**<<Logo of Organization>>**

**Request for ProposalS**

**for the Audit of**

**<<Organization Name>>**

Issue date: <<Date>>

**Delivery of Proposals:**

Electronic proposals must be sent by email to: <<Contact Name>>

(Electronic proposals must be a single PDF document)

or

By hand or courier:

<<Organization Name>>

<<Address>>

Attention: <<Contact Person>>

(<<Quantity>> complete copies of each proposal must be received)

**Closing date and time:**

<<Date>> at <<Time>> Pacific Time

**Location and Date of Information Meeting:**

<<Location >>

<<Date and time>>

Proponents are advised to fill out and return the Receipt Confirmation Form (Appendix A) to the Contact Person before date of information meeting

**Contact Person:**

<<Contact Name>>, email:<<Contact Email>>

**Note to RFP Author: This template is prepared for government organizations included in the government reporting entity of the Province of British Columbia**

**Date of Last Revision:** July 2013

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2. Proposal Transmittal Form
3. Audit Team Composition and Budgeted Audit Hours
4. Draft Service Agreement

Attachments to the Draft Service Agreement:

1. Request for Proposals
2. Auditor’s Proposal

# BACKGROUND

## Purpose of the Request for Proposals

This Request for Proposals (RFP) invites audit firms to submit proposals for the performance of audit services with respect to the financial statements of <<Organization Name>>.

## Period of Service Agreement

The selected Proponent will perform the audit services as described above for one year, commencing with the <<Year>> reporting year. The <<Organization Name>> will retain the option to extend the Service Agreement for up to <<Quantity>> additional years, in one-year increments, provided both parties agree to the renewal. The fiscal year of the <<Organization Name>> is <<Fiscal period>>.

## Type and Scope of Audit

The audit of the Financial Statements of <<Organization Name>> (the financial audit) must be conducted in accordance with Canadian Auditing Standards (CAS).

The audit report should express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the entity, and the results of its operations, change in its net liabilities, and its cash flows for the year in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

**Note to RFP Author: If the financial statements are prepared on a compliance basis and not in accordance with GAAP, the wording of the second paragraph in this section should be amended as follows:**

The audit report should express an opinion as to whether the financial statements are prepared, in all material respects, in accordance with section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. Note that because this accounting framework is not in accordance with GAAP, there are additional reporting requirements to the Office of the Auditor General as described in section 3.2.4.

### Timing of the Auditor’s Reports

The Auditor will:

* + - 1. provide the financial statement auditor’s report, addressed to <<Organization Name>> and the Minister of <<Ministry Responsible>>[[1]](#footnote-1), having format and content consistent with Canadian Auditing Standards;
      2. provide the Audit / Finance Committee of <<Organization Name>> with the auditor’s reports in sufficient time to enable <<Organization Name>> to meet any statutory reporting requirements such as timing and distribution where the report is needed for inclusion in the Public Accounts of the Province, or must be submitted to the responsible minister. The timing for the report is <<Date>>. This date is based on current information and is subject to change. See Section 3.3 for other Key Dates.

### Other Reporting Requirements

**Notes to RFP Author:**

* + **Paragraphs 3.2.2 and 3.2.3 should only be included if your organization is classified by the Office of the Auditor General as a significant component[[2]](#footnote-2) of the government reporting entity. The organization should contact the Office of the Auditor General if they are unsure whether they are classified as significant or non-significant.**
  + **Paragraph 3.2.2 should not be included if your organization is a government business enterprise type of organization.**
  + **Paragraph 3.2.4 should only be included if your organization prepares its financial statements on a compliance basis and not in accordance with GAAP.**

#### Role of the Auditor General

The Auditor General is the auditor of the Summary Financial Statements of the Province of British Columbia. The Summary Financial Statements are the financial statements of the government reporting entity. The government reporting entity consists of ministries, Crown corporations, and other government organizations such as universities, colleges, school districts, health authorities, and similar organizations that are controlled by the Provincial government.

