



Village of Tahsis Request for Proposal Audit Services

Issue Date:

Monday, September 11, 2017

Closing Location:

Village of Tahsis
Attention: Deb Bodnar
977 South Maquinna Drive
PO Box 219
Tahsis, BC V0P 1X0

Closing Date and Time:

Two (2) complete hard copies of each proposal must be received by 4:30pm PST on
Friday, October 6, 2017

Contact Person:

Deb Bodnar, CPA, CMA
Office (250) 934-6344

D.Bodnar@VillageofTahsis.com

A. Intent

The Village of Tahsis invites proposals from qualified auditing firms for the provision of audit services for a five year term starting with the year ending December 31, 2017 through to the year ending December 31, 2021.

B. Definitions and Administrative Requirements

1. Definitions

Throughout this request for proposal, the following definitions apply:

“Agreement” means the written agreement resulting from this Request for Proposal executed by the Village of Tahsis and the Auditor.

“Audit Services” means the financial audit of and resulting opinion on the annual consolidated financial statements for the Village of Tahsis.

“Auditor” means the successful proponent to this Request for Proposal.

“Proponent” means an accounting firm that submits a proposal in response to this Request for Proposal.

“Proposal” means a submission in response to this Request for Proposal.

“PSAB” means the Public Sector Accounting Board of Canada.

“RFP” means Request for Proposal.

“Services” means the work requested to be performed as stated in the Request for Proposal.

“Village” means the Village of Tahsis.

2. Terms and Conditions

The following terms and conditions will apply to this RFP. Submission of a Proposal in response to this RFP indicates acceptance of all the terms that follow and that are included in any addenda issued by the Village.

3. Changes to Proposals

By submission of a written notice, a Proponent may amend or withdraw its Proposal prior to the closing date and time.

The Proponent will not change the wording of its Proposal after closing and no words or comments will be added to the Proposal unless requested by the Village for clarification.

4. Proponent’s Expenses

Proponents are solely responsible for their own expenses in preparing and submitting a Proposal. The Village will not be liable for any claims for costs or damages incurred by a

Proponent in preparing a proposal, loss of anticipated profit in connection with a final agreement or any other matter whatsoever.

5. Proposal Validity

Proposals should remain open for acceptance for at least 60 days after the closing to provide the Village with sufficient time to evaluate the Proposals and award a contract.

6. Currency and Taxes

Prices quoted are to be in Canadian dollars with disbursements and applicable taxes shown as separate items in the Proposal.

7. Acceptance of Proposals

This RFP should not be construed as an agreement to purchase goods for services. The Village is not bound to accept the lowest priced or any Proposal of those submitted. Proposals will be assessed in light of the evaluation criteria and the Village is under no obligation to receive further information, whether written or oral, from any Proponent.

Proposals, rather than tenders, have been requested in order to afford Proponents a more flexible opportunity to employ their expertise and innovation, and thereby satisfy the Village's needs in a more cost-effective manner. The Village reserves the right to reject any and all Proposals for any reason or to accept any Proposal in whole or in part on the basis of the Proposals received which the Village, in its sole unrestricted discretion, deems to be the best value for the Village.

Proponents acknowledge the Village's rights under the clause and absolutely waive any right to action against the Village for the Village failure to accept their Proposal whether such right of action arises in contract, negligence, bad faith or any other cause of action.

The Village reserves the right to enter into negotiations with one or more Proponents concerning the terms and conditions of the services to be provided, and expressly reserves the right through such negotiations to request changes, alterations, additions or deletions from the terms of any Proposals received.

The acceptance of any Proposal is subject to funding and approval by the Village Council.

After acceptance by the Village, the successful Proponent will be issued a written notice of award.

8. Definition of Contract

Notice in writing to a Proponent of the acceptance of its Proposal by the Village and the subsequent full execution of a written agreement will constitute a contract for the services, and no Proponent will acquire any legal or equitable rights or privileges relative to the goods or services until the occurrence of both such events.

9. Liability for Errors

While the Village has used considerable efforts to ensure an accurate representation of information in this RFP, the information contained in this RFP is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by the Village, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve Proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

10. Modifications of Terms

The Village reserves the right to modify the terms of the RFP at any time at its sole discretion. Such modifications will be posted electronically to the Village’s website.

11. Ownership of Proposals and Freedom of Information

All documents, including Proposals, submitted to the Village become the property of the Village. Each Proposal should clearly identify any information that is considered to be confidential or proprietary information.

However, the Village is subject to the provisions of the Freedom of Information and Protection of Privacy Act. As a result, while section 21 of the Freedom of Information and Protection of Privacy Act does offer some protection for confidential third-party business, financial and proprietary information, the Village cannot guarantee that any such information provided to the Village will remain confidential if a result for access is made under the Freedom of Information and Protection of Privacy Act.

12. Confidentiality of Information

Information pertaining to the Village obtained by the Proponent as a result of participation in this RFP is confidential and must not be disclosed without written authorization from the Village.

13. Conflict of Interest

Proposals will not be evaluated if the Proponent’s current or past corporate or other interests are, in the reasonable opinion of the Village, deemed or perceived to be a conflict of interest in connection with this RFP or the activities or mandate of the Village.

