

TOWN OF BLAINE LAKE



Request for Proposals (RFP) Municipal Audit

Opening Date: September 17th, 2019

Closing Date: October 24th, 2019

1. Introduction:

- 1.1 The Town of Blaine Lake (the “Town”) is issuing this request for proposals (“RFP”) requesting proposals from Professional Auditing organizations to perform the annual audit of the Financial Statements of the Town of Blaine Lake commencing with the year ending December 31, 2019. The term of the engagement of service will be for three (3) years with independent audits performed for each fiscal year ending December 31, 2019, 2020, and 2021.
- 1.2 From time to time, the Town may require audit services for other purposes other than the Town annual audit. The Town is requesting a per hour quote for such services against the possibility that the Town may seek to add to its requirements as the need arises.

2. Terms and Conditions Governing the Request for Proposals:

- 2.1 The Town reserves the right to amend or reverse this RFP prior to the closing date.
- 2.2 The submission of a proposal shall be conclusive evidence that the proponent has carefully examined the proposal documents and any amendments or revisions.
- 2.3 Should a proponent find discrepancies in or omissions from the RFP, or should they be in doubt as to their meaning, they should at once notify the Town. The town may then amend or revise the RFP.
- 2.4 The signature on the proposal of a duly authorized representative of the company proposing is a condition of acceptance.
- 2.5 All proposals and output of the audit services shall become property of the Town once submitted.
- 2.6 Any contrary terms and conditions added to the RFP or on the proponent’s own documents will deem that submission to be a counter proposal. Such submissions may be subject to outright rejection and proponents are cautioned to weigh carefully the consequences of contrary terms or conditions.

- 2.7 The Town reserves the right to accept any proposal submitted in whole or in part or to reject any or all proposals or to award the work in one or more contracts and to waive any irregularities.
- 2.8 The Town shall have the right to evaluate competing proposals in accordance with its own criteria for evaluation applied to the specific materials/service being proposed, whether or not such criteria has been expressly related to the proponent.
- 2.9 The Town reserves the right to issue addendums if required. All addendums will be posted on the Town of Blaine Lake website (www.blainelake.ca) and the SaskTenders website (www.sasktenders.ca). It is the responsibility of the proponent to monitor and obtain all addendums from the SaskTenders or Town of Blaine Lake website pertaining to the RFP.

3. Background:

- 3.1 The Town of Blaine Lake has a population of approximately 500 residents and provides municipal services, including administration, finance, public works, waste management, recreation, water and wastewater services. In 2019 the Town's budget was \$1,392,770.00.
- 3.2 The Town's Council is composed of six elected councillors and an elected mayor. The Town uses the municipal accounting software package, Munisoft, for its financial and operational reports.
- 3.3 The Town uses Munisoft for the following functions:
 - (a) General Ledger
 - (b) Accounts Payable
 - (c) Utilities
 - (d) Taxes
 - (e) Receipting
 - (f) Financial Accounting
 - (g) Financial Reporting
- 3.4 The Town reserves the right to change or add systems as required during the life of the service time provided by this RFP.
- 3.5 Upon request, a copy of the previous year's audit will be made available to proponents.

4. Scope of Services Requested:

- 4.1 The Town is seeking proposals from firms qualified under section 188 of *The Municipalities Act*, to perform the annual audit of the Financial Statements of the Town of Blaine Lake.

- 4.2 The Town requires the successful proponent to complete the requirements of Section 189 of *The Municipalities Act* and to express an opinion as to whether the Financial Statements present fairly the financial position of the Town, and whether they were in accordance with the stated Public Sector Accounting Board (“PSAB”) accounting standards and conforming to the Chartered Professional Accountants (“CPA”) handbook. The successful proponent will be required to conduct their engagement in accordance with generally accepted auditing standards (“GAAS”) as prescribed by the Chartered Professional Accountants of Canada.
- 4.3 In completing the requirements in s. 4(b), the successful proponent will conduct the following activities using the appropriate standards noted in s. 4(b):
- (a) Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by error or fraud.
 - (b) Perform tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions.
 - (c) Perform tests of the Town’s compliance with applicable laws and regulations and provisions of contracts and agreements.
 - (d) Prepare a report on compliance with specific requirements applicable to federal and provincial assistance programs, if required.
 - (e) Review the internal accounting controls of the Town to an extent necessary to evaluate the system as required by applicable standards.
 - (f) Issue a management report making recommendations for improvement, and in particular relating to any needed improvements in internal accounting controls or systems.
 - (g) Make an immediate, written report of all irregularities and illegal acts or omissions or indications of illegal acts or omissions of that the successful proponent become aware of to the Town’s Solicitors.
 - (h) Inform the Chief Administrative Officer of the Town of any matter involving internal control and its operation that the successful proponent considers being reportable conditions established by the CPA handbook.
 - (i) Provide the Town with adjusting entries and the final trial balance upon completion of the field work.
 - (j) Employ the forms prescribed by the Province of Saskatchewan for the audited financial statement.
 - (k) Update and reconcile the tangible capital asset register.

