

DISTRICT OF MACKENZIE



REQUEST FOR PROPOSAL

Annual External Audit Services (2024-2026)

Issue Date: November 5, 2024

Closing Date: November 28, 2024

District of Mackenzie
Bag 340
Mackenzie, B.C. V0J 2C0
Attn: Kerri Borne, Chief Financial Officer

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Introduction

The District of Mackenzie (District) invites qualified accounting firms to submit proposals to perform annual financial audits for the District for a three-year term beginning with the annual audit for the fiscal year ending December 31, 2024 to the fiscal year ending December 31, 2026 inclusive. Subject to satisfactory performance of the services by the successful proponent, the term may be extended, if mutually agreeable, for an additional two (2) year period.

In addition, the District is responsible for the accounting of the Mackenzie Public Library (MPL). The MPL entries are processed through the District's financial system. The successful proponent will also be responsible for the completion and presentation of the annual audit to the MPL Board.

Audits must be planned and executed in accordance with generally accepted Canadian Auditing Standards (CAS) 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 will 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.

The District of Mackenzie reserves the right to reject any or all proposals submitted. There is no express or implied obligation for the District of Mackenzie to reimburse Proponents for any expenses incurred in preparing proposals in response to this RFP. If none of the proposals are satisfactory to the District of Mackenzie, no selection will be made. Proposals submitted in response to the RFP become the property of the District of Mackenzie and are subject to public inspection. The District of Mackenzie reserves the right to modify the RFP contents and requirements at any time prior to the submission deadline.

Regardless of the manner in which the RFP document is received by the Proponent, the contents of the RFP may not be altered in any way. Any alterations to the contents of the RFP document will be grounds for dismissal from consideration or termination of any resulting contract. By submitting an RFP, it is agreed by the Proponent that the discovery of any misleading or false information provided may be grounds for rejection from consideration, and/or termination of any resulting contract.

Instructions to Proponent

- a. Proposals must be received only at the following address:

Kerri Borne
Chief Financial Officer
kerri@districtofmackenzie.ca

- b. The Proponent's fee proposal must include the total fee, including PST if applicable, for the annual premium of the policy. Please show Goods and Services Tax (GST) as a separate line item.
- c. The deadline for receipt of complete proposals via e-mail to the District of Mackenzie is **4:00p.m. Pacific Standard Time, on November 28, 2024.**
- d. All proposals, once opened, are considered to be a public record and shall be available for viewing and reproduction by any person.

Questions & Clarification

- a. To clarify any issues in this RFP, the District of Mackenzie will respond only to questions that are presented through e-mail. Questions should be submitted to Kerri Borne at kerri@districtofmackenzie.ca. Telephone questions will not be accepted.
- b. All questions and answers will be consolidated into a single Q&A document.
- c. All questions must be received by **November 18, 2024.**
- d. The Q&A document will be posted on the District of Mackenzie web site at www.districtofmackenzie.ca, with the tender document, on or after **November 21, 2024.** This will be the only distribution method for the Q&A document.

Timeline

The following timeline is an estimate and may be adjusted at the District's discretion any time during this procurement process.

Distribution of RFP	November 5, 2024
Deadline for questions submitted by email	November 18, 2024
Upload of Q&A Document (if required)	November 21, 2024
Deadline for completed proposals	November 28, 2024
Target Notification to successful proponent	December 10, 2024

Communication with the District of Mackenzie

- a. Only the Chief Financial Officer (or designate) is the District's representative authorized to communicate and otherwise deal with Proponents and all Proponents should communicate and

otherwise deal with that person only. Contact with any other District representative, including Member of Council, officers or employees of the District regarding this RFP or a Proponent's submission may result in that Proposal being removed from consideration for this RFP. As stated above, all communication should be presented via email to the address stated above.

- b. All Proponents who have submitted a proposal will be notified of the District of Mackenzie's decision after the final selection has been made. This notice of final selection may be the only communication between the District of Mackenzie and the Proponents. Telephone or other inquiries concerning this proposal after the proposal deadline are discouraged.