The Village reserves the right to disqualify or reject a proposal in whole or in part where the Proponent or its directors, officers, shareholders or any person associated with the Proponent has a claim or has initiated a claim or legal proceeding against the Village with respect to any previous contracts, tenders or business transactions and where this is seen in the reasonable opinion of the Village as creating a conflict of interest between the Proponent and the Village.

14. Communication during Procurement Process

Proponents and their agents will not contact any member of the Village Council or staff with respect to this RFP, other than the representative named in this RFP, at any time prior to the award of a contract or the termination of this RFP.

In the event of any lobbying or contact in contravention of this section, the Village in its discretion may at any time, but will not be required to, reject any and all Proposals submitted by that Proponent without further consideration.

C. Submission Requirements

1. Proposal Submission

Two (2) copies of the Proposal, complete with one (1) copy of the signed and dated Proposal Form provided herein, must be received no later than 4:30pm PST on Friday, October 6, 2017 at the following location:

Village of Tahsis
977 South Maquinna Drive
PO Box 219
Tahsis, BC V0P 1X0

Proposals must be submitted in a sealed package with the name and address of the Proponent and 'RFP for Audit Services' clearly marked on the outside.

Facsimile and electronic submissions will not be considered.

Late proposals will not be considered and will be returned to Proponents unopened at the Proponent's expense.

Proposals that are unsealed, conditional, illegible, obscure, contain mathematical errors, erasures, alterations, or irregularities of any kind may, at the discretion of the Village, be declared disqualified.

The person(s) authorized to sign on behalf of the Proponent and to bind the Proponent to statements made in response to this RFP must sign the Proposal Form. Unsigned Proposals will not be accepted.

Proponents shall be solely responsible for the delivery of their Proposals in the manner and time prescribed. All submissions must be delivered according to the instructions herein, and the Village will accept no responsibility for documents delivered to other Village facilities and, at the discretion of the Village, may be declared disqualified.

2. Enquiries

All enquiries related to this RFP are to be directed by email, no later than five (5) days prior to the closing date and time, to:

Deborah Bodnar
Director of Finance
Email – D.Bodnar@VillageofTahsis.com

Information obtained from any other source is not official and should not be relied upon.

3. Addenda

Addenda may be issued prior to closing in response to the queries received or at the initiative of the Village. Addenda will be in written form and posted on the Village website. Information contained within RFP addenda is considered an integral part of the RFP and should be considered by Proponents when responding to this RFP. Any and all final addenda will be issued and posted on the Village website by 4:30pm PST, Friday, September 29, 2017.

4. Term

The term of the proposed engagement will be for a period of five (5) years beginning with the audit for the year ending December 31, 2017 and ending with the audit for the year ending December 31, 2021.

5. Disclaimer

Each Proponent is responsible to review and understand the terms and conditions of this RFP, and the scope of work being requested. The Village makes no representation or warranty as to the accuracy or completeness of the information contained in this RFP and the Proponent is solely responsible to ensure that it has obtained and considered all information necessary to understand the requirements of the RFP, and to prepare and submit its Proposal. The Village will not be responsible for any loss, damage or expense incurred by a Proponent as a result of any inaccuracy or incompleteness in this RFP, or as a result of any misunderstanding or misinterpretation of the terms of this RFP on the part of any Proponent.

6. Personnel Qualifications and Experience

Proponents should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement. Other audit personnel may be substituted at the discretion of the Proponent, provided that replacements have substantially the same or better qualifications and experience.

7. Audit Approach

The Proponent must include a statement demonstrating an understanding of the work to be done, describing the audit approach, methodologies employed and commitment or ability to

perform the work within the time specified in the annual schedule. A sample audit service plan document may be included with the proposal submission.

8. References

Proponents should identify at least one (1) local government client for which the firm has performed audit services in the last five (5) years, complete with the name and contact information of the organization's Chief Financial Officer.

9. Evaluation Criteria

Proposals will be evaluated in accordance with the following criteria:

- a. Firm experience with similar and related audits
- b. Firm and audit staff qualifications
- c. Local government knowledge and experience
- d. Completeness, quality and presentation of proposal
- e. Clear description of services, audit schedule and other deliverables
- f. Audit fee, hourly rate for additional services and other charges

D. Specifications and Scope of Work

1. Background

The Village was incorporated on June 17, 1970 and has a permanent population of approximately 250 which significantly increases in the summer months to accommodate many wildlife and fishing enthusiasts visiting the area. The Village is a rural, primarily residential with a few small-to-medium sized businesses operating in Tahsis.

The Village is governed by a five-member elected Council including a Mayor. The Village's 2017 operating budget is approximately \$1.6 million, with an additional \$1.0 million capital expenditure budget.

Major services provided to Village citizens include general government, key road, water and sewer infrastructure and services, garbage and recycle collection, parks and trail maintenance, fire protection services, and a full-service recreation center facility, complete with four 5-pin bowling lanes, swimming pool and sauna, fully equipped gym, and basketball court.