In order to provide an opinion on the Summary Financial Statements of the Province, the Auditor General intends to rely on the work of the Auditor pursuant to Canadian Auditing Standards. The Auditor will, as auditor of <<Organization Name>>, communicate with the Auditor General concerning his or her intended reliance.

In order to provide an opinion on the Summary Financial Statements of the Province, the Auditor General must be assured that the financial statement audit process for government organizations is sufficient to rely on. In order to obtain this assurance, the Auditor General will carry out directly a limited number of audits and will participate, to varying degrees, in other audits. In some cases, the Auditor General will be extensively involved in the planning, examination and reporting phases of the audit. The involvement of the Auditor General will supplement, not replace, the work of the Auditor and will not relieve nor interfere with the Auditor’s duties to the Board.

The Auditor General will consult with <<Organization Name>> about the level of involvement expected for each year’s financial audit. <<Organization Name>> will advise the Auditor each year about the expected level of involvement of the Auditor General in that year’s financial audit.

#### Group Audit Reliance Procedures

Reporting requirements to the Auditor General regarding the financial audit of the organization will also include providing audit documentation such as risk assessments, key planning documents, corrected and uncorrected audit differences, audit results for significant risks and reports to management and those charged with governance of the organization. The Auditor is required to notify the Auditor General of any concerns regarding the honesty and integrity of management; suspected or detected fraud; material weaknesses in internal control over financial reporting; and related party transactions that are not in the normal course of operations. Auditors are also required to report issues that should be brought to the attention of the Auditor General in relation to the responsibilities of his or her legislated mandate.

#### Subsequent Events Assurance

With respect to the audit of the financial statements of <<Organization Name>>, the Auditor will also be required to perform additional subsequent event procedures as the Auditor General’s audit of the Province’s Summary Financial Statements is nearing completion. These procedures are typically completed up to the second Friday of June each year (“Subsequent Events Date”); however, this date may be subject to revision. Subsequent events assurance procedures would likely include:

1. Obtaining an understanding of any procedures that management of <<Organization Name>> has established to ensure that subsequent events are identified.
2. Making inquiries of management (and those charged with governance) as to:
   1. Whether subsequent events that have occurred during the period from the client’s year end date to the Subsequent Events Date might affect the financial statements;
   2. Management or board decisions taken at meetings where the minutes are not yet available; and
   3. Current status of items that were accounted for on the basis of preliminary or inconclusive data.
3. Reading relevant documents such as financial reports prepared by the client subsequent to the client’s year end date and minutes of meetings of governing Boards and important committees for the period from the client’s year end date to the Subsequent Events Date.
4. Obtaining a letter of management representation from the organization’s officials and a letter regarding any outstanding legal matters from its lawyers as of the Subsequent Events Date.
5. Making inquiries of management regarding specific matters that might require adjustment to and / or disclosure in the financial statements such as changes in contractual obligations, sale or acquisition of assets, changes or proposed changes to long-term debt, etc.

#### Reporting Impact of not applying Public Sector Accounting Standards (PSAS)

As <<Organization Name>> prepares its financial statements in compliance with section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, there are additional reporting requirements to the Auditor General. The Auditor General is required by legislation to report on the fair presentation of the summary financial statements of the Province in accordance with PSAS. Therefore, the Auditor General will require the Auditor to report on how the accounts would differ had they been reported in accordance with PSAS. Note that this requirement does not apply to balances and transactions between <<Organization Name>> and the Province, as these amounts are eliminated when consolidated into the Province’s summary financial statements.