- (l) Provide to the limited technical assistance throughout the fiscal year, including answers to accounting, reporting, and internal controls.
 - (m) Retain All working paper and reports, at the successful proponent's expense for a minimum of ten (10) years, unless the firm is notified in writing by the Town of the need to expand the retention period.
 - (n) In addition to the audit engagement, provide compliance reports as required under federal or provincial legislation including an audit report for the "Municipal Annual Expenditure Report" ("MAER") which is required for the Federal Gas Tax – New Deals Funding Agreement. This service will be included in the cost of the annual audit. The MAER audit report must be forwarded to the Ministry of Government Relations by the deadline of March 31 each year.
 - (o) Preparation of the Audited Financial Statements the successful proponent from the trial balance, detailed general ledger, working papers, and any other information necessary.
 - (p) Field work and a relatively significant portion of the audit to be conducted at the Town Office in the Town of Blaine Lake where the documentation resides and the employees significant to the processes are available.
 - (q) Provide ongoing guidance to the Town, when required, and during the completion of the year-end audit.
 - (r) Conduct and attend post-audit conference with Town Council at a mutually agreeable date where the successful proponent shall present the audit and the financial statements to Town Council. The members attending must be fully apprised of the resulting Audited Financial Statements from an auditor's perspective with respect to financial statement interpretation, audit outcomes, or as required by auditing standards.
- 4.4 The successful proponent may also be asked to provide additional services as and when required. These services will be provided in addition to the regular audit. The Town is requesting a per hour quote as an option the Town may exercise in the future as the need arises.

5. Preparation of Proposals:

- 5.1 Each proponent shall specify, on the forms provided by the Town, the price at which the proponent is offering to supply the items/service indicated.
- 5.2 Prices listed for the products shown should be net of tax and should not include Goods and Services Tax or the Provincial Sales Tax.
- 5.3 All products and services must meet all current Provincial, Federal, Municipal, OH&S, and other standards and if any defects are found, all costs involved to correct the problem will be borne by the quoting firm.

6. Submission of Proposal:

- 6.1 Each proposal must be marked “RFP – Municipal Audit Services” and submitted on or before October 24th, 2019 at 3:00pm, by mail or in person to:
- 6.2 PO Box 10, Blaine Lake, SK S0J 0J0 or in person to 301 Main Street, Blaine Lake, SK
- 6.3 Late proposals, proposals deemed to be incomplete, or proposals received by email, fax, or otherwise electronically will be rejected.
- 6.4 The Town reserves the right to reject any or all bids. The lowest bid shall not necessarily be awarded.
- 6.5 A proponent may withdraw their proposal by providing a written withdrawal, signed by a person authorized to sign proposals, delivered by mail or in person to the address stated above in paragraph 4(a) before the Closing Date.
- 6.6 Proponents are responsible for meeting all submission requirements as stated in this RFP.

7. Formation of Contract for the Provision of Municipal Audit Services:

- 7.1 By submitting a proposal, the proponent agrees that the price shall be open for acceptance by the Town for a period of sixty (60) days from the Closing Date.
- 7.2 The Town may accept a proposal by issuing a general standing offer to a proponent and thereby establish a contract for the supply and delivery of the product/service on the terms and conditions set forth in the documents as specified in the RFP.
- 7.3 Failure to comply with the terms and conditions of the RFP or of the engagement of audit services as set out in this RFP will result in the proponent being notified of a breach of contract. The proponent will be allowed ten (10) days to rectify this breach of contract.
- 7.4 Failure to rectify the breach of contract within the time specified may result in the termination of the contract.

