committees in the Commonwealth of Pennsylvania
 - 2. Pennsylvania local government units and non-profits;
 - 3. Other state and local government units and non-profits;
 - 4. Tax Collector Services

Audit Team

Provide brief resumes describing tax collection and/or governmental experience and a listing of completed CPE for the following individuals who will be assigned to the Committee's engagement, including any relevant experience for each individual. Please include only those individuals who will work on the Committee's account.

- A. The firm's partner who will assume the day-to-day and on-site responsibility for managing and supporting the Committee's audit process.
- B. The audit manager who will assume the day-to-day and on-site responsibility for managing and supporting the Committee's audit process.
- C. Other members of your team assigned to the audit and the specific role that each will play.

Plan of Work

Please provide a detailed plan of work for the Committee's engagement. Include a sample engagement letter for the year ended December 31, 2013.

Firm Information/Equal Employment Opportunity

- A. Describe your firm's equal employment opportunity policies and programs.

- B. Has your firm or any of its employees, or anyone acting on its behalf, ever been convicted of any crime or offense arising directly or indirectly from the conduct of your firm's business or have any of your firm's officers, directors or persons exercising substantial policy discretion ever been convicted of any crime or offense involving financial misconduct or fraud? If so, please describe any such convictions and surrounding circumstances in detail.
- C. Has your firm, or any of its employees, or anyone acting on its behalf, been indicted or otherwise charged in connection with any criminal matter rising directly or indirectly from the conduct of your firm's business which is still pending or have any of your firm's officers, directors or persons exercising substantial policy discretion been indicted or otherwise charged in connection with any criminal matter involving financial misconduct or fraud which is still pending? If so, please describe any such indictments and surrounding circumstances in detail.
- D. Please describe (i) any material financial relationships that your firm or any firm employee has with any tax collection districts operating in Pennsylvania or other persons or entities that may create a conflict of interest; (ii) any family relationship that any employee of your firm has with any public servant that may create a conflict of interest, or the appearance of a conflict of interest and (iii) any other matter that your firm believes may create a conflict of interest or the appearance of a conflict of interest in acting as an independent consultant to the Committee. Please describe any procedures your firm either has adopted, or would adopt, to assure the Committee that a conflict of interest would not exist for your firm in the future.

Fee Proposal

Please provide the following:

- Fixed fee quote for the 2012 and 2013 fiscal year combined
- Fixed fee quote for just the 2013 fiscal year
- Hourly rates by staff level
- Estimated hours by staff level

Audit proposals may not be withdrawn for a period of ninety (90) days from the date the proposals are opened.

4. Evaluation Criteria and Selection Process

The contract(s) will be awarded to the qualified proposer whose proposal is most advantageous to the Committee, based upon the evaluation criteria specified below. Thus, while the points in the evaluation criteria indicate their relative importance, the total scores will not necessarily be determinative of award. Rather, the total scores will

guide the Committee in making an intelligent award decision based upon the evaluation criteria.

The Committee reserves the right to request oral presentations from those firms determined to be in a competitive range and shall use the information derived from these oral presentations, if any, in its evaluation. The Committee will not be liable for any cost incurred by the proposer in connection with such oral presentation.

The Committee anticipates selecting one CPA firm using the following criteria to determine which firm meets the needs of the Committee best, and is expecting a completion date of August 1, 2014 for the audit.

<u>Committee's Annual Audit</u>	<u>Points</u>
Ability to Meet the Specific Needs of the Tax Collection Committee	20
Experience and Qualifications	30
Plan of Work	30
Fee	20

Appendix A.

53 P.S. § 6924.505

* Practitioner's Toolbox

PENNSYLVANIA STATUTES, ANNOTATED BY LEXISNEXIS(R) [History](#)

* Pa.C.S. documents are current through 2012 Regular Session Act 64, Enacted June 13, 2012. *

* P.S. documents are current through Act 2012-33 *
* May 30, 2012 Annotation Service. *

PENNSYLVANIA STATUTES
TITLE 53. MUNICIPAL AND QUASI-MUNICIPAL CORPORATIONS
PART I. GENERAL MUNICIPAL LAW
CHAPTER 24A. LOCAL TAX ENABLING ACT
CHAPTER 5. CONSOLIDATED COLLECTION OF LOCAL INCOME TAXES

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53 P.S. § 6924.505 (2012)

§ 6924.505. Tax collection committees

(h) AUDITS OF TAXES RECEIVED AND DISBURSED.--

(1) By the end of each calendar year, the tax collection committee shall provide for at least one examination for each calendar year of the books, accounts, financial statements, compliance reports and records of the tax officer by a certified public accountant or public accountant approved by the tax collection committee. The examination shall include an audit of all records relating to the cash basis receipt and disbursement of all public money by the tax officer, a reconciliation of the monthly reports required by section 509(b), an analysis of the bond amount under section 509(d) and an analysis of the collection fees charged to the tax collection committee. In the case of a private agency, the examination shall not include payroll and other proprietary information. The examination shall be conducted according to generally accepted governmental auditing standards.

(2) The certified public accountant or public accountant shall issue a report, in a format prescribed by the department, to the tax collection committee, which shall include an auditor's opinion letter, a financial statement, a reconciliation of the monthly reports required by section 509(b) with the receipts and disbursements, a summary of collection fees charged to the tax collection committee, a report on the tax officer's compliance with this act, a list of any findings of noncompliance with this act and a copy of a management letter if one is issued by the auditor. If there are findings of noncompliance, a copy of the report shall be filed with the Department of the Auditor General and the department. A copy of the report shall be filed with all political subdivisions within the tax collection district and the department on or before September 1 of the succeeding year. The department may make available on its Internet website summary data from the reports filed under this subsection.

Appendix B.

Article IV. Records/Reports

3. Collector shall maintain and preserve all records pertaining to the collection of the Taxes which are the subject of this Agreement in a format determined by the Department and the Committee, which records shall be available for inspection by the duly appointed auditors of the Committee in accordance with §(h) of Act 32, and any successor laws thereto.

Article VII. Audit

1. During each calendar year, upon sixty (60) days prior notice, the Collector shall make available its books, accounts, financial statements, compliance reports and records for Audit by a Certified Public Accountant of the Committee's designation. The examination by the Committee's representative shall include an Audit of all records relating to the cash basis receipt and disbursement of all public money by the Collector on behalf of the Members PSDs, a reconciliation of the monthly reports required by §509(b) and analysis of the bond amount under §509(d), an analysis of the collection fees charged to the Committee and any other information deemed pertinent by the Committee. The examination shall not include payroll and other proprietary information and shall be conducted in accordance with accepted governmental auditing standards. Collector shall not be required to obtain an SAS-70 audit. However, the Committee may obtain one and its sole cost and expense and Collector shall cooperate with the Committee's chosen auditor.

2. Any audit permitted hereunder shall occur at a date and time convenient to Collector at Collector's principal office and shall be at the Committee's sole cost and expense. The Auditor shall be permitted to view confidential information as part of his or her official duties.