Proponent & District of Mackenzie Responsibilities

- a. It is the responsibility of the Proponent to ensure compliance with all requirements and deadlines. Proposals which are not in compliance with the RFP requirements may be rejected.
- b. It is the responsibility of the Proponent to ensure delivery of all required response material.
- c. The District of Mackenzie assumes no responsibility for technological or logistical issues in delivering the Proponent response.
- d. All proposals will be reviewed to determine if they satisfy the mandatory criteria in this RFP. Proposals not satisfying the mandatory criteria will be rejected.
- e. All costs of preparation and presentation associated with a response to this RFP will be the responsibility of the Proponent. Proponents may be asked to make a presentation before the District of Mackenzie if selected as a finalist.
- f. The District of Mackenzie reserves the right to award all, part, or none of this contract.
- g. The Proponent shall be bound by the information and representations contained in any proposal submitted. The proposal is deemed to be a binding offer on the part of the Proponent.
- h. Submission of a proposal in response to this RFP indicates the Proponent's acceptance of the terms and conditions contained within the RFP.
- i. The District of Mackenzie prohibits the payment of a finder's fee in any form. The Proponent must certify that no finder's fee or finder's commission has been paid or shall be paid to any individual or organization from the establishment of this investment relationship with the District of Mackenzie.
- j. All Proponents must fully disclose any proposed subcontracting of any of the required services.

Insurance

The Auditor shall maintain professional liability 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 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.

Statement of Needs

Background Information

The District of Mackenzie is seeking qualified accounting firms to submit proposals to perform annual financial audits for the District for a three-year term beginning with the annual audit for fiscal year ending December 31, 2024.

The District's 2023 total operating budget was approximately \$16 million, with an additional capital budget that varies depending on the magnitude of capital project underway. Major services provided to the District's residents include water and sewer services, garbage collection, public health, roads and sidewalks, parks, playgrounds, trails, recreation, fire protection, bylaw enforcement, finance and administration.

The District's financial activities are accounted for through an Operating Fund, Water Fund, Sewer Fund, Capital Fund and Reserve Funds. The District's operating revenues consist largely of property taxes and utility fees from residents.

The Chart of Accounts contains approximately 820 active accounts. The District issued approximately 2,290 accounts payable cheques, direct deposits, and electronic fund transfer payments in fiscal year 2023. Taxation collected for fiscal year 2023 was approximately \$5.4 million. The District has 50 full time, 5 permanent part time and 21 part time employees. Employees are paid bi-weekly by direct deposit with a net payroll of \$130,000 per payperiod. As of December 31, 2023 the District held approximately \$20.2 million in reserves.

Mackenzie Public Library is a non-profit organization that is governed by a Board of Directors. The Chart of Accounts contains approximately 56 active accounts with an operating budget of approximately \$400,000. The library has 3 full time, and 3 part time employees. Employees are paid bi-weekly and are included in the District's net payroll deposit.

Audit firms who are considering a Proposal pursuant to this request are encouraged to visit the District of Mackenzie's website at www.districtofmackenzie.ca for a more detailed overview of the District's characteristics and activities. Documents pertinent to this Proposal can be found on the website including:

[2023 Annual Report](#)

[2023 Statement of Financial Information](#)

[2024-2028 Financial Plan](#)

Financial Systems and Statistics

The District utilizes MAIS financial software by A-Mais Technologies Inc. The software is run in a Windows environment and includes modules for general ledger, financial reporting, payroll, accounts receivable, accounts payable, business licensing, animal control, utilities, property taxes and cash receipting.

The Recreation Services department at the Mackenzie Recreation Centre utilizes Smart Rec by Amilia for facility bookings and Recreation Centre cash receipting.

Tangible capital asset inventory and valuations are maintained in Microsoft Excel spreadsheets. The District has Asset Finda software, but it is not operational and we are looking at other Asset Management software options.

Scope of Services and Audit Opinion

The Auditor will be required to examine the financial records, systems and controls of the District in accordance with 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 Mackenzie. The Auditor will be required to attend a meeting of Council to present and explain as necessary the audit reports and audit opinion.

