

COMPLIANCE AUDIT

West Vincent Township Non-Uniformed Pension Plan Chester County, Pennsylvania

April 2026



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Board of Township Supervisors
West Vincent Township
Chester County
Chester Springs, PA 19425

We have conducted a compliance audit of the West Vincent Township Non-Uniformed Pension Plan pursuant to authority derived from the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984, as amended, 53 P.S. § 895.402(j)), which requires the Auditor General, as deemed necessary, to audit every municipality which receives general municipal pension system state aid and every municipal pension plan and fund in which general municipal pension system state aid is deposited. The audit was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if municipal officials took appropriate corrective action to address the findings contained in our prior report; and
2. To determine if the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the areas related to the objectives identified above. To determine if municipal officials took appropriate corrective action to address the findings contained in our prior report, we inquired of plan officials and evaluated supporting documentation provided by officials evidencing that the suggested corrective action has been appropriately taken. To determine whether the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, our methodology included the following:

- For the period January 1, 2020 to December 31, 2024, and through the completion of our fieldwork procedures, we determined whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt. State aid allocations that were deposited into the pension plan for the years ended December 31, 2019 to December 31, 2024, are presented on the Summary of Deposited State Aid and Employer Contributions.
- For the period January 1, 2020 to December 31, 2024, and through the completion of our fieldwork procedures, we determined whether annual employer contributions were calculated and deposited in accordance with the plan's governing document and applicable laws and regulations by examining the municipality's calculation of the plan's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plan as evidenced by supporting documentation. Employer contributions that were deposited into the pension plan for the years ended December 31, 2019 to December 31, 2024, are presented on the Summary of Deposited State Aid and Employer Contributions.
- For the period January 1, 2020 to December 31, 2024, we determined that there were no employee contributions required by the plan's governing document and applicable laws and regulations.
- For the period January 1, 2020 to December 31, 2024, we determined whether retirement benefits calculated for plan members who retired or separated employment and received a lump-sum distribution represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plan's governing document, applicable laws, and regulations by recalculating the amount of the pension benefits due to the retired individual and comparing these amounts to supporting documentation evidencing amounts determined and actually paid to the recipients.
- We determined whether the January 1, 2023 and January 1, 2025 actuarial valuation reports were prepared and submitted by March 31, 2024 and 2026, respectively, in accordance with Act 205 and whether selected information provided on this report is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.

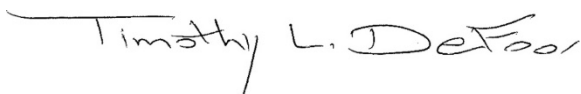
Township officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the West Vincent Township Non-Uniformed Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, local ordinances and policies. As previously described, we tested transactions, interviewed selected officials, and performed procedures to the extent necessary to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objectives.

The results of our procedures indicated that, in all significant respects, the West Vincent Township Non-Uniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies for the periods noted above, except as noted in the following findings further discussed later in this report:

- Finding No. 1 – Partial Compliance With Prior Recommendation - Incorrect Data On Certification Form AG 385 Resulting In A Net Underpayment Of State Aid
- Finding No. 2 – Partial Compliance With Prior Recommendation - Failure To Properly Fund Members' Accounts
- Finding No. 3 – Noncompliance With Prior Recommendation - Allocation of State Aid In Excess Of Entitlement And Municipal Contributions Made In Excess Of Contributions Required To Fund The Plan
- Finding No. 4 – Partial Compliance With Prior Recommendation - Awarding Of Professional Services Contract Inconsistent With Provisions Of Act 205

The findings contained in this audit report repeat conditions that were cited in our previous report that have not been corrected by township officials. We are concerned by the township's failure to correct those previously reported findings and strongly encourage timely implementation of the recommendations noted in this audit report.

The contents of this report were discussed with officials of West Vincent Township and, where appropriate, their responses have been included in the report. We would like to thank township officials for the cooperation extended to us during the conduct of the audit.



Timothy L. DeFoor
Auditor General
March 12, 2026

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BACKGROUND

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The Act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans.

