



qathet REGIONAL DISTRICT

REQUEST FOR PROPOSALS

PROFESSIONAL AUDIT SERVICES

April 23, 2019

CLOSING LOCATION

qathet Regional District
Attn: Linda Greenan, Manager of Financial Services
#202 - 4675 Marine Avenue
Powell River, BC V8A 2L2

CLOSING DATE AND TIME

Thursday, May 23, 2019 – 4:00 pm Pacific Daylight Time

CONTACT PERSON

Linda Greenan
Manager of Financial Services

Telephone: 604 485-2260
Email: lgreenan@qathet.ca

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1 INTRODUCTION

The qathet Regional District requests proposals from qualified firms to conduct the audit for the qathet Regional District (qRD) and the Powell River Regional Hospital District (RHD) as described below and in accordance with Canadian generally accepted auditing standards.

The auditor will provide the necessary statutory review of the qRD's and the RHD's financial reporting systems, review both fiscal and management controls, and recommend improvements where deemed appropriate.

The proposed term of the engagement will be either three (3) years or five (5) years, beginning with fiscal year ending December 31, 2019.

2 SUBMISSION INSTRUCTIONS

Please submit your proposal, clearly marked "Audit Proposal" by mail, fax or e-mail complete with the signed and dated Proposal Form provided herein (Section 13). The proposal must be received by 4:00 pm Pacific Daylight Time on Thursday, May 23, 2019 (Closing) to:

Linda Greenan, Manager of Financial Services
qathet Regional District
Mail: #202 - 4675 Marine Avenue, Powell River, BC V8A 2L2
Fax: (604) 485-2216 E-mail: lgreenan@qathet.ca

Responses received after the closing time will be returned to Proponents unopened at the Proponent's expense.

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 (Section 13). Unsigned Proposals will not be accepted.

Proponents shall be solely responsible for the delivery of their Proposals in the manner and time prescribed.

3 DEADLINE FOR SUBMISSIONS

Proposals to be received at the Regional District office **no later than 4:00 pm Pacific Daylight, Thursday, May 23, 2019.**

Please note that while the qathet Regional District is on the mainland it is not connected to the Provincial Highway network and requires two ferry rides from Vancouver. Therefore, mail or courier deliveries may take a little longer than a delivery to the lower Sunshine Coast.

4 TERMS AND CONDITIONS

- 4.1.1 One (1) complete copy of the proposal must be submitted. All proposals and subsequent information or material received shall become the property of the qathet Regional District and will not be returned. The proposals will be held in confidence by the qRD subject to the provisions of the Freedom of Information and Protection of Privacy Act. The qRD reserves the right to make extra copies for utilization during the evaluation process only.
- 4.1.2 Proposals may be withdrawn by written request only, to the Manager of Financial Services at any time prior to the scheduled closing time. No proponent may withdraw their proposal for a period of sixty (60) days after the closing date.
- 4.1.3 Submission of a response by a proponent and its subsequent receipt by the qRD does not represent a commitment on the part of the qRD to proceed further with any proponent.
- 4.1.4 The qRD is under no obligation to award a contract as a result of this Request for Proposal and reserves the right to terminate the Request for Proposal process at any time. The qRD reserves the full right, in its sole discretion and according to its own judgment of its best interest, to reject any and all proposals.
- 4.1.5 The qRD will not accept any responsibility for costs incurred by any proponent in responding to this Request for Proposal.
- 4.1.6 The qRD may enter into discussions or negotiations with any proponent, request further information from the marketplace, or pursue other options.
- 4.1.7 This Request for Proposal and the successful proponent's response will form part of any contract entered into.
- 4.1.8 Pricing will be firm for the contract period, unless this Request for Proposal states otherwise. All prices quoted are to be in Canadian funds exclusive of any applicable taxes.
- 4.1.9 All amendments or further information will be faxed or emailed to all proponents.
- 4.1.10 The qRD will only consider proposals from firms with regional district audit experience.

5 ACCEPTANCE OF PROPOSALS

- 5.1.1 Proposals are accepted on the understanding that the proponent has examined the documents and is aware of the intent, facilities and conditions associated with performing the audit.
- 5.1.2 The Regional District reserves the right to reject any or all proposals and to accept the proposal deemed to be most favourable to the qRD.