In compliance with the *Community Charter*, Council will appoint an Auditor (or Audit Firm) for audit services; however, other firms may be used for other financial services if it is deemed more

advantageous or appropriate to do so. The District, therefore, expressly reserves the right, at its sole discretion, to use other financial services and financial firms.

The District wishes to be advised of any weaknesses in internal control or other areas of concern noted during the audit 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, during the Audit.

The Auditor will ensure all new or changed reporting requirements and auditing standards are communicated to the District 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 respond to and discuss with the Chief Financial Officer (or designate) any accounting, auditing, tax and other issues arising throughout the year. Inquiries shall remain infrequent 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 otherwise the Chief Financial Officer (or designate) would be advised of any additional charges prior to services being provided.

The financial statements for the District, which will conform to Public Sector Accounting Standards (PSAS) requirements, will be prepared by the Auditor, unless indicated otherwise. The audited financial statements must be finalized by the appropriate statutory deadline.

The Auditor shall immediately upon discovery of information or conditions, that would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the Chief Financial Officer (or designate). In addition, the Auditor shall as far as possible, allow a reasonable period of time for District staff to make an investigation, analyze, report and take such corrective action to avoid the inclusion of such qualification.

Annual Audit Schedule

Prior to November 30 of each year, the Auditor shall correspond with the Chief Financial Officer (or designate) 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 November 30th 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	TIMELINE
Audit plan and schedule	November
Schedule of client assistance, provided by the Auditor to the Chief Financial Officer (or designate)	January
Year-end trial balance, provided by the Chief Financial Officer (or designate) to Auditor	March – Approximately 1 week prior to year-end audit

Year-end Audit	March
Audit report and presentation to Council	4 th Monday in May
Audit findings report and management letter(s)	4 th Monday in May

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

Both the Chief Financial Officer and the Auditor will be jointly responsible for the preparation and processing of the all confirmation letters.

The Auditor will be responsible for preparing the consolidated Financial Statements for the District of Mackenzie and the Mackenzie Public Library.

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 Chartered Professional Accountants of Canada.

Evaluation Process & Criteria

Each response to this RFP will be evaluated by the District of Mackenzie to determine the degree to which it responds to the requirements set out.

- a. Awards will be based on best value offered, and the best value will be determined by the District in its sole discretion. Evaluation criteria will be:
 - i. Understanding of Engagement
 - ii. Municipal Audit Experience
 - iii. Audit Firm Personnel Qualifications and Experience
 - iv. Audit Implementation
 - v. Additional Services
 - vi. References
 - vii. Audit Fee
- b. While previous experience with the District is not required and does not in any way confer an advantage, the District's previous experience with the Proponent may also be taken into consideration in its evaluation of Proposals. The District reserves the right to rely upon its records, references and recollection in this regard. The District may also obtain references other than those provided by the Proponent and may use these references in determining the best value.
- c. Award of any contract resulting from this RFP may be subject to the District of Mackenzie Council approval, and budget considerations.

Confidentiality

The proposal should clearly identify any information that is considered to be confidential or proprietary information (the "Confidential Information"). However, the District of Mackenzie is subject to the Freedom of Information and Protection of Privacy Act. As a result, while the Act offers some protection for third party business interests, the District of Mackenzie cannot guarantee that any Confidential Information provided to the District of Mackenzie can be held in confidence if a request for access is made under the Freedom of Information and Protection of Privacy Act.

Irrevocability of Proposals

By submission of a written request, the Proponent may amend or withdraw their proposal prior to the closing date and time. Upon closing time, all proposals become irrevocable and are valid for a minimum of 60 days. Should their submitted proposal be successful, the Proponent agrees to enter into a contract with the District of Mackenzie. Prices will be firm for the entire contract period, unless otherwise agreed to by both parties.

Alternate Proposals

If an alternate solution is offered, the information shall be submitted in the format requested as a separate proposal.

Limitation of Damages

By submitting a proposal, the Proponent waives any claim for loss of profits if no contract is made with the Proponent, and agrees to all terms and conditions of this RFP. Proponents who have obtained the RFP electronically must not alter any portion of the document, with the exception of adding the information requested. To do so will invalidate the proposal. The Proponent is responsible for ensuring that they have obtained and considered all information necessary to understand the requirements of the RFP and to prepare and submit their proposal.