Annual state aid allocations are provided from a two percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

In addition to Act 205, the West Vincent Township Non-Uniformed Pension Plan is also governed by implementing regulations published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes.

The West Vincent Township Non-Uniformed Pension Plan is a single-employer defined contribution pension plan locally controlled by the provisions of Resolution No. 42-2007, as amended, and a separately executed plan agreement effective January 1, 2016. The plan is also affected by the provisions of collective bargaining agreements between the township and its non-uniformed employees. The plan was established May 1, 1994. Active members are not required to contribute to the plan. During 2020, 2021, and 2022, the municipality was required to contribute five percent of each member's base salary. During 2023 and 2024, the municipality was required to contribute seven percent of each member's base salary. As of December 31, 2024, the plan had eight active members, and four terminated members eligible for vested benefits in the future.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
STATUS OF PRIOR FINDINGS

Partial Compliance With Prior Recommendation

West Vincent Township has partially complied with the prior recommendations concerning the following:

- Incorrect Data On Certification Form AG 385 Resulting In An Overpayment Of State Aid

In December 2020, the township reimbursed \$2,296 to the Commonwealth for the overpayment of state aid received in 2020; however, plan officials again failed to comply with the instructions that accompany Certification Form AG 385 to assist them in accurately reporting the required pension data, as further discussed in the Findings and Recommendations section of this report.

- Failure To Properly Fund Members' Accounts

In 2021, the township made the adjustments deemed necessary to ensure that members' accounts were funded in accordance with the provisions contained in the plan's governing document. However, plan officials again failed to properly fund members' accounts in the current period subject to audit, as further discussed in the Findings and Recommendations section of this report.

- Failure To Implement Mandatory Act 205 Provisions For The Procurement Of Professional Services

In November 2020, the township established procurement procedures for professional services contracts that comply with the provisions of Act 205. However, plan officials failed to follow these procedures when awarding a professional services contract, as further discussed in the Findings and Recommendations section of this report.

Noncompliance With Prior Recommendation

West Vincent Township has not complied with the prior recommendation concerning the following as further discussed in the Findings and Recommendations section of this report:

- Allocation Of State Aid In Excess Of Entitlement

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Partial Compliance With Prior Recommendation - Incorrect Data On Certification Form AG 385 Resulting In A Net Underpayment Of State Aid

Condition: As disclosed in the Status of Prior Findings section of this report, the township partially complied with the prior recommendation by reimbursing the Commonwealth for the overpayment of state aid received in 2020. However, a similar condition occurred during the current period subject to audit. The township certified two ineligible non-uniformed employees and overstated payroll by \$106,521 on the Certification Form AG 385 filed in 2024 and also failed to certify two eligible police officers and understated payroll by \$221,503 on the Certification Form AG 385 filed in 2025. The data contained on these certification forms are based on prior calendar year information.

The two ineligible non-uniformed employees included one part-time employee working fewer than 20 hours per week who also was not eligible for plan membership, and one employee who did not meet the requirement of six consecutive months of full-time employment during 2023 prior to retirement.

The two police officers who were omitted from the 2025 form included one on temporary disability leave, and one on administrative leave who was reinstated in May 2024 and treated as a full-time employee for the entire year.

Criteria: Under Act 205, Section 402(e)(2), an employee is eligible for certification if they were employed on a full-time basis for at least six consecutive months prior to December 31 of the certification year and participated in a pension plan during that year.

Cause: The township failed to observe the instructions of the AG 385 certification form, and lacked adequate internal control procedures, such as having another individual review the data certified to ensure the accuracy of data certified prior to submission.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

Effect: The data submitted on this certification form is used, in part, to calculate the state aid due to the municipality for distribution to its pension plans. Because the township’s state aid allocation for 2024 and 2025 were based on unit value, the incorrect certification of pension data resulted in a net underpayment of state aid, as identified below:

<u>Year</u>	<u>Type of Plan</u>	<u>Units Overstated (Understated)</u>	<u>Unit Value</u>	<u>State Aid Overpayment (Underpayment)</u>
2024	Non-Uniformed	2	\$ 6,292	\$ 12,584
2025	Police	(4)	\$ 6,666	<u>(26,664)</u>
Net Underpayment of State Aid				<u><u>\$ (14,080)</u></u>

Although the additional state aid will be allocated to the township, the full amount of the 2025 state aid allocation was not available to be deposited timely and therefore was not available to fund benefits or pay operating expenses, or for investment.

