

**ATTACHMENT 2 – Financial Auditing
SCOPE OF SERVICES**

Financial Auditing - Scope of Services

Introduction

Heritage Community Initiatives (HERITAGE) is accepting proposals from qualified and experienced firms to provide audit and tax services for the organization overall as well as an audit of services in connection with the organization's contract with the Commonwealth of Pennsylvania Department of Transportation. The Financial Auditing Services Agreement will be for three (3) years beginning with the year ended June 30, 2021.

This is a proposal and not a bid. While price is important, it is by no means the only measurement in determining an award. The proposals will be evaluated in terms of the Proposer's commitment and ability to provide quality service to Heritage Community Initiatives.

Scope of Services

- Audited financial statements for HERITAGE beginning with the year ending June 30, 2021
- Audited financial statements for HERITAGE as they relate to the organization's contract with the Commonwealth of Pennsylvania Department of Transportation (Yellow Book Audit) beginning with the year ending June 30, 2021
- Audit must be conducted in accordance with Generally Accepted Auditing Standards (GAAS) in the United States of America and Generally Accepted Government Auditing Standards (GAGAS) Requirements.
- Preparation of the Audit Representation Letter
- Planning meetings in advance of/preparation for the audit with Senior Management and the Audit Committee of the Board of Directors
- Preparation of the Governance Letter (SAS 114)
- Preparation of the Management Letter (SAS 115), *if warranted*
- Preparation and presentation of financial audited statements and relevant Audit Letters to the HERITAGE Board of Directors, including an Executive Session if requested
- Preparation of IRS Form 990 and BCO forms for each year
- Availability to answer questions/provide counsel throughout the entire year

Fee Structure

- Provide information for audit and tax fees for each of the three years of the engagement
- Include the estimated number of hours and breakdown of the hourly rates for the Project Manager and key personnel that will be available to HERITAGE including hourly labor rate, overhead rate and profit rate
- Include out-of-pocket expenses in the fee structure and how these are calculated
- Describe whether and how overruns are handled. State how you manage against overruns and communication process to manage expectations of HERITAGE