EAST MARLBOROUGH TOWNSHIP

CHESTER COUNTY, PENNSYLVANIA

REQUEST FOR PROPOSALS FOR

PROFESSIONAL AUDIT SERVICES

RESPONSES DUE BY OCTOBER 16, 2025, BY 4:00 P.M.

OVERVIEW

East Marlborough Township (herein called the "Township") is a Township of the Second Class with approximately 7,305 residents, with a service area of 15.6 square miles, located in Chester County, Pennsylvania. The Township hereby invites independent certified public accountants to submit a proposal for performing an audit of its financial accounts and records for the fiscal years ending December 31, 2025, 2026, and 2027, to provide an auditor's opinion on the fairness of the financial statements' presentation in accordance with the basis of accounting accepted by the Pennsylvania Department of Community and Economic Development (DCED). The most recent audit available was conducted for the fiscal period January 1, 2024, to December 31, 2024.

A copy of the Township's 2024 Audit is available at the Township Building, located at 721 Unionville Road, Kennett Square, PA 19348. The Township reserves the right to reject any or all proposals or any part of them.

There is no expressed or implied obligation for East Marlborough Township to reimburse any responding firms for expenses incurred in preparing proposals.

Questions about this Request for Proposal may be directed to Neil Lovekin, Township Manager, via email at nlovekin@eastmarlborough.org or by telephone at 610-444-0725.

DESCRIPTION OF TOWNSHIP'S ACCOUNTING SYSTEM

The Township has an annual operating budget of approximately $10 million, divided into eight funds. Financial statements are prepared on a cash basis. The Township operates on a calendar-year basis, with an obligation to receive an audited financial statement by June 1 of each year. The Township presently uses QuickBooks to manage its accounting processes.

SCOPE OF AUDIT

Funds to be audited:

1) General
2) Sewer
3) State Liquid Fuels
4) Park
5) Open Space
6) Library
7) Fire & Emergency Services
8) Capital Improvement

1) **Audit Standards:** The audit shall be conducted following Generally Accepted Auditing Standards (GAAS). If applicable, a single audit will be performed in accordance with generally accepted government auditing standards (GAAS) and must meet all federal audit requirements.

2) **Reporting:** The auditor will provide an opinion on the fair presentation of all Township financial statements. The Pennsylvania DCED Annual Audit and Financial Report will be prepared and submitted in accordance with acceptable deadlines. The Township Manager will review a draft before it is issued.

3) **Management Letter:** The Township expects the Auditor to recommend improvements for internal controls or other management issues to enhance the Township's ability to record, process, and report financial data consistent with management's assertions in the financial statements. The Township Manager shall review a draft of the management letter before its issuance.

SINGLE AUDIT

Currently, the Township does not anticipate meeting the threshold for a Single Audit. However, the Township regularly applies for federal funding. Any future decision to perform a Single Audit will be made in consultation with the audit firm. If required, fees for this service will be negotiated at that time.

PROPOSAL REQUIREMENTS

Listing of Pennsylvania municipalities and other local government entities (such as libraries, fire departments, authorities, etc.) that the firm has audited in the past five (5) years, along with the name, address, and phone number of at least one official from three of those entities.

A statement confirming that the firm complies with the continuing education and peer review requirements of the Pennsylvania State Board of Accountancy, GAO, and the AICPA. The proposal should include a copy of the most recent peer review report and letter of comments.

A statement affirming that the firm has "no personal interest, direct or indirect, in the fiscal affairs of the Township or any of its elected or appointed officials."

A description of any regulatory enforcement actions taken against the firm or current or former principals, or charges of substandard audit work within the last three (3) years.

INSTRUCTIONS REGARDING PROPOSALS

1) **Qualifications:** Include a description of the firm's qualifications and ability to perform the scope of the audit, including a resume of governmental experience and a reference list of applicable clients.

2) **Personnel Qualifications:** Provide detailed resumes of partners, managers, and supervisory staff assigned to the audit. Provide a description of the background and experience of any partners, managers, and staff accountants who will be assigned to the Township's audits, including everyone's experience with municipal audits. Include an affirmative statement that the firm and all key professional staff are appropriately licensed to practice in Pennsylvania, and note that staff auditors should be in the process of obtaining the appropriate license.

3) **Technical Approach:** Describe audit procedures and methodology, along with a tentative schedule for key phases.

4) **Fees:** State the maximum fees for the audit, including all expenses and costs. The fee shall be fixed. If circumstances require a scope expansion, written notice will be given, and the contract will be adjusted accordingly. The hourly rates for each staff level (i.e., partner, manager, staff accountant, and support staff) that the auditor will charge for expanded or related auditing services.

WORK PAPER RETENTION

The firm must agree to retain audit work papers for three (3) years after the audit's completion. Work papers must be available within five (5) working days upon request.

CONTRACT BILLING AND PAYMENT

Payment for the audit shall be made by the Township upon completion and submission of the audit to the Township by the firm. The auditor may not bill the Township for other auditing services after they've been completed unless prior billing arrangements have been agreed to.

EVALUATION OF PROPOSALS

Proposals will be assessed based on professional qualifications, understanding of the work, responsiveness to the RFP, technical experience, and staff qualifications. Cost evaluation will follow the examination of qualifications. The contract will be awarded by formal action at a regularly scheduled public meeting of the Board of Supervisors.

TIME REQUIREMENTS

The following schedule has been established for the processes governing this Request for Proposals:

September 11, 2025	Distribute RFP Publish in the *Daily Local* newspaper Post on the Township website
October 16, 2025	Proposals must be received by 4:00 p.m.
October 17, 2025	Bid openings at 11:00 a.m. at the Township building.
November 12, 2025	Township Supervisors will select a firm to award a contract.
January 5, 2026	Engagement commences

VALIDITY OF PROPOSAL

Proposers agree that their proposals will remain valid for sixty (60) days after the specified submission deadline and may be extended beyond that period by mutual consent. They also agree that the technical parts of their proposals, excluding proprietary information, may be shared with other proposers once an award is announced, if requested. Proprietary information must be clearly marked, and the release of proposal details will follow the provisions of the Pennsylvania Right to Know Law.

SUBMISSION OF PROPOSAL

Entities interested in submitting a proposal should mail or deliver (i.e., FedEx, UPS, hand delivery) two (2) copies of the proposal and an electronic copy no later than 4:00 pm on Thursday, October 16, 2025, to Neil Lovekin, Township Manager, 721 Unionville Road, Kennett Square, PA 19348, and via email: nlovekin@eastmarlborough.org. The envelope and subject of the email must be clearly labeled with the statement: '*RFP-Auditor*'.