Recommendation: We recommend that plan officials establish adequate internal control procedures, such as having at least two people review the data certified, to ensure compliance with the instructions that accompany Certification Form AG 385 to assist them in accurately reporting the required pension data.

Management’s Response: Municipal officials agreed with the finding without exception.

Auditor’s Conclusion: Compliance will be evaluated during our next audit of the plan.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Partial Compliance With Prior Recommendation - Failure To Properly Fund Members’ Accounts

Condition: As disclosed in the Status of Prior Findings section of this report, in 2021, the township made the adjustments deemed necessary to comply with the prior funding recommendation. However, a similar condition persisted during the current period subject to audit. In 2020 through 2024, the township did not properly fund members’ accounts, as illustrated below:

<u>2020 Employee</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Due (In Excess)</u>
1	\$ 3,208	\$ 3,120	\$ 88
2	3,028	2,938	90
3	2,418	2,328	90
4	2,750	2,600	150
5	3,614	3,458	156
6	3,249	3,120	129
7	3,207	3,084	123
8	2,276	2,228	48
9	1,000	965	35
		Total	<u>\$ 909</u>

<u>2021 Employee</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Due (In Excess)</u>
1	\$ 2,995	\$ -	\$ 2,995
2	3,119	-	3,119
3	3,858	-	3,858
4	3,156	-	3,156
5	3,675	-	3,675
6	3,280	-	3,280
7	3,717	-	3,717
10	7,251	-	7,251
11	2,059	-	2,059
12	2,141	-	2,141
		Total	<u>\$ 35,251</u>

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

<u>2022 Employee</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Due (In Excess)</u>
1	\$ 2,857	\$ 2,975	\$ (118)
2	3,144	3,084	60
3	4,042	4,185	(143)
4	763	3,110	(2,347)
5	3,734	3,652	82
6	3,328	3,263	65
7	3,831	3,671	160
10	7,670	7,251	419
11	2,688	2,047	641
12	2,707	2,113	594
13	2,175	-	2,175
Total			<u>\$ 1,588</u>

<u>2023 Employee</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Due (In Excess)</u>
1	\$ 3,179	\$ 2,867	\$ 312
2	4,778	3,172	1,606
3	5,883	3,888	1,995
5	5,578	3,603	1,975
6	5,141	3,293	1,848
7	4,913	3,729	1,184
10	5,339	7,670	(2,331)
11	4,095	2,704	1,391
12	4,199	2,687	1,512
13	4,332	2,132	2,200
14	5,807	-	5,807
Total			<u>\$ 17,499</u>

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

<u>2024 Employee</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Due (In Excess)</u>
1	\$ 5,136	\$ 3,097	\$ 2,039
2	4,959	4,809	150
3	6,249	6,479	(230)
5	5,866	5,759	107
6	5,575	5,055	520
7	5,047	5,304	(257)
11	4,447	4,095	352
12	4,468	4,133	335
13	4,800	4,200	600
14	6,565	5,799	766
Total			<u>\$ 4,382</u>

Note: The number assigned to each employee in the above tables was carried forward to subsequent years, if applicable.

Criteria: Section C.4.e of the plan’s governing document, effective January 1, 2016, set the employer’s pension contribution rate at five percent of participant’s compensation.

Section A.8 defines compensation as wages paid to an employee in the plan year and Section A.12 excludes overtime and bonuses from the definition of Compensation.

In addition, Resolution No. 32-2022 set the employer’s contribution rate at seven percent effective for Plan Year 2023 beginning January 1, 2023.

