



DISTRICT OF 100 MILE HOUSE

REQUEST FOR PROPOSAL #RFP – 2023-007

Annual External Audit Services (2023 - 2027)

ISSUE DATE: July 27th, 2023

CLOSING DATE & LOCATION:

Proposals must be received by 2:00 PM **Pacific Standard Time, August 18th, 2023**

District of 100 Mile House
#1-385 Birch Avenue, Box 340
100 Mile House, BC V0K 2E0

For inquiries and clarification please contact:
Sheena Elias, Director of Financial Administration

selias@100milehouse.com

Telephone: (250) 395-2434

Fax: (250) 395-3625

DISTRICT OF 100 MILE HOUSE
REQUEST FOR PROPOSAL
FINANCIAL AUDIT SERVICES

Introduction

The District of 100 Mile House invites qualified accounting firms to submit proposals to perform annual financial audits for the District and its subsidiary, 100 Mile Development Corporation. Audits must be planned and executed in accordance with Canadian generally accepted auditing standards and the provisions of the Local Government Act and Community Charter. Audits will result in an opinion to the District’s Council as to the fairness of the annual consolidated financial statements and related schedules. The Auditor should have experience and expertise in performing municipal audits, be free of any obligations or interests that may conflict or affect their ability to perform and act as the Auditor of the District, and have the capacity to provide this service in a timely manner.

TERM AND GENERAL CONDITIONS OF ENGAGEMENT

1. Term of Engagement

It is the intention of the District of 100 Mile House to enter into a five (5) year agreement with the successful firm to provide external audit services beginning with the annual audit for the fiscal year ending December 31st, 2023 to the fiscal year ending December 31st 2027 inclusive.

2. Acceptance of Proposals

The District of 100 Mile House reserves the right to reject any and all Proposals for any reason or to accept any Proposal on the basis of Proposals received which the District, in its sole unrestricted discretion, deems most advantageous to itself. The lowest or any Proposal may not necessarily be accepted. The Proponent acknowledges the District’s rights under this clause and absolutely waives any right of action against the District’s failure to accept its Proposal whether such right of action arises in contract, negligence, bad faith or any other cause of action. The acceptance of any Proposal is subject to funds being legally available to complete this transaction and/or approval by the District’s Council.

The District is subject to the provisions of the Freedom of Information and Protection of Privacy Act (The Act). Proprietary information can be protected under the Act (Section 21) which deems disclosure harmful to business interests of a third party. Please clearly mark only the pages of your proposal that you consider to fall under this protection with “Confidential”. However, please be advised that should there be a dispute regarding the

protection of this information, the final decision is made by the British Columbia Information and Privacy Commissioner.

The District reserves the right to modify the terms of this RFP at any time in its sole discretion. This includes the right to cancel the RFP at any time prior to entering into an agreement with the successful proponent.

There is no expressed or implied obligation of the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

3. Awarding of Contract

Notice in writing to the successful Proponent of the approval of its Proposal and the appointment of auditors by the District's Council and the subsequent execution of an engagement letter and contract shall constitute the making of the Contract of Services. The Proponent will not, without written consent of the District of 100 Mile House, assign or transfer this contract or any part thereof.

4. Insurance

The Auditor shall, at his own expense, provide and maintain, until the completion of the Audit, the following insurance in a form acceptable to the District with an insurer licensed in British Columbia:

- Confirmation of Commercial General Liability Insurance, including liability assumed under contract, containing a cross liability clause, and protecting the District and the Firm from and against any and all claims which may arise in an amount not less than \$5,000,000 inclusive per occurrence against bodily injury and property damage. The District is to be added as an additional insured under this policy.
- Confirmation of Professional Liability Insurance insuring the Firm's legal liability for errors, omissions and negligent acts, to the extent of \$500,000 per claim and \$1,000,000 aggregate.
- Confirmation of Automobile Liability Insurance on all vehicles owned, operated or licensed in the name of the Firm as covered under own insurance.
- Confirmation of a District of 100 Mile House Business License for each year that the work is performed.

