



REQUEST FOR PROPOSALS

**MUNICIPAL AUDIT SERVICES FOR THE RURAL MUNICIPALITY
OF
NORTH SHORE**

**RURAL MUNICIPALITY OF
NORTH SHORE
2120 Covehead Road
York, PE
C0A 1P0**

PROPOSALS DUE: *January 22, 2021*

1.0 General

The following is a Request for Proposals (RFP) for the provision of auditing and professional accounting services for the Rural Municipality of North Shore (RMNS). The requirements of the submission are outlined in this RFP and the requirements of the services are outlined in the Terms of Reference.

1.1 Introduction

The Rural Municipality of North Shore is requesting proposals for the services of a qualified Chartered Accounting firm to conduct the Financial and Compliance Audit of the Rural Municipality of North Shore's operations as per the requirements of the Municipal Government Act. The responsibilities of the auditors will generally be limited to the expression of an opinion on the financial statements, discussions with respect to presentation and disclosure, comments and observations in regards to any aspect of the accounting, reporting or financial affairs of the Rural Municipality of North Shore. The Auditor will also be responsible for the completion of certain regulatory reports required by the Island Regulatory and Appeals Commission, Province of Prince Edward Island and the Government of Canada.

1.2 Background Information

The Rural Municipality of North Shore is located in the heart of Prince Edward Island. Providing rich cultural heritage, a strong business community and progressive attitude. The municipality is attractive as a community in which to live, raise a family, conduct business or just to visit. Its services include:

- Municipality Office
- Municipal Parks and maintenance
- Promenade Walking Track
- Outdoor Rinks
- Ballfields
- Three Community Centres

2.0 INSTRUCTIONS TO PROPONENTS

2.1 Submission

Proponents shall submit a hard copy of their sealed proposal, clearly marked Audit and Accounting Services. Facsimile transmitted proposals will **not** be accepted.

The proposals are to be submitted to:

Rural Municipality of North Shore
2120 Covehead Road
York, PE C0A 1P0

Attention: Stephanie Moase, CAO

no later than 12:00 pm (noon) on January 22, 2021

2.2 Inquiries and Amendments

All technical inquiries concerning this Request for Proposal are to be directed to:

Stephanie Moase, CAO
Rural Municipality of North Shore
2120 Covehead Road
York, PE C0A 1P0
Phone: 902-672-2600
Email: administrator@northshorepei.ca

2.3 Proponents Requirements

The successful proponent must be licensed in the Province of Prince Edward Island prior to commencement of the professional accounting services.

The successful proponent shall have professional liability/errors/omissions insurance coverage having a minimum limit of two million dollars per occurrence with the Rural Municipality shown as an additional insured.

3.0 TERMS AND CONDITIONS

- Submission of a proposal constitutes acknowledgement that the proponent has read and agrees to be bound by all the terms and conditions of this Request for Proposal.
- The municipality will not make any payments for the preparation of a response to this RFP. All costs incurred by the proponent will be borne by the proponent.
- This is not an offer. The Rural Municipality of North Shore does not bind itself to accept the lowest price, the highest scored, or any proposal submitted.
- The municipality has the right to cancel this RFP at any time and to reissue it for any reason whatsoever, without incurring any liability and no proponent will have any claim against the municipality as a result of the cancellation or reissuing of the RFP.
- If a contract is to be awarded as a result of this Request for Proposal, it will be awarded to the proponent whose proposal, in the municipality's opinion, provides the best potential value to the municipality and is capable in all respects to perform fully the outlined services.
- The municipality reserves the exclusive right to determine the qualitative aspects of all proposals relative to the evaluation criteria.
- Proposals will be evaluated as soon as practicable after the closing time. No detail of any proposal will be made public except the names of all parties submitting proposals.
- The proposal and accompanying documentation submitted by the proponents are the property of the municipality and will not be returned.
- The proposal shall remain open for acceptance for a period of not less than thirty (30) days from the closing date of this RFP

4.0 PROPOSAL REQUIREMENTS AND EVALUATION

The Proposal shall include information required to rate the proposal as follows:

- A brief narrative describing the proponent's firm (or team) and the overall approach to the project. This is the proponent's opportunity to present their project methodology as well as to show an understanding of the project. It is also an opportunity to present innovative ideas or approaches to the project.
- Background and qualifications of the proposed audit manager and senior accountant that will work on this project. The proponent should demonstrate the experience and qualifications of the team members to provide the services to fulfill the requirements of the professional services as set out.