Cause: The improper contributions occurred because the township used compensation figures that were not adjusted to exclude overtime, bonus, and expense reimbursement. Additionally, the township failed to reconcile the required employer contributions against actual deposits into the fund. The lack of adequate internal control procedures also prevented timely identification and correction of these errors.

Effect: The failure to properly allocate contributions to the members’ accounts has resulted in certain plan members receiving benefits in excess of those to which they are entitled and other members being denied benefits to which they are entitled in accordance with the plan’s governing document.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Furthermore, the township’s future state aid allocations may be withheld until the finding recommendation is complied with.

Recommendation: We recommend that the township review the applicable members’ accounts and make the adjustments deemed necessary, utilizing any available forfeitures, to ensure that they are funded in accordance with the provisions contained in the plan’s governing document.

We also recommend that plan officials implement internal control procedures to ensure that the members’ accounts are properly funded in the future in accordance with the provisions contained in the plan’s governing document.

Management’s Response: Municipal officials agreed with the finding without exception and indicated that they will take appropriate action to comply with the recommendation upon receipt of the audit report.

Auditor’s Conclusion: Due to the potential withhold of state aid, the township’s compliance with the finding recommendation will be monitored subsequent to the release of the audit report and through our next audit of the plan.

Finding No. 3 – Noncompliance With Prior Recommendation - Allocation Of State Aid In Excess Of Entitlement And Municipal Contributions Made In Excess Of Contributions Required To Fund The Plan

Condition: As disclosed in the prior audit report, the township incorrectly used \$5,466 of excess state aid from calendar years 2016 and 2019 to pay the MMO due to the non-uniformed pension plan for a part-time member’s account. Since re-allocating the excess state aid to the police pension plan would result in a funding deficiency for the non-uniformed plan, the township failed to restore this amount of excess state aid from the general fund to its police pension plan, as recommended.

Moreover, similar conditions occurred during the current period subject to audit. The township again allocated state aid to the non-uniformed pension plan in excess of the plan’s defined contribution pension costs for full-time plan members in 2020 and also made contributions in excess of contributions required to fund the plan in 2024.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – (Continued)

Specifically, in 2020, the township contributed excess state aid to the account of one part-time member, and in 2024, made municipal contributions to the account of a retired member. The details are illustrated below:

	<u>2020</u>	<u>2024</u>
State aid allocation	<u>\$ 30,107</u>	<u>\$ 48,110</u>
Municipal pension costs for full-time plan members	<u>(29,193)</u>	<u>(53,112)</u>
Excess state aid	<u>\$ 914</u>	<u>\$ -</u>
Actual municipal contributions made	\$ -	\$ 8,068
Municipal contributions required to fund the plan	<u>\$ -</u>	<u>\$ 5,002</u>
Excess municipal contributions	<u><u>\$ -</u></u>	<u><u>\$ 3,066</u></u>

Criteria: Section 402(f)(2) of Act 205 states:

No municipality shall be entitled to receive an allocation of general municipal pension system State aid in an amount which exceeds the aggregate actual financial requirements of any municipal pension plans for police officers, paid firefighters or employees other than police officers or paid firefighters maintained by the municipality, less the amount of any aggregate annual member or employee contributions during the next succeeding plan year, as reported in the most recent complete actuarial report filed with the commission.

In addition, Section 402(d) of Act 205 states, in part:

Eligible recipients of general municipal pension system State aid. Any county of the second class which, prior to the effective date of this chapter, received allocations for its police pension fund pursuant to the act of May 12, 1943 (P.L. 259, No. 120), or any city, borough, incorporated town or township or any home rule municipality formerly classified as a city, borough, incorporated town or township which employs one or more full-time municipal employees.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – (Continued)

Furthermore, Section 402(e)(2) of Act 205 states, in part:

The applicable number of units shall be attributable to each active employee who was employed on a full-time basis for a minimum of six consecutive months.

The plan governing document, effective January 1, 2016, Section B. Eligibility, states that the term “Eligible Employee” shall include all employees except uniformed Employees and non-uniformed employees working less than 20 hours per week.

