



CORPORATION OF THE CITY OF ENDERBY

REQUEST FOR PROPOSALS

Financial Audit Services

Addressed to: Jennifer Bellamy
Chief Financial Officer
City of Enderby
PO Box 400 (619 Cliff Ave)
Enderby BC, V0E 1V0

Term: December 31, 2018 to December 31, 2020 (with a potential extension)

**CLOSING DATE AND TIME:
3:00 PM Local Time, Friday, October 5th, 2018**

**CITY OF ENDERBY
REQUEST FOR PROPOSALS
FINANCIAL AUDIT SERVICES**

Introduction

The City of Enderby (City) invites qualified accounting firms to submit proposals to perform annual financial audits for the City.

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 Municipal Council as to the fairness of the annual consolidated financial statements and related schedules.

The Auditor must 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 City, and have the capacity to provide this service in a timely manner.

All inquiries regarding this RFP should be directed to:

City of Enderby
Attention: Jennifer Bellamy
Chief Financial Officer
PO Box 400, 619 Cliff Ave
Enderby BC, V0E 1V0
Email: jbellamy@cityofenderby.com
Phone: (250) 838-7230 Fax: (250) 838-6007

Terms and Conditions

The selected firm will be appointed to provide external audit services for a period of three years beginning with the annual audit of the fiscal year ending December 31, 2018 to the fiscal year ending December 31, 2020.

Subject to the satisfactory performance of the services by the successful firm, the term may be extended for an additional two years.

Acceptance of Proposals

The City 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 City, in its sole unrestricted discretion, deems most advantageous to itself. The lowest of any Proposal may not necessarily be accepted. The Proponent acknowledges the City's rights under this clause and absolutely waives any right of action against the City'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 approval by the City's Council.

Insurance

The Auditor shall maintain professional liability insurance with respect to professional liability as required and specifically named for the Services, including errors and omissions, with a limit of not less than \$1,000,000 per occurrence with respect to the Services alone. The Auditor shall,

without limiting its obligations or liabilities and at its own expense, provide and maintain insurance for its own equipment and continuously carry insurance with insurers licensed in British Columbia. The Proponent is responsible for all insurance costs (as required by law). The Proponent will provide verified copies of required insurance policies when requested.

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. It is a condition of contract that the Auditor must remain in good standing throughout the term of any contract between the City and the Auditor.

Experience and Qualifications

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

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

GENERAL INFORMATION

Background Information

The Corporation of the City of Enderby was incorporated in 1905 and is located in the Okanagan Valley. The current population is estimated to be 2,964 (2016 Statistics Canada).

The City is governed by a seven-member elected Council including a Mayor, with one of these members appointed to sit on the North Okanagan Regional District Board.

The City's 2018 operating budget is approximately \$4.2 million, including a \$3.5 million capital budget. Major services provided to Enderby citizens include general government, roads, water and sewer services, garbage collection, cemetery services and parks and recreation services.

The City uses the Vadim/ICity Financial software package, along with Caseware Financials to prepare audit working papers and financial statements. Tangible capital asset inventories are maintained on excel spreadsheets.

Other estimated information for 2018 unless otherwise noted:

Number of property rolls	1,526
Number of general ledger accounts	585
Number of utility accounts	3,640
Number of bank and investment accounts	2
Number of HOGS claimed	990
Number of permanent full-time employees	12
Estimated gross payroll	\$ 940,000
Number of accounts receivable invoices issued (2017)	273
Number of payments issued (2017)	1,543

The City also provides an annual payroll for the Enderby & District Volunteer Fire Department in November of each year. There are approximately 35 cheques issued for the Fire Department.

The City is also the Administrator for the services provided for by Enderby & District Services Commission (EDCS). The EDCS provides Animal Control, Cemetery and Parks and Recreation services which are shared services through the City and Electoral Area F.

The 2017 Annual Report along with the 2017 Audited Financial Statements can be found at:

<https://www.cityofenderby.com/city-of-enderby-2017-annual-report/>

Audit firms who are considering a Proposal pursuant to this request are encouraged to visit the City's website at www.cityofenderby.com for a more detailed overview of the City's characteristics and activities.

SCOPE OF SERVICES

Services

The Auditor will be required to examine the financial records, systems and controls of the City of Enderby 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 City staff for the City of Enderby.

The Auditor's report should be suitable for printing within the financial statements and be addressed to the Council of the City of Enderby. The Auditor will be required to attend a meeting of Council to present and explain as necessary the audit reports.

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

The Auditor will also be required to sign off on the annual "C" forms for Home Owner Grants and School Tax reporting.

Although not required at this time, the Auditor should have knowledge of the reporting and audit requirements for development corporations. Any fees associated with the development corporation requirements will be negotiated at a later date and will not be a part of the fee proposal for this RFP.

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

Annual Audit Schedule

Before October 15th of each year, the Auditor shall correspond with City staff to discuss a schedule of activities which will lead to the completion of the annual audit. The basic time line will be as follows:

- Interim audit mid-October to mid-December of each year
- Year-end audit, within March to April of each year
- Audit report and presentation to Council, by May 15th of each year

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

AUDIT PROPOSALS

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, as a minimum, should include:

1. **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.
2. **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.
3. **Audit Staffing:** Name and brief resume of the partner(s), manager(s) and other key staff who would be assigned to this audit.
4. **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 City's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the interim audit and annual audit.

5. **Fee Proposal:**

Fiscal Year Ending December 31	2018	2018	2020
Total Maximum Fees	\$	\$	\$

The fee schedule should include an all-inclusive maximum cost for the requested work for each of the three years. If the term is extended for an additional two years, fees for the extension will be negotiated at that time.

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

Proposal Costs

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

Submission of Proposals and Terms for Acceptance

Any change notices, appendices and addenda issued for this Request for Proposal shall be considered part of this proposal document. Change notices, appendices and addendums will be available at the City of Enderby municipal office and on its website www.cityofenderby.com. It is the responsibility of the proponent to ensure all are downloaded, reviewed and included in their bid.

Proposals are to be submitted in a sealed envelope clearly marked with the proposal name, on or before the closing date and time, to the attention of:

Name Jennifer Bellamy
 Title Chief Financial Officer
 Address 619 Cliff Ave (PO Box 400) Enderby BC, V0E 1V0

Proposals may be emailed to jbellamy@cityofenderby.com. Receipt of submission will be the time/date noted in the email inbox.

Proposals will not be accepted after the closing date and time. Proponents may not make modifications to their proposals after the closing date and time.

All proposals shall become the property of the City.

It is the responsibility of each proponent to submit all required documents as outlined in this Request for Proposal.

All proposals must be received by no later than **3:00PM, FRIDAY OCTOBER 5th, 2018.**