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# REQUEST FOR PROPOSAL

## External Audit Services RFP: CPS-2018A

**RFP Closing**  
**Wednesday, August 29, 2018**  
**3:00 p.m. Local Time**

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## SECTION 1. DEFINITIONS

**CAD:** Canadian Dollars

**CAO:** Chief Administrative Officer

**Finance Team:** General Manager Corporate Services, Manager Finance & Administration and Financial Reporting Officer

**GAAP:** Generally Accepted Accounting Principles

**Greenview:** Municipal District of Greenview No.16

**GM:** General Manager

**MGA:** Municipal Government Act

**MST:** Mountain Standard Time

**Respondent/Proponent:** The accounting firm that responds to this proposal.

**RFP:** Request for Proposal

**FCSS:** Family & Community Support Services

**The Commission:** The independent entity of Greenview Regional Waste Management Commission

**WCB:** Worker Compensation Board

## SECTION 2. REQUEST FOR PROPOSAL

The Municipal District of Greenview No.16 (hereafter referred to as Greenview) is requesting detailed and comprehensive proposals for the following:

### **EXTERNAL AUDIT SERVICES RFP: CPS-2018A**

Greenview is requesting proposals from professional accounting firms to provide audit services in accordance with the requirements of the Municipal Government Act of Alberta and the Generally Accepted Accounting Principles.

Documents and general information are available on the Alberta Purchasing Connection and Greenview websites [www.purchasingconnection.ca](http://www.purchasingconnection.ca), <http://mdgreenview.ab.ca>.

Submissions will be accepted **only** in hard copies by mail, courier or in person. The respondent must submit **four (4) copies** of their proposal by **3:00 pm** Mountain Standard Time **Wednesday, August 29, 2018**.

The package must be sealed and clearly marked: **RFP CPS-2018A EXTERNAL AUDIT SERVICES** including the respondent`s name and address.

Attention to:

Rosemary Offrey, GM Corporate Services  
Municipal District of Greenview No.16  
4806 - 36 Ave, PO. Box 1079  
Valleyview, AB T0H 3N0  
Phone: (780) 524-7600

### **Late Proposals**

Proposals received after the deadline will not be accepted or considered, and will be returned unopened to the respondent.

### **Inquiries and Amendments**

Respondents finding discrepancies or omissions in this RFP, or having doubts as to the meaning or intent of any provision, should immediately notify the appropriate contact.

All inquiries related to this RFP should be directed by email prior to the deadline at [rosemary.offrey@mdgreenview.ab.ca](mailto:rosemary.offrey@mdgreenview.ab.ca). Inquiries and responses may be recorded and distributed to all proponents at the discretion of Greenview.

Proposals may be revised by written amendment, delivered in a sealed envelope, at any time prior to deadline.

## SECTION 3. TERM OF ENGAGEMENT

The successful accounting firm will provide **three (3) years** of service commencing **November 01, 2018**, with an option to extend the contract for two (2) years.

The RFP includes audit and preparation of audited financial statements for fiscal years ending **December 31<sup>st</sup> 2018 to 2020** for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Greenview and the independent entity of Greenview Regional Waste Management Commission (hereafter referred to as the Commission), in accordance with the Generally Accepted Accounting principles.

The audit services contract will be between Greenview, the Commission and the audit firm.

Greenview's Council will appoint and approved the external audit firm for a period of **three (3) years** beginning with fiscal year ending December 31, 2018.

Greenview's Council and the Commission reserve the right to amend or terminate the audit services at any time, if it is deemed that the services rendered are not meeting their needs.

Greenview's Council may extend the contract for a period of **2 years** providing the following applies:

1. The accounting firm's performance in supplying services is considered to have met the requirements of the contract.
2. CAO & Finance Team has determined the exercise of this option is in the best interest of Greenview.

## SECTION 4. DESCRIPTION OF GREENVIEW

Greenview is the third largest rural municipality in the province of Alberta spanning over 33,000 square Kilometers. It includes the hamlets of Little Smoky, Ridgevalley, DeBolt, Landry Heights and Grovedale, with a total population of 6,044 from 2018 municipal census. Greenview's borders encompass the Sturgeon Lake Cree Nation and the towns of Fox Creek, Grande Cache and Valleyview.

Greenview's vast and diverse area is rich in oil and gas, fertile farmland, winding rivers, mixed wood forests, and spectacular peaks of the Rockies. Greenview's Council and Administration provide the following services: governance, protective, environmental, planning and development, construction, operations, agricultural, recreation, economic development, family and community support services.

### **Staffing and Accounting System**

Greenview has 160 employees, including part-time and seasonal labour. Greenview is a partner in the commission and provides management and administration support for the Commission.