In addition, Section 1(b) of Article 6, *Hours of Work*, of the collective bargaining agreement between the township and the non-uniformed employees states:

A full-time Employee is any employee who is regularly scheduled to work an average of 40 or more hours per week in any 26-week period. All other Employees shall be considered part-time.

Also, Article 16, *Retirement Pension & 457(b) Plan*, of the collective bargaining agreement states:

All Employees working twenty (20) or more hours shall be enrolled in the Employer’s Non-Uniform Pension Plan (“Pension Plan”), subject to the terms of the Pension Plan.

Cause: Plan officials failed to annually reconcile the amount of state aid allocated to the non-uniformed pension plan with the pension plan’s defined contribution pension costs for its full time participants, despite being notified of this condition during the prior audit. Additionally, the lack of adequate internal control procedures prevented timely identification and correction of these errors.

Effect: It is this department’s opinion that, since the entire proceeds of the insurance premium tax on foreign casualty insurance companies are distributed annually to each eligible recipient municipality, it is inappropriate to use state aid in one year to offset pension costs in other years; however, the township does have the option to allocate the excess state aid to its defined benefit police pension plan. The township’s excess state aid and municipal contributions in the years 2020 and 2024, respectively, remained in the member accounts.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – (Continued)

Recommendation: Regarding the 2016 and 2019 excess state aid (*\$3,667 in 2016 and \$1,799 in 2019*), since the township used the excess state aid to pay the MMO due to the non-uniformed pension plan for its part-time employee and re-allocating the excess state aid to the police pension plan would result in a funding deficiency for the non-uniformed plan, we again recommend that municipal officials deposit \$5,466 from the township’s general fund into the township’s defined benefit police pension plan representing the excess state aid incorrectly allocated to the non-uniformed pension plan for its part-time member to avoid such deficiency. In addition, the excess state aid allocated in 2020 should be utilized to satisfy the contribution deficiencies identified in Finding No. 2, and the excess municipal contributions in 2024 should be withdrawn from the non-uniformed pension plan.

We also recommend that, in the future, plan officials reconcile the amount of state aid allocated to the non-uniformed pension plan with the pension plan’s defined contribution pension costs for its full-time participants. Furthermore, we recommend that plan officials limit municipal contributions to the amount required.

Management’s Response: Municipal officials agreed with the finding without exception and indicated that they will take appropriate action to comply with the recommendation upon receipt of the audit report.

Auditor’s Conclusion: Due to the potential withholding of state aid, the township’s compliance with the finding recommendation will be monitored subsequent to the release of the audit report and through our next audit of the plan.

Finding No. 4 – Partial Compliance With The Prior Audit Recommendation - Awarding Of Professional Services Contract Inconsistent With Provisions Of Act 205

Condition: As disclosed in the Status of Prior Findings section of this report, the township established procurement procedures for professional services contracts that comply with the provisions of Act 205. During 2024, the township changed investment and advisory services contractors for its non-uniformed pension plan. However, there was no evidence provided to support that the change in service providers was conducted and awarded in accordance with provisions of Act 205.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 4 – (Continued)

Criteria: Section 701-A of Act 205, defines a “Professional Services Contract”, as follows:

“Professional services contract.” A contract to which the municipal pension system is a party that is:

- (1) for the purchase or provision of professional services, including investment services, legal services, real estate services and other consulting services; and
- (2) not subject to a requirement that the lowest bid be accepted.

In addition, Section 702-A (a) of Act 205 states, in part:

Each municipal pension system ... shall develop procedures to select the most qualified person to enter into a professional services contract. The procedures shall ensure that the availability of a professional services contract is advertised to potential participants in a timely and efficient manner. Procedures shall include applications and disclosure forms to be used to submit a proposal for review and to receive the award of a professional services contract.

Additionally, Section 702-A (c), (e), (f), and (h) state, in part:

Review. Procedures to select the most qualified person shall include a review of the person’s qualifications, experience and expertise and the compensation to be charged.

Conflict of interest. The municipal pension system shall adopt policies relating to potential conflicts of interest in the review of a proposal or the negotiation of a contract.