The Village uses Municipal Accounting Information Software (MAIS) for the general ledger, accounts payable, accounts receivable, cash receipting, property tax and payroll. Microsoft Excel is utilized for tangible capital assets and budgeting.

2016 estimated volumes and statistics

Population – per 2016 Census	248
Number of property rolls	575
Number of general ledger accounts (active and inactive)	689
Number of bank and investment accounts	2
Number of employees (permanent, full-time only)	16
Gross payroll	\$694,000
Number of accounts receivable invoices issued	200
Number of cheques issued	580

Here are links to the following additional information:

- 2016 Annual Report - <http://villageoftahsis.com/wp-content/uploads/2016/06/VILLAGE-OF-TAHISIS-ANNUAL-REPORT-2016.pdf>
- 2017-2021 Financial Plan - <http://villageoftahsis.com/wp-content/uploads/2016/08/Bylaw-NO.591-2017.pdf>

2. Scope of Services

The Auditor will be required to examine the financial records, systems and controls of the Village in accordance with Canadian generally accepted auditing standards and the provisions of the Local Government Act and Community Charter, and to then provide written audit reports with an audit opinion on the consolidated financial statements as prepared by Village staff. The Auditor’s report should be suitable for printing within the financial statements and be addressed to the Council of the Village of Tahsis. The Auditor will be required to attend a meeting of Council to present and explain as necessary the audit reports.

The Village wishes to be advised of any weaknesses in internal control noted during the audit or other area of concern, prior to the issue of the Management Letter. The Auditor shall provide appropriate beneficial suggestions to improve areas of concern. The Auditor shall communicate in a post-audit report and in the form of a Management Letter to the Village Council any reportable conditions, as determined by the Auditor, found during the audit.

The responsibility of the Auditor is to examine the financial statements prepared by Village staff and to express an audit opinion thereon. The financial statements will include the operations of all departments within the government reporting entity of the Village. The audit report will be addressed to the Mayor and Councilors of the Village of Tahsis; it must disclose the scope of the examination and state that the audit was performed in accordance with generally accepted auditing standards. The report will also include an opinion as to whether the financial statements conform to Canadian Public Sector Accounting Standards (PSAB). Village Council has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to Village administration.

The Auditor will ensure all new or changed reporting requirements and auditing standards are communicated to the Village, in writing, to ensure that financial statements and notes prepared by the Village are in compliance with current reporting requirements and auditing standards.

3. Annual Audit Schedule

Before October 31st of each year, the Auditor shall correspond with the Director of Finance for the Village to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit. The schedule of activities shall be finalized by November 30th of each year and shall set out the key dates by which necessary information is to be assembled by both parties.

The basic time line shall be as follows:

- a. Schedule of client assistance including materiality, provided by the Auditor to Village staff by the first week of February.
- b. Approximately two (2) weeks prior to the year-end audit start date, Village staff will provide a full set of working papers, schedules, trial balance and other supporting documentation as determined in the schedule of client assistance. The Village will be responsible for the year-end close. Both the Village staff and the Auditor will be jointly responsible for the preparation and processing of all confirmation letters.
- c. A draft Independent Auditor's Report and Financial Statements for the Village of Tahsis to be issued by the end of April each year to allow for presentation at the Village Council meeting held in early May of each year. The Auditor will present the audit review and findings to Mayor and Council at a public meeting before the statutory deadline.
- d. A final Independent Auditor's Report and Financial Statements for the Village of Tahsis to be issued at least one week before the May 15th submission deadline to the Ministry of Municipal Affairs and Housing.
- e. The Auditor will respond to and discuss with Village staff any accounting, auditing, tax or other issues arising throughout the year. It is expected that such inquiries, unless leading to significant extra work by the Auditor, are within the scope of work identified in this RFP and would not incur additional fees.

4. Qualified Statement

The Auditor shall immediately upon discovery of information or conditions, which would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the CAO and/or Director of Finance. In addition, the Auditor shall as far as possible, allow a reasonable period of time for Village staff to conduct an investigation, analyze, report and take reasonable corrective action as to avoid inclusion of such qualification.

**Request for Proposal – Audit Services
Village of Tahsis**

Proposal Form (this form must be completed, signed and included with each Proposal)

**Request for Proposal – Audit Services
Village of Tahsis
Closing Date and Time – 4:30pm PST, Friday, October 6, 2017**

The undersigned confirms that their Proposal is in response to the request for proposal for Audit Services and the Proponent acknowledges receipt of addenda # ____ through addenda # ____.

Name of Proponent _____

Address _____

Contact Name _____

Telephone _____ Email _____

**Summary of Proposed Fees including Disbursements
(details to be included in attached Proposal)
(GST excluded)**

Fiscal Year Ending December 31	2017	2018	2019	2020	2021
Total Fees	\$	\$	\$	\$	\$
Hourly rate for additional services	\$	\$	\$	\$	\$
Other charges	\$	\$	\$	\$	\$

The Proponent ensures that all requirements of the RFP have been addressed in their attached proposal and that all materials and products proposed comply with the specifications therein.

Authorized Signature

Name and Title

Date