Greenview and the Commission currently uses Apteon (Diamond GP, WorkTech, Questica Budgeting and Joe Penney with the support of Microsoft Excel) to record the general ledger transactions, accounts payables, accounts receivables, permits, licenses, cash receipting, payroll, and utility billing.

Camelot Version 1.0 software with a firebird version 3.0 are used for tax assessment and billing purposes. Greenview has approximately 1800 General AR accounts, 58 FCSS accounts, 200 Utility accounts and 40 Oil Well Drilling accounts. There are 14981 Tax Roll Accounts, as well as 600 active vendor accounts.

## **Financial statements and other reports**

Greenview's annual operational and capital budget total approximately 160 million. For more information regarding our budget, audited financial statements and publications, please feel free to visit our website <http://mdgreenview.ab.ca>

### SECTION 5. GENERAL AUDITING REQUIREMENTS

The audit services shall include all duties as required under the MGA and GAAP auditing standards, and other applicable acts. Services shall include but are not limited to:

- A. Perform procedures to obtain audit evidence regarding the amounts and disclosures in the consolidated financial statements.
- B. Select audit procedures using professional auditor's judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
- C. Making risk assessments, consider internal controls relevant to Greenview's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances.
- D. Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
- E. Obtain sufficient and appropriate evidence to provide a basis for the audit opinion.

#### **5.1 Planning the audit:**

In accordance with GAAP and the MGA, the work should be adequately planned and properly executed;

- A. Before **December 1<sup>th</sup>** each year, the auditors shall meet with Finance Team for the purpose of defining a schedule of responsibilities which will lead to an orderly and timely assembly, audit, and submission of the annual financial statements and information returns. These responsibilities will include the preparation of working papers to be prepared by the Finance Team, any photocopies of documents required, and any other work that can be performed by Finance Team prior to the commencement of the audit.

- B. The above-mentioned schedule shall be finalized by **December 10<sup>th</sup>** each year and shall set out the following:
- The dates by which information will be prepared and submitted to the auditors.
  - A list of required schedules, working papers, analyses and other information specifying the persons who will be responsible for their preparation and completion.
- C. On-site audits with a senior auditor present must be scheduled for the **3<sup>rd</sup> week of February each year**. Onsite auditing shall be completed between the hours of 8:30 am and 6:00 pm, MST.
- D. The audited financial statements must be provided to the Finance Team **no later than five (5) weeks** prior to Alberta Municipal Affairs annual filing deadline of **May 1<sup>st</sup> each year**.
- E. The audited financial statements must be presented to Greenview's Council no later **than the 1<sup>st</sup> Council meeting in April each year**.

## 5.2 Systems and procedures review:

In accordance with GAAP, there should be an appropriate organized study and evaluation of those internal controls on which the auditor subsequently relies determining the nature, extent and timing of auditing procedures.

- A. The internal control and accounting procedures shall be evaluated at least annually.
- B. The purpose of this evaluation will be to determine whether the auditors can rely on the internal controls, subject to their compliance testing, and to determine appropriate substantive audit procedures necessitated by identified weaknesses or absence of internal controls.
- C. Accordingly, all weaknesses or absence of internal controls identified, should be reported in writing to the appropriate contacts. Where weaknesses are reported, it would be appropriate to suggest or recommend ways in which the weaknesses can be corrected or compensated for.
- D. Similarly, upon discovery of information or conditions, which might otherwise lead to a qualified opinion on the financial statements, or a denial of opinion, the auditors shall immediately communicate these matters in writing to the appropriate contacts.

## 5.3 Compiling audit evidence

In accordance with GAAP, "sufficient audit evidence should be obtained by such means as inspection, observation, inquiry, confirmation, computation and analysis, to provide reasonable basis for the content of the report".

It should be noted that the matters to be considered and procedures to be followed should not be limited to those outlined in the paragraph above. Where the respondents' audit objectives and procedures does not include all of the example objectives and procedures, the respondents are asked to explain these differences.

#### 5.4 Completing the engagement

- A. The auditors shall attend such meetings as are required to discuss the draft audited financial statements with the Finance Team.
- B. The auditors shall deliver the final financial statements to the municipality **no later than the 3<sup>rd</sup> week of March each year.**
- C. No later than **thirty (30) days** following delivery of the audited statements, the auditors shall deliver a "Post-Audit Management Letter" to the appropriate contacts outlining, but not limited to, the following:
  - Concerns relative to internal controls and systems determined during the audit;
  - A report on the progress or lack of progress made on implementing suggested improvements in systems and controls recommended in prior years; and
  - Any other comments which may assist the appropriate contacts with their day-to-day management of the affairs of Greenview.