8. Schedule:

- 8.1 Services will begin with the audit for the 2019 financial year.
- 8.2 The Audited Financial Statements shall be completed within sixty (60) days of arriving on site between February 1 and March 10 of each year from 2020 through 2022 inclusive.

9. Minimum Qualifications and Experience:

- 9.1 Each proponent must:
 - (h) Meet the minimum requirements per *The Municipalities Act*;
 - (i) Be a licenced public accounting firm and in good standing with the CPA;

- (j) Be independent of management and Council of the Town and of any consolidated municipal corporations;
- (k) Comply with all applicable federal and provincial legislation as a municipal service provider;
- (l) Have significant experience providing auditing services and management reviews for municipal governments in Saskatchewan;
- (m) Have well-developed professional auditing techniques and a sound system of control and review of audit work performed;
- (n) Have substantial resources and support staff available;
- (o) Have experienced, well-qualified staff who can work on the audit consistently from one year to the next;
- (p) Demonstrate an understanding of legislation relevant to the municipal operating environment;
- (q) Demonstrate comprehensive knowledge of provincial municipal financial reporting requirements;
- (r) Have a lead auditor assigned who has his or her professional accounting designation and auditing experience related to municipalities;

9.2 Proponents must include in their proposal a curriculum vitae for the lead auditor and team members likely to be assigned;

10. Minimum Additional Requirements:

- 10.1 General Liability Insurance: Each proponent shall provide evidence of insurance to the Town against loss for claims arising from the work under this contract where bodily injury, death, or property damage may occur; specifically the successful proponent shall maintain General Liability insurance having a limit not less than five million dollars (\$5,000,000) per occurrence.
- 10.2 Professional Liability Insurance: The successful proponent shall provide, maintain, and pay for an insurance policy insuring against errors, omissions, negligent acts of the auditor or the auditing firm, commonly known as Professional Liability Insurance, in the amount of not less than five hundred thousand dollars (\$500,000) for a single claim and one million dollars (\$1,000,000) aggregate.
- 10.3 Saskatchewan Worker's Compensation: Prior to commencing the work on this contract and prior to receiving final payments, the successful proponent shall provide evidence of compliance with the requirements of *The Worker's Compensation Act*, including payments due to the Saskatchewan Worker's Compensation Board ("WCB"), and will be required to maintain a cleared status with the WCB for the duration of the contract.

11. Submission Components:

11.1 The following are the components of the RFP submission to be submitted in the following order:

- (a) Cover letter and project overview - a narrative description of the project based on the Scope of Services Requested presented in the RFP.
- (b) Proponent Firm and Audit Team Profile and Experience
 - (i) The proposed auditing team for this contract shall be identified with key tasks and associated personnel identified.
 - (ii) Provide names and curricula vitae of the partners, managers, and supervisors who will work on the audits.
 - (iii) The curricula vitae must include a description of each person's formal education and experience in auditing municipal entities of similar size as the Town of Shellbrook.
 - (iv) Include any other experience relevant to providing the service described in this RFP.
 - (v) Indicate the plan for the team for the three years of this contract in respect to the consistency of the team, as well as plans in case of unexpected changes in staffing within the proponent firm.
- (c) Conflicts of Interest
 - (i) Proponents must disclose any actual, apparent, direct or indirect, or potential conflicts of interest that may exist with respect to the firm, management, or employees of the firm or other persons relative to the services to be provided under this contract for services to be awarded pursuant to this RFP.
 - (ii) If a firm has no conflicts of interest, a statement of that effect shall be included in the proposal.
- (d) Project Experience and References
 - (i) A minimum of three references for which you have performed a similar service to similar sized municipalities and specify which key personnel were assigned to that project.
 - (ii) Each reference shall include project name, completion date, and description identifying similarities to the proposed project.
 - (iii) Each reference shall include the name, address, telephone number, and email address of the primary project contact.