6 CRITERIA FOR SELECTING THE AUDITOR

Proposals will be evaluated on the following basis:

- 6.1.1 The firm's commitment and proposed methodology to ensure the qRD and / or the RHD are kept abreast of changes or new developments in public sector accounting that could affect operations or reporting requirements.
- 6.1.2 Experience in performing audits of regional districts (including availability of relevant specialty service resources and provision of references from other regional districts).
- 6.1.3 Qualifications, experience and makeup of proposed audit team.
- 6.1.4 The firm's knowledge of regional district and regional hospital district operations as well as the firm's familiarity with public sector accounting and legislative requirements.
- 6.1.5 Fee for audit services (including extra billing practices).
- 6.1.6 Work plan for the regional district audit including related services such as review, testing and recommendations for improvements to internal controls plus other services included in the price quoted.

7 REGIONAL DISTRICT AUDIT

7.1 Statutory Regional District Audit

As a minimum, the auditor is required to:

- 7.1.1 Conduct an annual audit program in accordance with Canadian generally accepted auditing standards in order to express an opinion on the fair presentation of the qRD financial statements, in conformity with Canadian public sector accounting standards, and provisions of the *Local Government Act* and the *Community Charter of British Columbia*. An interim and a final audit are expected.
- 7.1.2 Propose adjusting year-end journal entries as required.
- 7.1.3 Submit a management letter commenting on the results of the system review, internal controls and any recommended changes.
- 7.1.5 Complete the audit and deliver one (1) unbound and (1) bound copy of the Audited Financial Statements for the preceding December 31st, on or before April 30th of the year following the year audited.

7.2 Other Regional District Requirements

- 7.2.1 Keep the qRD and the RHD apprised of changes or new developments in accounting and auditing standards that could affect qRD or RHD operations or reporting requirements.

7.3 Regional District Responsibilities

Regional District staff will prepare the following:

7.3.1 Working paper files including a working paper for:

- a) All balance sheet accounts for each fund;
- b) All requisition accounts;
- c) All grant and grants-in-lieu of taxation accounts.

7.3.2 Other Documentation:

- a) Income statement and balance sheet;
- b) Copies of all bylaws adopted during the year;
- c) Copies of all major contracts signed during the year;
- d) Copies of all minutes of the Board and Committees of the Board;
- e) Trial Balance – balanced by fund and in total;
- f) Accounting basis representation letter to auditors;
- g) Outstanding legal claims representation letters;
- h) Schedule of investment earnings;
- j) Schedule of debenture debt balances and future principal payments;
- k) Schedule of equipment and short term financing balances and future principal payments;
- l) Capital asset continuity schedules and supporting documentation;
- m) Waste management cost summary;
- n) Operating and Capital Budget documents;
- o) Complete financial records and related data;
- p) Access to all legal invoices;
- q) Cemetery Sales and Care Fund analysis.

8 STATUTORY REGIONAL HOSPITAL DISTRICT AUDIT

8.1 General Requirements and Responsibilities

- 8.1.1 The auditor shall complete an RHD audit. The Responsibilities set out in Sections 7.1 and 7.3 shall generally apply, subject to modifications to meet the requirements of the *Regional Hospital District Act*.

9 OTHER SERVICES

9.1 Special Assignments

- 9.1.1 The statutory audit generally covers the qRD's accounting practices. The qRD may request the auditor to undertake additional reviews in other areas i.e., in-depth review of the financial system, an individual service's operating costs, etc. A special assignment would be subject to Regional Board review and agreement by same. Costs for these services are to be addressed in the Audit Fee Proposal. See Section 11.5

9.2 Miscellaneous Inquiries

- 9.2.1 qRD staff may occasionally request advice on recording or reporting various activities. These inquiries are infrequent, usually brief and specific in nature, and do not require a written confirmation. Provide your fee structure for handling these inquiries. See Section 11.5

10 DESCRIPTION OF THE REGIONAL DISTRICT

The following information on the qathet Regional District and its operations may assist in preparing a suitable audit proposal.