The Auditor shall be responsible for any deductibles or reimbursement clauses within the policy. The Auditor shall provide the District with a certificate or certificates of insurance as evidence that such insurance is in force including evidence of any insurance renewal or policy or policies for the duration of the engagement.

5. Registration with WorkSafe BC

The Auditor will be registered with WorkSafe BC and maintain WorkSafe BC coverage for the duration of the engagement. The Auditor will abide by all provisions of the Workers Compensation Act of British Columbia and provide proof to the District that all assessments have been paid and that they are in good standing. It is a condition of contract that the Auditor must remain in good standing throughout the term of any contract between the District and the Auditor.

6. Experience and Qualifications

The Proponent must meet the following minimum requirements to be considered for evaluation pursuant to this RFP:

- a) The assigned supervisory staff must hold a valid accounting designation and have previous experience in performing a municipal audit engagement.
- b) Completed a municipal audit of similar size and scope (or greater) within the last two years.
- c) Demonstrate an understanding of legislation relevant to the local government environment.
- d) Have sufficient staffing, facilities, financial resources and expertise to address the scope of the audit services.
- e) Demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel.

GENERAL INFORMATION

1. Background Information

The District of 100 Mile House is worldly recognized as the “Handcrafted Log Home Capital of North America” and has a population of approximately 1900 and is governed by a five member Council. 100 Mile House is the commercial hub of the South Cariboo and the main service centre for many outlying communities. 100 Mile House is a thriving community with an economy based in forestry, ranching, log home building and tourism.

The District’s 2022 total operating budget is approximately \$9.8 Million, with an additional capital budget which varies in amount depending on the magnitude of capital projects underway. The District’s operating revenues consists largely of property taxes, utility fees fees for service and government transfers.

To assist in the preparation of the proposal, the following additional information is provided:

- District of 100 Mile House 2022 Annual Financial Statements (Appendix C)
- District of 100 Mile House Financial Plan Bylaw, 2023-2027 (Appendix D)
- 100Mile Development Corporation 2022 Annual Financial Statement (Appendix E)

2. Financial Systems and Statistics

The District of 100 Mile House utilizes Vadim financial software which runs in a Windows environment and includes modules for general ledger, budgeting and financial reporting, payroll, accounts receivable and payable, business licensing, taxes and utilities and cash receipting. Tangible capital asset inventory and valuations are maintained in Microsoft Excel spreadsheets.

SCOPE OF SERVICES

1. Services

The Auditor will be required to examine the financial records, systems and controls of the District of 100 Mile House 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 the Auditor. The Auditor's report should be suitable for printing within the financial statements and be addressed to the Council of the District of 100 Mile House. The Auditor must attend a meeting of Council to present and explain as necessary the audit reports and audit opinion.

The District 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 District Council any reportable conditions, as determined by the Auditor, found during the audit.

The Auditor will ensure all new or changed reporting requirements and auditing standards are communicated to the District of 100 Mile House.

The Auditor will respond to and discuss with the District's staff accounting, auditing, tax and other issues arising throughout the year. Inquiries, if any, are infrequent, usually brief and specific in nature, and may require a written confirmation. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or

that District staff would be advised of any additional charges prior to services being provided.

The Financial Statements for the District, which will conform to PSAB requirements, will be prepared by the Auditor. The audited Financial Statements must be finalized by the appropriate statutory deadline.

2. 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 appropriate District staff. In addition, the Auditor shall as far as possible, allow a reasonable period of time for District staff to make an investigation, analyse, report and take such corrective action as to avoid the inclusion of such qualification.

3. Annual Audit Schedule

Before October 31st of each year, the Auditor shall correspond with District staff 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 October 31st of each year and shall set out the key dates by which necessary information is to be assembled by both parties. The basic timeline will be as follows:

AUDIT ACTIVITY	TIMETABLE
Audit plan and Schedule	End of October
Interim Audit	Mid November to end of November
Year End trial balance, provided by District staff to the Auditor	February-Approx. 1 week prior to year-end audit
Year End Audit	End of February
Audit Report/Management letter/presentation to Council	End of March

District staff will be responsible for the year-end close. District staff will assist the Auditor by preparing a full set of working papers, schedules, a trial balance and supporting documentation on a timely basis.