#### SECTION 6. RESPONDENT INFORMATION REQUIRED

Respondent must respond to each of the following areas in a clear and comprehensive manner:

- A. Payment schedule.
- B. Specifically identify any additional work or services that exceed the services requested herein and the associated costs thereof.
- C. Provide references for a minimum of two (2) equivalent size municipalities.
- D. Clearly indicate the respondent's confidentiality practices. The proposal should, at a minimum, cover the following items:
  - A profile of your firm, including breadth of other audit assignments, resources and support services available, and a description of the firm's philosophy with regard to municipalities.
  - The names and contacts of other municipalities with which the firm's staff has had experience.
  - The names of partners and staff of the firm who will be engaged on this audit.
  - The office which would be responsible for the audit and the name of the partner in charge of the audit should be specified.

- Where it is proposed that audit technicians would be employed on this engagement, a description should be provided to support their technical ability and their understanding of generally accepting auditing standards as they apply in particular to municipalities.
- A total fee proposal for regular audit services, in CAD, for each of the fiscal years.
- Other fees for any additional work/service, not included in the total contract fee for the completion of the External Audit Services.

## SECTION 7. INSURANCE AND INDEMNIFICATION

The successful Respondent shall, at its own expense, obtain and maintain the required insurance and provide Greenview with evidence of:

### 7.1 Commercial General Liability Insurance

Comprehensive general liability insurance on an occurrence basis for an amount not less than Five Million **(\$5,000,000)** CAD for any negligent acts or omissions by the respondent relating to its obligations under this agreement.

Such insurance shall include, but is not limited to bodily injury and property damage including loss of use; personal injury; contractual liability; premises, property & operations; non-owned automobile liability, broad form property damage, owners and contractors' protection, products and completed operations, employees as additional insured, occurrence property damage, contingent employers liability, cross liability and severability of interest clauses; such insurance shall add Greenview as an additional named insured, subject to a waiver of subrogation in favour of the Greenview with respect to the operations of the respondent.

This insurance shall be non-contributing and apply as primary and not as excess of any insurance currently available to Greenview.

The successful respondent shall indemnify and hold Greenview harmless from and against any liability, loss, claims, demands, costs and expenses, including reasonable legal fees, occasioned wholly or in part by any negligent act or omission whether willful or otherwise by the respondent, its agents, officers, employees or other persons for whom the respondent is legally responsible.

### 7.2 Professional Liability Insurance

Professional liability (errors and omissions) insurance coverage shall be obtained to a limit of not less than Five Million **(\$5,000,000)** CAD on a claims made basis. Such coverage shall be maintained for a period of **three (3) years** subsequent to conclusion of services provided under this agreement.

The successful respondent shall provide Greenview with a letter from their insurance broker confirming their ability to meet the insurance requirement as set out in the contract and that if they are successful, they will provide Greenview with a certified copy

of a liability insurance policy covering public liability and property damage for no less than the minimum amounts **within 10 days** of notification of acceptance of the contract award.

The policy must contain a “**cross liability**” clause or endorsement: 1) Certifying that Greenview is an additional named insured: 2) An endorsement stating the policy or policies will not be altered, cancelled or allowed to lapse without **thirty days** prior written notice to Greenview.

### 7.3 Worker Compensation Board

The respondent must be registered and in good standing with the Alberta Worker Compensation Board during the contract with Greenview. This will ensure safety and insurance for the respondent’s employees conducting audit services within Greenview’s properties.

## SECTION 8. OWNERSHIP

The successful proponent agrees that all information and material that constitutes any part of this proposal, acquired or prepared by the successful proponent pursuant to this contract, shall be the sole property of Greenview, including all information and material provided by the Greenview to the proponent for the purposes of this contact.

Upon the request of Greenview, the successful proponent agrees to deliver to Greenview all materials and information specified in the request.

No copy or duplicate of any such material or information delivered to Greenview shall be retained by the successful proponent without the prior written approval of Greenview.

The successful proponent further agrees not to destroy any material or information which is the property of Greenview without prior written approval.

## SECTION 9. SCHEDULES OF EVENTS

<b>ACTION</b>	<b>DATES/ Period</b>
<b>Request for Proposal issued:</b>	July 30 <sup>th</sup> , 2018
<b>Last day for questions</b>	August 21 <sup>st</sup> , 2018
<b>Proposals submission deadline</b>	August 29 <sup>th</sup> , 2018
<b>Proposal opening</b>	August 30 <sup>th</sup> , 2018
<b>Evaluation, scoring and interviews:</b>	September 04 <sup>th</sup> , 2018
<b>Report to Council for approval:</b>	September 24 <sup>th</sup> , 2018
<b>Firm notified, contracts execution</b>	September 25 <sup>th</sup> - 27 , 2018
<b>Commencement of services :</b>	November 1 <sup>st</sup> , 2018

## SECTION 10. OTHER KEY INFORMATION

Proposals may not exceed **twenty five pages** in length, including the price and technical proposals, introductions, appendices and any other supporting documentation.