10.1 General Information

- 10.1.1 The qathet Regional District is a British Columbian local government incorporating five electoral areas and one municipality (the City of Powell River). The qRD provides services such as land use planning, emergency preparedness, emergency 911, solid waste management, regional parks and fire protection.

The qRD covers an area of approximately 5,000 sq km located on the west coast of British Columbia about 175 km north of Vancouver within the traditional territory of the Tla'amin Nation. We serve a population of approximately 20,000. The rural population is approximately 7,000 with the remaining 13,000 residing in the City of Powell River, the only incorporated area within the Region.

- 10.1.2 The qRD has fifteen full time office staff to handle administration, accounting, planning and asset management. Approximately twenty other workers are employed or contracted to handle specific services. The qRD also operates four rural fire protection services comprised of approximately 120 volunteers. The qRD relies greatly on volunteer committees to assist with managing and operating many of its services.

- 10.1.3 The Board of the qathet Regional District also serve as the Board of the Regional Hospital District (RHD). RHD financial transactions and records consist of the ownership and debenture payments associated with the Willingdon Creek Village complex care facility. Ongoing RHD financial transactions include the financing of minor equipment purchases for the Powell River Hospital and, to a limited extent, for other local health facilities.

10.2 Accounting Operations

- 10.2.1 Financial operations are conducted from the qRD office, the maintenance facility, the Powell River cemetery, two campgrounds and the Texada Island Airport to a limited extent.
- 10.2.2 The Accounting Clerks I and II handle most of the regular transactions and assist with many accounting functions.
- 10.2.3 The Accountant supervises the Accounting Clerks, manages the accounting system, reviews most transactions, administers grants, provides year-end general accounting services and assists with planning and organizing the financial plan and the year end audit.

- 10.2.4 The Manager of Financial Services authorizes most transactions, prepares the audit working papers and prepares the five-year financial plan in conjunction with the Accountant and the Chief Administrative Officer, and with input from management and volunteer committees. The Manager of Financial Services assesses the financial impacts of projects and services and has overall financial responsibility for the qRD and RHD.
- 10.2.5 Accounting System: Financial records including Accounts Payable, Accounts Receivable, Payroll and the General Ledger are maintained on iCity / Vadim. The RHD's financial records are maintained on Sage 300. The qRD plans to convert the RHD financial records over to Vadim in 2019.
- 10.2.6 Cemetery transactions are maintained on Stone Orchard software.
- 10.2.7 Purchasing and utility billings (small sewer and water system) are maintained on Vadim software.
- 10.2.8 Tangible capital asset records are maintained on Asset Finda software.

10.3 Regional Hospital District

- 10.3.1 The 2019 RHD financial transactions and records consist of debenture payments associated with the construction of the Willingdon Creek Village complex care facility. Ongoing RHD financial transactions included the financing of minor equipment purchases for the Powell River Hospital and, to a limited extent, for other local health facilities.
- 10.3.2 Vancouver Coastal Health Authority leases and operates the Willingdon Creek Village facility. The RHD owns the building and is responsible for maintenance and upgrade of the building envelope. The RHD is not involved in health facility operations.

11 PROPOSAL CONTENT

Please provide the following information with your proposal:

11.1 Process

- 11.1.1 Briefly state your understanding of the work to be done. Outline separately the proposed stages of the Regional District and Regional Hospital District audits, the procedures you will follow and the time allocation for each. The time estimate should be on an annual basis, broken down by level of personnel and audit phase.

11.2 Work Program

- 11.2.1 Confirm your agreement to undertake the responsibilities and tasks as described herein. If applicable, identify any of the listed tasks that you are not prepared to undertake and/or any additional tasks you propose to undertake as part of the audit services.

11.3 Costs

- 11.3.1 Provide the annual costs [fees, disbursements and applicable taxes] to undertake the statutory audits as described herein. Give detailed costs for each year for **both a three year and a five year period** starting with the fiscal year ending December 31, 2019. State Regional District and Regional Hospital District audit costs separately.

11.4 Payment Schedule

- 11.4.1 State the portion of the total Regional District annual audit costs [fee and disbursements] that will be charged to the interim audit and to the final audit.