- (e) Detailed Work Action Plan and Schedule
 - (i) Provide a description of the required tasks planned to implement the work.
 - (ii) Include discussions of assumptions made in the development of the proposal and any steps required that have not been specifically identified in the document.
 - (iii) Include plans in respect to dealing with start-up and familiarization, if appointed.
 - (iv) Include plans for keeping management informed for the progress of the audit, of internal control weaknesses and of other considerations in the financial and operational areas.
 - (v) Identify any unique approaches or strengths that the proponent firm may have related to this contract.
- (f) Cost Proposal:
 - (i) Summarize method of costing, estimate number of hours broken down by the staff assigned to each task.
 - (ii) Fees for preparation of financial statements must be quoted separately.
 - (iii) Out of pocket expenses should be clearly stated to be either part of the fee, or an estimated cost listed separately.
 - (iv) Costs for additional time required pursuant to ongoing technical issues respecting a recent change in accounting software must be built into the cost proposal.
 - (v) In the event that less time is required to perform the audit than anticipated, it is expected a reduction in fees will be given to the Town.
- (g) Draft Engagement Letter
- (h) Proof of Insurance and WCB
- (i) Proponent submitted appendices

11.2 Substantial compliance with the foregoing components will be considered sufficient.

12. Proposal Evaluation:

- 12.1 Proposals will be evaluated on the basis of information provided by the proponent at the of submission as well as the previous experience of the proponent in this marketplace.
- 12.2 Proposals will be evaluated by an evaluation committee comprised of appropriate staff members of Town administration and selected members of Council.

- 12.3 The evaluation committee will compile a “short list” and will contact those proponents for interviews if deemed necessary.
- 12.4 The Town may ask proponents to provide further information or clarification on the contents of their submissions.
- 12.5 The evaluation criteria may include but not be limited to the following:
 - (a) Proponent’s stated understanding of the project
 - (b) Auditing techniques/methodologies
 - (c) Audit timetable
 - (d) Availability and cost of additional services
 - (e) Information obtained through the references provided in the submission
 - (f) Proponent firm’s relevant experience, as well as the project team/staff’s experience
 - (g) Pricing and value, taking into consideration
 - (i) The amount of the quote;
 - (ii) The extent to which the quote meets or exceeds the specifications set out in this RFP.
- 12.6 Interview (if deemed necessary)
- 12.7 Compliance with the proposal submission requirements

**TOWN OF BLAINE LAKE
Request for Proposals (RFP)
Municipal Audit Services**

Proposal Form

Name of Proponent: _____

Address of Proponent: _____

Proposal

Having fully examined all documents relevant to this proposal, the undersigned hereby offers to enter into a contract to perform all work, take such measures and provide such labour, equipment, and materials and to do all things required or necessarily incidental to completing the Contract and to do so in accordance with the specifications, terms, and conditions set forth in the Request for Proposal Documents for maximum price/fees of: _____

All aspects of the annual audit for the Town of Shellbrook and all consolidations:

Town of Shellbrook

_____ Dollars (\$)) for year ending December 31, 2019
_____ Dollars (\$)) for year ending December 31, 2020
_____ Dollars (\$)) for year ending December 31, 2021

in Canadian funds, which price does not include GST or PST.

No additional funds will be provided for travel, meals, or accommodations as the need may be or any other costs which may be incurred to perform the services required as indicated in this request for proposal.

Additional Services Upon Request

Additional services in respect to auditing services or professional services:

Town of Blaine Lake

_____ Dollars per hour (\$) for year ending December 31, 2019
_____ Dollars per hour (\$) for year ending December 31, 2020
_____ Dollars per hour (\$) for year ending December 31, 2021

in Canadian funds, which price does not include GST or PST.

No additional funds will be provided for travel, meals, or accommodations as the need may be or any other costs which may be incurred to perform the services required as indicated in this request for proposal.

Declarations

We hereby declare that:

1. We agree to perform the work in compliance with the required completion schedule in the request for proposal documents;
2. No person, firm, or corporation other than the undersigned has any interest in this proposal or in the proposed Contract for which this proposal is made;
3. This proposal is open for acceptance for a period of sixty (60) days from date of closing of request for proposals.

Signatures

Signed, sealed, and submitted for and on behalf of:

Company:

(Name)

(Street Address or Postal Box Number)

(City, Province, and Postal Code)

(Corporate Seal)

Signature:

Name and Title:

(Please print)

Witness:

Date: at _____ o'clock, this _____ day of _____, 2019.