Both the District staff and the Auditor will be jointly responsible for the preparation and processing of all confirmation letters.

The Auditor will be responsible for preparing the consolidated Financial Statements of the District.

The District's solicitors will provide annually a representation letter as required pursuant to the Canadian Bar Association and the Auditing Standards Committee of the CICA.

AUDIT PROPOSALS

1. Proposal Requirements

A covering letter shall be provided with the proposal clearly stating the accounting firm's understanding of the services to be provided. The letter must include the name(s) of the person(s) who will be authorized to make representations for the firm, their title(s) and telephone number(s). The person signing the covering letter must be authorized to bind the Proponent.

Proponents must respond to the items listed below in the order they are presented. The proposal should include a table of contents identifying the topics by page number. Proposals should include the following mandatory criteria:

- a) **Company Profile and Contact:** A brief profile of your firm (1 to 2 pages) indicating the scope of its practice, the range of activities performed by the firm such as auditing, tax service, accounting or management services. Identify the Proponent's contact person, phone number and email address. State the home office address as well as the address and phone number of any local office that will manage or assist in managing this audit.
- b) **Experience with Municipal Audits:** List current and past public sector audit clients and indicate the number of years your firm has been the auditor for each client. Describe your familiarity and experience with PSAB accounting and auditing standards.
- c) **Audit Staffing:** Name and brief resume of the partner(s), manager(s) and other key staff who would be assigned to this audit.
- d) **Audit Implementation:** Proposals must clearly show the firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the annual schedule. This would include the approach to be used to gain an understanding of the District's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the annual audit.
- e) **Other Services:** Description of the methodology to be used for keeping the District abreast of any changes in accounting principles or legislation that would impact the annual financial statements. Description of non-auditing professional services provided to other local government clients and innovative products offered by your firm as well as any specific pricing structure for such services.

f) **Fee Proposal:** Your firm’s audit fee in the following format individually for the District of 100 Mile House and the 100 Mile Development Corporation:

Staff Assigned	Hours	Rate	Fee
Partners	xx	xx	\$ xx
Managers	xx	xx	xx
Seniors	xx	xx	xx
Staff Support	xx	xx	xx
Total Hours/Fees	xx		xx
Other Disbursements (please identify)			xx
Total Fixed Fee			\$ xx

The fee schedule should include an all –inclusive maximum cost for the requested work for each of the five years. No disbursements of any kind will be paid by the District.

g) **Billing Date:** The proposed schedule of billing dates.

h) **References:** Three references at least two of which must be municipal audits within the last three years. Include number of years of service to and a contact name, telephone number and email address for each reference.

2. Proposal Evaluation Criteria

Proponents must meet the following mandatory requirements to be considered for further evaluation:

- a) Proposal completed and signed by a person authorized to bind the Proponent to statements made in the submission.
- b) Two (2) duly signed copies of the Proposal submitted.
- c) Proposal received at the closing location by the specified closing date and time.

Proponents that comply with the mandatory requirements will be evaluated on the basis of the following criteria using the scoring matrix outlined in Appendix A:

1. Understanding of Engagement
2. Municipal Audits Experience
3. Audit Firm Personnel Qualifications and Experience
4. Audit Implementation
5. Additional Services
6. References
7. Audit Fee

The proponent must provide an affirmative statement that it is independent of the District of 100 Mile House.

3. Submission of Proposals and Terms of Acceptance

Two (2) copies of the proposal must be submitted in a sealed envelope, clearly marked “RFP for External Audit Services”, by courier or in person, to:

Sheena Elias
Director of Financial Administration
District of 100 Mile House
#1-385 Birch Avenue, Box 340
100 Mile House, BC V0K 2E0

Facsimile and electronic submissions will **not** be accepted.