11.5 Other Costs

- 11.5.1 Provide a statement of your costs in general terms – i.e., cost per hour for various levels of service – for Special Assignments and Miscellaneous Inquiries as described in Sections 9 Other Services and 7.2 Other Regional District Requirements.
- 11.5.2 The proposal price(s) quoted shall be firm for sixty (60) days after the date of submission.

11.6 Term

- 11.6.1 Indicate for how many years you expect to receive an engagement. (The maximum term will be five years.)

11.7 Profile of the Audit Firm

Please include the following information about your firm:

11.7.1 Personnel

- a) Provide names of the engagement partner/principal and the manager who will be assigned to the audits and their relevant experience.
- b) Summary of the qualifications and experience of other support personnel to be engaged in this audit.

11.7.2 Knowledge of Regional District and Hospital District Operations

- a) Provide a statement of your firm's working knowledge of regional districts and regional hospital districts and a list of local governments which your firm currently audits.

11.7.3 Other Information

- a) Your firm's policy with respect to continuity of personnel assigned to this audit. Please indicate the level of staff turnover you have experienced in recent years.
- b) Any additional information to explain how the Regional District may benefit from using the services of your firm as opposed to the competition.

11.7.4 References

Please provide references from other local governments.

12 CONTRACT CONDITIONS

By submission of a Proposal, the Proponent agrees that should its Proposal be successful, the Proponent will enter into a contract with the qathet Regional District.

12.1 Laws of British Columbia

Any Contract resulting from this RFP will be governed by and will be construed and interpreted in accordance with all laws in effect in the province of British Columbia.

12.2 Indemnity

The Contractor hereby agrees to indemnify and save harmless the Regional District, its officers, agents and employees from and against all claims, demands, losses, costs, damages, actions, suits or proceedings by whomever made, brought or prosecuted and in any manner based upon, arising out of, related to, occasioned by or attributable to the activities of the Contractor, its servants, agents, and sub-contractors, in providing the services and performing the work of the Contract, excepting always liability arising solely out of the negligent act or omission of the Regional District.

12.3 Worksafe BC Compliance

Where applicable, the Contractor, its servants, agents, and sub-contractors agrees to adhere to all of the *Workers Compensation Act* Regulations as set out in the *Occupational Health and Safety Regulation*, B.C. Reg. 296/97, as may be amended from time to time (the “Regulation”) as well as the provisions of the *Workers Compensation Act*, R.S.B.C. 1996, c.492, as amended (the “Act”). When on premises at the Regional District, the Contractor, its servants, agents, and sub-contractors agrees to undergo a safety orientation and to adhere to all established measures.

13. PROPOSAL FORM

Project File Name: **RFP – REGIONAL DISTRICT PROFESSIONAL AUDIT SERVICES**
Closing Date and Time: **THURSDAY, MAY 23, 2019, 4:00 PM PACIFIC DAYLIGHT TIME**

This form must be completed, signed and included with the submission.

The undersigned confirms that their submission is in response to the Request for Proposal for *Regional District Professional Audit Services*, and the Proponent acknowledges receipt of addenda # _____ through addenda # _____.

Name of Firm: _____

Address: _____

Contact Name: _____

Phone: _____ **Fax:** _____

Email: _____

Provide Reference to Pricing Sheet in Proposal :

(e.g. 'breakdown of pricing can be found on page 6 of Proposal')

Authorized Signature (Corporate seal if applicable)

Name and Title

Date

14. REGISTRATION OF INTENT TO RESPOND

(*to be submitted immediately upon opening of Request for Proposal in order to receive addenda)

If you intend to submit a Proposal for the Regional District Professional Audit Services Request for Proposal, it will be critical that the Regional District can supply you with any addenda or other correspondence related to the Request for Proposal.

To ensure that your company receives this material, please email Linda Greenan, Manager of Financial Services at lgreenan@gathet.ca to advise of your intent to submit a Proposal.

Please provide the following information in your email:

1. Statement that you intend to submit a Proposal for the Regional District Professional Audit Services
2. Company Name
3. Company Address
4. Contact Name
5. Title or Position
6. Contact Phone Number
7. Contact Email