Public information. Following the award of a professional services contract, all applications and disclosure forms shall be public except for proprietary information or other information protected by law.

Notice and summary. The relevant factors that resulted in the award of the professional services contract must be summarized in a written statement to be included in or attached to the documents awarding the contract. Within ten days of the award of the professional services contract, the original application, a summary of the basis for the award and all required disclosure forms must be transmitted to all unsuccessful applications and posted on the municipal pension system’s Internet website, if an Internet website is maintained, at least seven days prior to the execution of the professional services contract.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 4 – (Continued)

Section 703-A (c) states, in part:

Upon the advertisement for a professional services contract by the municipal pension system, the contractor may not cause or agree to allow a third party to communicate with officials or employees of the municipal pension system except for requests for technical clarification.

Furthermore, Resolution No. 21-2020, enacted by the township on November 16, 2020, established procedures for the procurement of professional services for the municipal pension system in accordance with Act 205 provisions.

Cause: Municipal officials failed to implement the procedures established by Resolution No. 21-2020 and failed to document adherence with each requirement prescribed under the provisions of Act 205 and the township's own procurement procedures in the awarding of the professional services contract for investment and advisory services for the pension plan.

Effect: We were unable to determine whether the township complied in all respects with the provisions stipulated in Act 205 and its own governing policies and procedures for the procuring of professional investment and advisory services for the township's non-uniformed pension plan. Also, by failing to maintain appropriate substantive supporting documentation evidencing adherence with Act 205 and the township's procedures for the professional services contract, a general lack of transparency exists.

Recommendation: We recommend the township follow procedures developed and implemented by the township in Resolution No. 21-2020 for the procurement of professional services for the township's pension plans and ensure compliance with Act 205 provisions while maintaining appropriate and sufficient supporting documentation. This documentation should evidence every phase of the process in accordance with Act 205 and the township's policies and procedures in the awarding of future professional services contracts for the township's pension plans.

In addition, since we were unable to conclude whether the township complied in all respects with the provisions stipulated in Act 205 and its own governing policies and procedures relative to the procurement of the professional investment and advisory services for the non-uniformed pension plan awarded in 2024, we recommend that township officials collectively review the process and familiarize themselves with the procedures enacted by the township while closely examining and identifying ways to improve the process as a whole.

Management's Response: Municipal officials agreed with the finding without exception.

Auditor's Conclusion: Compliance will be evaluated during our next audit of the plan.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
POTENTIAL WITHHOLD OF STATE AID

A condition of a repeat finding such as that reported by Finding No. 2 contained in this audit report may lead to a total withholding of state aid in the future unless that finding is corrected. However, such action will not be considered if sufficient written documentation is provided to verify compliance with this department's recommendation. Such documentation should be submitted to: Department of the Auditor General, Bureau of Municipal Pension & Liquor Control Audits, 314 Finance Building, Harrisburg, PA 17120.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
SUMMARY OF DEPOSITED STATE AID AND EMPLOYER CONTRIBUTIONS

Year Ended December 31	State Aid	Employer Contributions
2019	\$ 31,921	None
2020	30,107	None
2021	None	None
2022	35,351	None
2023	35,745	None
2024	48,110	\$ 8,068

Note: In 2021, the township did not meet the plan's \$35,251 funding requirement. See Finding No. 2, contained in the Findings and Recommendations section of this report. However, there were \$20,048 in terminated employee forfeitures available to be used.

In 2023, the township did not meet the plan's \$53,112 funding requirement. See Finding No. 2, contained in the Findings and Recommendations section of this report. However, the township deposited \$35,745 in state aid and allocated \$4,193 in terminated employee forfeitures to the members.

WEST VINCENT TOWNSHIP NON-UNIFORMED PENSION PLAN
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Ms. Dana Alan
Chairperson, Board of Township Supervisors

Mr. Bernie Couris
Vice-Chairman, Board of Township Supervisors

Mr. Sean Clark
Township Supervisor

Mr. Tommy Ryan
Township Manager

Ms. Susan Girton
Finance Director

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