Submissions will be received until **2:00 p.m., Pacific Standard Time on August 18th, 2023.** Proposals received after the deadline will not be considered and will be returned to the sender unopened.

All proposals submitted will be irrevocable for ninety (90) days following the closing, subject only to the following:

- Notwithstanding the above, a Proponent will be permitted to withdraw their proposal prior to the closing provided that it has first notified the District in writing of its intention to do so. A firm that has so withdrawn a proposal may submit a new proposal prior to the closing, pursuant to this request, provided that such action is done in compliance herewith.

- Unless otherwise authorized in writing by the herein designated District Officer, a Proponent must not contact or communicate with any elected or appointed officer or employee of the District of 100 Mile House other than the designated employee in relation to the proposal prior to the award of such proposal by the District's Council. Any such communication will result in disqualification of the proposal from further consideration.

4. Default/Termination

The District may, by Notice of Default to the successful Proponent, immediately terminate in whole or in part of the contract if the Proponent fails to perform the services required. In the event the District does terminate the contract in whole or in part as specified above, the District may purchase services so terminated and the Proponent shall be liable to the District for any excess costs for such services and for reasonable liquidated damages.

The District (at its sole discretion) may immediately terminate any contract awarded through this RFP process if there is a major violation of agreed conditions or where the Proponent has taken an action against the District.

5. Addenda

Addenda may be issued during the Proposal period in response to queries received. Addenda will be sent in electronic format to all Proponents who have received RFP packages. All addenda must be considered and acknowledged when responding to this RFP. Verbal answers are binding only when confirmed by written addenda.

6. Negotiation

If the District of 100 Mile House selects a Preferred Proponent, the District will then enter into negotiations with the Preferred Proponent in an attempt to reach an agreement necessary to acquire the services, as generally described in the RFP. If the District of 100 Mile House considers that it is unlikely to reach an agreement with the Preferred Proponent despite having negotiated with the Preferred Proponent for at least seven (7) days after selection of the Preferred Proponent, the District of 100 Mile House is entitled to cease negotiations with the Preferred Proponent and to begin negotiations with another Proponent.

The District of 100 Mile House is not obligated to any Proponent in any manner until a Professional services Agreement is signed by an authorized person to sign on behalf of the District of 100 Mile House.

7. Awarding of the Contract

The following timetable outlines the anticipated schedule for the RFP process. The timing and the sequence of events resulting from the RFP may vary and shall ultimately be determined by the District.

EVENT	ANTICIPATED DATE
Request for Proposal Issued	July 27 th , 2023
Request for Proposal closes	August 18 th , 2023
Complete evaluation of proposals & Negotiation	August 25 th , 2023
Recommendation to Council	September 12 th , 2023

Upon completion of the evaluation and negotiations, a report will be prepared for consideration by the District's Council containing a recommendation to appoint an Audit Firm. Should Council resolve to accept the recommendation, the successful proponent will be notified of the award in writing. Notice in writing to the successful proponent of the approval of its proposal and the appointment of auditors by the District's Council and the subsequent execution of an engagement letter and contract shall constitute the making of the Contract for Services. The Audit Firm will not, without written consent of the District of 100 Mile House, assign or transfer this contract or any part thereof.

DISTRICT OF 100 MILE HOUSE CONTACT AND DISCLAIMER

1. Contact

Any inquiries regarding this request for proposal should be directed to the designated District of 100 Mile House Officer, Sheena Elias, Director of Financial Administration, at telephone number (250) 395-2434 or email: selias@100milehouse.com.

2. Disclaimer

The information contained in this RFP is supplied solely as a guideline for Proponents and is not guaranteed or warranted by the District of 100 Mile House to be accurate, nor is it necessarily comprehensive or exhaustive.

Each Proponent is responsible to review and understand the terms and condition of this RFP, and the Scope of Services being requested. The District of 100 Mile House 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 the Proponent.

