



**EASTERN CENTER FOR ARTS AND TECHNOLOGY  
3075 TERWOOD ROAD  
WILLOW GROVE, PA 19090  
215-784-4800**

**REQUEST FOR PROPOSALS**

**AUDITING SERVICES**

**RFP Number – 2022-01**

**Submission/Opening Date and Time: June 3, 2022, 3:00pm**

**Destination for Delivery of Bid: Eastern Center for Arts and Technology  
Business Department  
3075 Terwood Road  
Willow Grove, PA 19090**

**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 Eastern Center for Arts and Technology for auditing services for the Career Technical Center (CTC) fiscal years 2021-2022 through 2023-2024. Any questions concerning this document should be directed to Katie M. Braun, Business Manager, at [kbraun@eastech.org](mailto:kbraun@eastech.org).

**CTC Contact**

The point of contact with Eastern Center for Arts and Technology is Katie M. Braun, Business Manager at (215) 784-4800 x 243 or e-mail Ms. Braun at [kbraun@eastech.org](mailto:kbraun@eastech.org).

**Incurred Proposal Costs**

The Career Technical Center is not liable for any cost incurred by audit firms prior to the issuance of an agreement or contract.

**GASB 34, 45, 68 and 75 Compliance**

The Audit Firm will need to supply audit statements in compliance with GASB 34, GASB 45, GASB 68 and GASB 75 standards.

**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 June 3, 2022, at Eastern Center for Arts and Technology, 3075 Terwood Road, Willow Grove, PA 19090.

**Qualifications**

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 Career Technical Center 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 Career Technical Center.

If any proposal is accepted by the Career Technical Center, the awarding of an auditing contract will be evidenced by the execution of the Career Technical Center’s “Auditing Services Agreement” by the audit firm within twenty (20) days of the contract award.

**Acceptance by Joint Operating Committee**

**The Joint Operating Committee will consider the auditing proposals at the next Regular Joint Operating Committee Meeting following the due date of this request for quotation.**

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.
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 Career Technical Center including but not limited to the general fund, adult education fund, student activity funds, the Licensed Practical Nursing fund, the capital reserve fund, 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 Career Technical Center for the school year ending June 30<sup>th</sup>. 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 Career Technical Center'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 Career Technical Center a Management Letter listing recommendations for improvements in Career Technical Center procedures. The Management Letter will include specific reasons why the audit firm is suggesting changes to the Career Technical Center's procedures.

The audit firm shall provide to the Joint Operating Committee a certified audit of the Career Technical Center's financial records encompassing all funds, including the General Fund, the Capital Reserve Fund, and the Student Activity Fund. The audit firm shall provide a minimum of 5 bound copies of the general purpose financial statements and they must include:

Combined Balance Sheet – All fund types and account groups

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental fund types and expendable trust funds

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General and Special Revenue Funds

RFP Number – 2022-01  
Eastern Center for Arts and Technology

Combined Statement of Revenues, Expenses and Changes in Fund Balances – All Proprietary Fund Types and Nonexpendable Trust Funds

Combined Statement of Changes in Financial Position – All Proprietary Fund Types and Nonexpendable Trust Funds

Budgetary Comparison Statement – General Fund

Schedule of Proportionate Share of the Net Position Liability

Schedule of Pension Contributions

Schedule of Proportionate Share of the Net OPEB Liability

Schedule of OPEB Contributions

Budgetary Comparison Schedule – General Fund – Secondary Operations

Budgetary Comparison Schedule – General Fund – Continuing Education

Budgetary Comparison Schedule – General Fund – Practical Nursing

Schedule of Changes in Fund Balances – General Fund

Notes to Financial Statements

**Federal Programs Scope of Work**

The audit will also encompass a financial and compliance audit as outlined in the Single Audit Act of 1984. 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 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 (If applicable)**

The Audit Firm shall perform sufficient work to issue a report and render an 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 (If applicable)**

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 Career Technical Center 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 based on an examination of General-Purpose Financial Statements performed in accordance with the Standards issued by GAO.

This report shall include the following:

- Disclosure of events of noncompliance that may have a material effect on the financial statements of the Career Technical Center or its future operations, and
  - A statement that the examination was performed in accordance with GAO Standards for Audit of Governmental Organizations, Programs, Activities and Functions.
7. Report on Internal Accounting Controls at the General Purpose Financial Statement Level.

The Report on Internal Accounting Controls of the Career Technical Center shall include the following:

- 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 1984, and a statement that the examination was performed in compliance with the GAO Standards for Audit of Governmental Organizations, Programs, Activities and Functions.
8. Opinion on the Schedule of Federal Financial Assistance.
  9. Schedule of Federal Financial Assistance.