Cancellation of RFP

The District of Mackenzie reserves the right to cancel this RFP at any time.

Accuracy of Information

The District of Mackenzie makes no representation or warranty, either express or implied, with respect to the accuracy or completeness of any information contained or referred to in this RFP.

Default

The District of Mackenzie may, by notice of default to the Proponent, terminate the whole or any part of the Contract if the Proponent fails to make delivery of the Services within the time specified, or to perform any other provisions of the Contract.

In the event the District of Mackenzie terminates the Contract in whole or in part as provided in clause (a), the District of Mackenzie may procure services similar to those so terminated, and the Proponent shall be liable to the District of Mackenzie for any excess costs for such similar services.

The Proponent shall not be liable for any excess costs under clause (a) if failure to perform the Contract arises by reason of Force Majeure or acts of the District of Mackenzie.

Misrepresentation or Solicitation

If any director, officer, employee or agent of a Proponent makes any representation or solicitation to any Councillor, officer, employee or agent of the District of Mackenzie with respect to the RFP, whether before or after the submission of the proposal, the District of Mackenzie shall be entitled to reject or not accept the proposal.

Business License and Permits

The successful Proponent shall be responsible for acquiring and maintaining a valid District of Mackenzie Business License for the term of the Contract if the successful Proponent is to conduct work on the District of Mackenzie property.

Payment Terms

The successful Proponent shall invoice the District of Mackenzie in an acceptable format and will be paid as per the District of Mackenzie's standard payment terms, net 30 days from date of invoice. The District of Mackenzie shall not pre-pay for any goods, or services for any period, unless agreed to in writing by the District of Mackenzie.

Applicable Laws and Agreements

This RFP is subject to the terms and conditions of the Agreement for Internal Trade, Mash Annex 502.4 the Trade, Investment and Labour Mobility Agreement, and the New West Partnership Agreement, all inter-provincial trade agreements.

The laws of the Province of B.C. shall govern this request for proposal and any subsequent Contract resulting from the proposal.

APPENDIX A

PROPONENT INFORMATION AND AGREEMENT FORM

(should be completed and returned)

PROPONENT INFORMATION

Legal Business Name: _____

Address: _____

Contact Person: _____

Contact Information: _____
(phone / cell / fax / email)

PROPONENT AGREEMENT

The enclosed proposal is submitted in response to the above-referenced Request for Proposals, including any addenda. Through submission of this proposal we agree to all of the terms and conditions of the Request for Proposals 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 Proposals, including the Instructions to Proponents, 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.

Signature of Authorized Representative: _____

Printed Name of Authorized Representative: _____

Title of Authorized Representative: _____

Date: _____

To acknowledge receipt of each addendum, each addendum number issued should be noted below with a signature of an authorized representative of the organization, as being received.

Addendum No. 1 Signature _____ Date _____

Addendum No. 2 Signature _____ Date _____

Addendum No. 3 Signature _____ Date _____

APPENDIX B

AUDIT 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 shall include a table of contents identifying the topics by page number. Proposals should include the following mandatory criteria:

1. **Company Profile and Contact:** A brief profile of your firm (1-2 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.
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 Public Sector Accounting Board (PSAB) accounting and auditing standards.
3. **Audit Staffing:** Name and brief resume of the partner(s), manager(s) and other key staff who will 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 District's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the annual audit.
5. **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.

6. **Fee Proposal:** Please submit your firm’s audit fee in the following format:

District of Mackenzie

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

Mackenzie Public Library

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

The fee schedule should include an all-inclusive maximum cost for the requested work for each of the three years, and the possible two year extension. No disbursements outside of the agreed upon fee schedule will be paid by the District.

7. **Billing Dates:** The proposed schedule of billing dates.
8. **References:** Three references at least two of which must be municipal audits within the last three years. Include numbers of years of service and a contact name, telephone number and email address for each reference.
9. **Agreement Form:** Completed and signed Proponent Information & Agreement Form (Appendix A)