Further, the District of 100 Mile House is not liable for any costs incurred in the preparation of the proposals. The District of 100 Mile House is subject to the provisions of the *Freedom of Information and Protection of Privacy Act*. As a result, which Section 20 of the Act does offer some protection for third party business interests, the District of 100 Mile House cannot guarantee that any information provided to the District of 100 Mile House can or will be held in confidence.

APPENDIX A

PROPOSALS FOR EXTERNAL AUDIT SERVICES
EVALUATION MATRIX

PROPONENT

CRITERIA	MAXIMUM SCORE	FIRM'S SCORE	COMMENTS
Mandatory Criteria			
Cover letter completed and signed by person authorized to bind the Proponent to statements made in the submission. Sealed package containing two copies of the proposal. Proposal must be received at the closing location by the specified closing date and item.			
Point-Rated Criteria			
1. Understanding of Engagement/Proposal ☆Demonstration of full understanding of District structure and governance ☆Knowledge of information systems used by the District	5		
2. Experience with Municipal Audits ☆Municipal auditing experience ☆Knowledge of Vadim Software	10		
3. Personnel ☆Technical experience of the firm in performing public sector audits and experience with organizations of a similar size and complexity. ☆Experience and qualifications of audit team proposed for the District's audit.	10		
4. Audit Implementation ☆Statement of full understanding of the audit objectives and overall scope of work to be performed.			
☆Audit plan including number of person hours anticipated to perform the services, broken down between interim and final audits for the entities for the five years	15		

APPENDIX A
PROPOSALS FOR EXTERNAL AUDIT SERVICES
EVALUATION MATRIX

CRITERIA	MAXIMUM SCORE	FIRM'S SCORE	COMMENTS
<p>☆ Approach used to gain an understanding of the District structure and operations.</p> <p>☆ Quality of the proposal in terms of methodology and approach to the audit, including a description of substantive and compliance testing, and internal control evaluation</p>			
<p>☆ Estimate of District staff time required including a schedule outlining when required.</p>			
<p>5. Additional Services</p> <p>☆ Accounting firm's ability to provide additional services to the District such as:</p> <ul style="list-style-type: none"> -PSAB advice -PSAB New ARO Implementation -GST/PST advice -General Income Tax Act advice 	<p>5</p> <p>5</p>		
<p>6. References</p>	10		
<p>7. Audit Fee</p> <p>The proposed fees for the entities for the five year term which are to be shown exclusive of taxes and include:</p> <ul style="list-style-type: none"> -professional fees for audit and support staff based on person hours -estimated disbursements and administrative fees -value added services bundled with the audit service fees <p>Estimated hours required and levels of staff to be assigned and hourly billing rates</p>	40		

TOTAL POINTS

100

APPENDIX B

PROPOSAL SUBMISSION FORM

Reference: RFP – Annual External Audit Services

In order to be entitled to consideration, a person authorized to sign on behalf of the Firm, and to bind the Proponent to statements made in response to this Request for Proposal, must complete and sign **(Appendix B)** Proposal Submission Form.

The enclosed Proposal is submitted in response to the above-referenced Request for Proposal, including any addenda. Through submission of this Proposal we agree to all of the terms and conditions of the Request for Proposal and agree that any inconsistent provisions in our Proposal will be as if not written and do not exist. We have carefully read and examined the Request for Proposal document and have conducted such other investigations as were prudent and reasonable in preparing the Proposal. We agree to be bound by statements and representations made in our Proposal.

I/We hereby offer to provide the noted services to the District of 100 Mile House upon the terms and conditions set out and/or referred to herein, and including any addenda acknowledge as received. In submitted a Proposal, the Firm acknowledges and agrees that it has read, understood and agreed to all terms and conditions described in this Request for Proposal document.

Legal Name of Proponent (and doing business as name, if applicable). (Print or type)	
Name of Authorized Representative (Print or type)	
Title:	
Telephone:	
Fax:	
E-Mail:	
Signature of Authorized Representative:	
Date:	