The Schedule of Federal Financial Assistance shall include the following information:

- Federal Grantor/Pass-Through Grantor/Project Title
  - CFDA Number (Catalog of Federal Domestic Assistance Number)
  - Grantor Contract Number
  - Grant Period
  - Total Grant Award
  - Accrued (Deferred) Grant Revenue as of July 1<sup>st</sup>
  - Total Cash Received
  - Revenue Recognized
  - Expenditures
  - Accrued (Deferred) Grant Revenue as of June 30<sup>th</sup>
  - Source of Federal Receipts
  - Calculation of the 50% Rule
10. Report on Internal Control (Accounting and Administrative) at the Federal Financial Assistance Program Level

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 1984, 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
- A statement that the complete study and evaluation was performed for at least fifty percent (50%) of total Federal Financial Assistance Programs, including all major programs, and
- A statement that a preliminary review was performed for all other Federal Financial Assistance Programs.

11. Report on Compliance with Laws and Regulations Related to Major and Non-Major Federal Financial Assistance Programs. This report shall include the following information:

- A statement of positive assurance on items tested for compliance, and
- A statement of negative assurance on items not tested for compliance, and
- A statement of all instances of noncompliance with recommendations for corrective action, and
- Other specifications as stated in the Single Audit Act of 1984, and a statement that the examination was performed in compliance with GAO Standards for Audits of Governmental Organizations, Programs, Activities and Functions and OMB Circular A-133, and a statement which clearly describes the extent of the examination and the responsibilities that the auditor assumes.

12. 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.

13. A "Response and Corrective Action Plan" recommendation for each finding and any weaknesses disclosed within the examination.

14. "Report on the Status of Prior Year's Compliance Findings and Internal Control Weaknesses".

15. Signature

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

**A. Preparation of Annual Financial Report (AFR PDE-2057)**

The audit firm will prepare the annual Pennsylvania Department of Education Annual Financial Report (PDE-2057) by October 15 of the following fiscal year.



**Retention of Audit Working Papers**

The Audit Firm shall retain workpapers and reports for a minimum of six (6) years from the date of the audit report. An appropriate Federal or State Agency or the Career Technical Center must make audit workpapers available upon a request.

**Access to Audit Working Papers**

The Career Technical Center and any appropriate Federal or State Agency shall have free and unrestricted access to the workpapers, 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 submittal of the documentation to Career Technical Center or appropriate agency shall exist during the contract term and shall continue for six (6) 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 Audit Firm shall execute and complete the annual audit between July 1<sup>st</sup> and October 1<sup>st</sup> of the fiscal year. The Audit Firm shall complete and have available the audit reports by October 15<sup>th</sup> of the fiscal 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 if the Career Technical Center requests the Audit Firm to do additional work.

**Unacceptable Work**

If the Audit Firm's audit reports are determined to be unacceptable by the Career Technical Center, 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 Career Technical Center has the right to reject the Auditor's audit report for one (1) year after the Career Technical Center 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 Career Technical Center may terminate this contract.

**Fraud and Illegal Acts**

If, during the examination, the auditors uncover indications of possible fraud or other illegal acts, the auditors shall immediately notify the officers of the Joint Operating Committee 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 Career Technical Center administration throughout the school year including but not limited to assistance with audits of State and Federal agencies. The Career Technical Center will maintain its financial records and the Audit Firm will advise as may be necessary to enable the Career Technical Center 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 prepare the Annual Financial Report.

### **Information Requested**

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 Career Technical Center audit clients indicating the type of service performed, years of engagement, contact person and phone number. (Limit to five closest references)
5. Describe your firm’s participation in AICPA sponsored quality control programs.
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 sample “management letter”.
  - Provide a sample of a “district information or records request list”.
  - Provide a tentative audit activity schedule for the next Career Technical Center 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. Indicate the time the senior auditor will be on-site.

***Request For Proposal***  
***for***  
***Auditing Services***  
***2021-2022 through 2023-2024***

**(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 or Proposal for Auditing Services in accordance with the specifications of the proposal submit this proposal and agree to furnish and perform the specified audit services for the Career Technical Center within the time limits specified for the amounts indicated below.

SECOND, the undersigned agree to enter into a written contract to furnish such materials and services as required in the proposal specifications.

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 (if applicable).

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.

**Request For Proposal**

**for**

**Auditing Services**

**2021-2022 through 2023-2024**

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

SEVENTH, the audit firm's staffing fee structure, hourly rates and other costs will be as follows:

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EIGHTH, quotes are for three years. The audit firm agrees to do the auditing services for the amounts quoted as follows:

	With Preparation of AFR(PDE-2057)	Without Preparation of AFR(PDE-2057)
Auditing Services for 2021-2022	\$ _____	_____
Auditing Services for 2022-2023	\$ _____	_____
Auditing Services for 2023-2024	\$ _____	_____

Signature \_\_\_\_\_

Date \_\_\_\_\_

Title or Office \_\_\_\_\_