- Descriptions of relevant experience and examples of similar work performed. As part of the evaluation of the submission, the municipality shall review the proponent's past performance on similar audits and their references from other clients for similar services.
- A detailed schedule that identifies when services shall be conducted and demonstrate the project can be completed within the allotted time frame and within budget.
- A costing to complete all facets of the required work through year ending 2021, 2022 and 2023. Out of pocket expenses such as travel etc. shall be included as part of the audit fee and are not to be billed separately.
- The audit shall be completed at the municipal office in North Shore.
- The audit shall be completed on or before June 30 each year.
- Final audit documents and paperwork to be submitted to government departments no later than July 15 each year.

Ratings will be confidential, and no details will be released to any of the proponents. The evaluation of the proposals shall be based on the factors presented as follows in Table 1.

Table 1 EVALUATION RATING TABLE	
Rating Factors	Weight Factor
1. Understanding of the Audit Requirements	10
2. Audit Plan	15
3. Audit Team	20
4. Past Performance and References	15
6. Audit Schedule	15
7. Cost of Services	25
MAXIMUM TOTAL POINTS	100

4.1 Proposal Submission Format

Submissions shall meet the following format or they may not be evaluated.

- Paper size – 8 1/2 “x 11”;
- Minimum font size – 12-point Times or equal;

5.0 TERMS OF REFERENCE

5.1 Background

The RMNS has a population of just over 2000-year-round residents and provides municipal services including administration, planning, finance and recreation. The Municipality approved budget for all operations for Fiscal Year Ending March 31, 2021 is approximately \$572,819.00.

The RMNS operates under a council-manager system of government. The Council is comprised of six elected members in a ward system and an elected Mayor. The Chief Administrative Officer (CAO) is responsible for all municipal administration functions.

The municipality utilizes software supplied by SAGE.

5.2 Objective

The following is the objective of the project:

- To complete the 2020, 2021 and 2022 Municipal audit for the Rural Municipality of North Shore according to all applicable legislation and regulation no later than June 30 each year.

5.3 Scope of Services

The scope of work to be completed by the proponent as part of this professional Accounting services and audit is summarized below. This scope of services is not to be considered all-inclusive. Tasks required to meet the project objective will be considered to be required under this Terms of Reference unless they are deemed unforeseeable or are required to meet expanded project objectives.

1. Audited financial statements for the Rural Municipality of North Shore, including schedules as required, must be provided for the Municipality and the notional allocation under the Gas Tax Agreement.

2. The following reports/schedules shall be required to be completed for each year of the contract. The annual Municipal Financial Information Return to the Province of PEI and the Canada-Prince Edward Island Gas Tax Annual Expenditure Report and any others as required.
3. Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by error or fraud and conformity with GAAP and PSAB.
4. Perform tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors and financial institutions.
5. Review the internal accounting controls of the municipality to an extent necessary to evaluate the system as required by applicable standards.
6. Issue a Management Report making recommendations for improvement.
7. The Auditor shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts to the CAO.
8. Inform the CAO of any matters involving internal control and its operation that the Auditor considers being reportable conditions under standards established by the CICA Handbook.
9. Provide the municipality with adjusting entries and final trial balance upon completion of the field work and provide support/assistance, if needed, to the bookkeeper when posting the adjusting entries.
10. Includes a presentation to Council of the draft financial report for their approval.
11. Before February 15th of each year, the municipality's auditors shall meet with appropriate administrative staff members of the municipality to discuss and agree upon a schedule for the completion of the audit, working paper requirements and reporting deadlines. The audit shall be completed on or before the last day of June in the year following so that all financial reports of the municipality may be filed as required by legislation.
12. As part of the overall audit contract, the municipality expects to receive from the audit firm a variety of technical assistance throughout the fiscal year, including answers to accounting, reporting or internal control questions and advisory services. Indicate fees for these services if any and/or if they are included in your total annual base fee.
13. Proposals should contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.

14. Term of Contract. The proposal is for auditing services for a three-year term with separate audits for each Fiscal Year Ending March 31, 2021, 2022, 2023. It is the intent of the municipality to negotiate a three-year contract. If the contract is satisfactorily carried out for the municipality a three-year term, the successful proponent's contract may be extended for two (2) one (1) year extensions for 2024 and 2025 at the sole discretion of the municipality. The municipality will undertake an annual performance review and Council may, at its discretion revoke the auditor appointment upon thirty (30) days notice should there be any unsatisfactory aspect of performance. An engagement letter is required each year by the auditing firm.

5.4 Project Submission Formats

Draft and final reports (financial statements, etc.) shall be presented on standard size paper (8 ½" x 11"), minimum font size – 12-point Times or equal and may be double sided, unless otherwise directed.

All electronic files submitted, shall be prepared in MS Word format. Any spreadsheets or graphs shall be prepared in MS Excel format.

5.5 Proposed Schedule

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| 1) Request for Proposal Issued | December 18, 2020 |
| 2) Submission of Proposal Due by 12:00 PM (noon) | January 22, 2021 |
| 3) Award of Contract | January 29, 2021 |