It is the responsibility of the respondent to ensure the proposal is received. There is no obligation for Greenview to reimburse responding firms for any expenses incurred in preparing proposals in response to this RFP.

Submission of the proposal indicates acceptance by the respondent of the conditions contained in this RFP, unless clearly and specifically noted in the proposal. The request for proposal and the response from the firm will be included as appendices to an executed contract.

Applicant responses to the RFP will be treated confidentially in compliance with privacy legislation.

Contact with Council members regarding this RFP is prohibited and can be considered as grounds for disqualification from the selection process.

Greenview reserves the right to request additional data or information after the proposal date, if such data or information is considered pertinent to aid the review and evaluation process.

Greenview reserves the right to reject any portion of any proposal and/or reject all proposals, to waive any informalities or irregularities in the proposals, or to re-invite or to re-advertise.

## SECTION 11. EVALUATION CRITERIA

The following are base qualifications for proponent to be eligible to receive an evaluation on their proposal. The respondent must be:

1. A licensed public accounting firm and in good standing with the Institute of Chartered Accountants.
2. Have an office operating in the province of Alberta and comply with applicable federal and provincial legislation as a municipal government service provider.
3. In good standing with Worker Compensation Board (WCB).

In addition, the respondent must provide:

1. Qualifications of team members that will be assigned to this audit.
2. References for past performance with other municipalities, preferably in Alberta, in which similar services have been provided within the last three years.
3. Work plan and schedule
4. Quality and complete proposal including identifying work methodology

Cost of audit services with fees, including the breakdown of fees and charges.

Summary:

Criteria	Percentage
<b>Prior municipal experiences</b>	30 %
<b>Resources available for completing the work</b>	25 %
<b>Professional fees</b>	20%
<b>Confirmed dates of FS &amp; FIR delivery</b>	25%

Greenview will not be limited to the criteria referred to above, and may consider other factors and criteria that the evaluation team identifies relevant during the decision making process. All criteria considered will be applied evenly and fairly to all proposals

## SECTION 12. EVALUATION TEAM

The evaluation committee is the Finance Team which is comprised of General Manager Corporate Services, Manager Finance & Administration and Financial Reporting Officer. This team will evaluate the submissions based on the established criteria as presented in the original RFP documentation.

At the discretion of the Greenview, firms submitting proposals may be invited for an interview or oral presentations as part of the evaluation process.

A copy of the completed evaluation forms along with the team's recommendation will be kept in the care and control of the Finance Team in a confidential file and can be utilized for dispute resolution if necessary.

The selection of a firm, approval by council and contract execution shall be completed **by September 27, 2018.**

Appendix A - Proposal Cover Sheet (two pages)

I/We have reviewed the RFP, including the terms and conditions, and hereby offer to provide services for the amount of money described in our price proposal in exchange for the right to enact the requirements of the proposal.

<b>Registered Business Name:</b>
<b>Business Address:</b>
<b>Province:</b>
<b>Postal Code:</b>
<b>Contact Name:</b>
<b>Telephone Number:</b>
<b>E-mail Address:</b>
<b>Signature of Authorized Officer:</b>
<b>Name/Title of Authorized Officer (print):</b>

**Applicant Vendor Declaration**

I/We (enter name):

Title/Position:

Name of Organization or Business:

1) Declare that no person, firm or corporation other than the one who's signature or the signature of whose proper officers is attached, has any interest in this proposal or in the contract proposed to be undertaken.

2) Further declare that this proposal is made without any connection, knowledge, comparison of figures or arrangements with any other company, firm or person making a proposal for the same work and is in all respects fair and without collusion or fraud.

3) Further declare that no Greenview employee, or Member of Greenview's Council and their families is, or will become interested directly as a contracting party or otherwise in the performance of the contract or work or business to which it relates or in any portion of the profits thereof.

4) Further declare that all matters stated in the proposal are in all respects true.

5) Further declare that I/We have examined the RFP and hereby propose and offer to enter into a contract to provide all of the items mentioned and described or implied therein, as per the cost indicated in the proposal.

6) Agree that this offer is open for acceptance until a formal contract is executed or a Purchase Order is issued to the successful applicant

Signature of Witness

Signature of Authorized Officer

Name of Witness (print)

Name of Authorized Officer (print)

Date:

**Note for signing officer:** By my signature, I hereby confirm I am a principal, or have been duly authorized by the principal or board, to sign on behalf of the above named organization.