### Key Audit Dates

The key audit dates for the financial audit are as follows:

|  |  |
| --- | --- |
| **Event** | **Key Audit Date for each Fiscal Year** |
| * Presentation of Audit Planning Report to the Audit / Finance Committee of the Board | <<Date>> |
| * First draft of financial statements sent to Auditor | <<Date>> |
| * Near final draft of financial statements sent to Auditor | <<Date>> |
| * Final unsigned financial statements sent to Auditor | <<Date>> |
| * Presentation of Final Report to the Audit / Finance Committee | <<Date>> |
| * Financial statements and annual report approved by the Board | <<Date>> |
| * Entity reporting deadline for OCG | <<Date>> |
| * Auditor reports to the Office of the Auditor General | <<Date>> |

### Management Letter

The Auditor will prepare a management letter for the financial audit that highlights observations and recommendations related to internal control, accounting issues, or other matters identified during the audit. A request for a copy of the management letter will be included in the annual reliance letter sent by the Auditor General to all government organization auditors.

While performing the audit, the Auditor must be mindful that the public and legislators expect <<Organization Name>> to conduct business in a proper and prudent manner, giving every regard to spending employers’ money wisely. The Auditor should remain alert while carrying out the audit for significant instances or patterns of behaviour that give rise to concerns about:

1. accountability in the use and management of employers’ monies;
2. waste or misuse of <<Organization Name>> resources;
3. probity in behaviour; or
4. compliance with financial and other legislation.

A request for a copy of the management letter will be included in the annual reliance letter sent by the Auditor General to all government organization auditors.

## Determination and Payment of Fees

The Auditor will invoice <<Organization Name>> for the audit fees for services completed as contemplated under this Request for Proposals. Amounts billed will be according to the tendered amounts set out in the Service Agreement with the Auditor.

After completion of the <<Number of Years>> year under the Service Agreement, either the Auditor or <<Organization Name>> may call for a meeting to determine whether the audit fees for the remaining <<Number of Years>> years should be revised. Such a meeting may only be convened if:

1. There has been or will be a significant change in the size and scope of <<Organization Name>>’s operations that has resulted, or will result, in changes to the nature and extent of the audit work and that could not have been anticipated at the closing date of the RFP;
2. There have been significant changes to professional standards for carrying out an audit in accordance with Canadian Auditing Standards, where such changes were not known and could not have been anticipated at the closing date of the RFP;
3. There have been significant changes to accounting standards or the accounting framework adopted by <<Organization Name>> that has resulted, or will result, in changes to the nature and extent of the audit work and that could not have been anticipated at the closing date of the RFP; or

In the event that additional work needs to be performed in any particular year to meet Canadian Auditing Standards due to issues outside of the control of the Auditor, the Auditor will discuss with <<Organization Name>> whether an additional fee may be charged for such work. The Auditor will provide <<Organization Name>> with full details of such additional audit work and the reasons for it.

## Information about <<Organization Name>>

### Description

**RFP Author: this section provides any proponents for the RFP with details of the organization. Some examples of key information to include here or as appendices are:**

* **Enabling legislation**
* **Mission and vision statements**
* **Details of normal operating activities**
* **Promotional or other materials outlining the organization’s operations**
* **Corporate plan**
* **Annual plan**
* **Business plan**
* **Details of unique regulatory or audit requirements**
* **A discussion regarding any contentious issues**
* **Details of the financial reporting framework applicable to the organization**
* **A copy of an updated organization chart**

### Key Information Systems

The key financial statement components or processes are tabulated below.

**RFP Author: this table should disclose all major information systems that the organization relies on for financial reporting.**

|  |  |
| --- | --- |
| **Financial Statement Component or Key Business Process** | **Key Application Name** |
|  |  |
|  |  |
|  |  |
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|  |  |

### Audit Responsibility

The overall responsibility for the audit rests with <<Name>>, <<Title>>.

### Work Done by <<Organization Name>> Staff

A major objective of <<Organization Name>> is to ensure quality audits and services at a reasonable cost. Accordingly, <<Organization Name>> staff are prepared to assist the Auditor by providing information, documentation and explanations as required. Assistance would include the following:

1. Preparation of financial statements, including notes and schedules;
2. Preparation of year-end working papers and lead sheets;
3. Preparation of accounting schedules and reconciliations;
4. Comparative analysis of current and prior results;
5. Location of documentation supporting transactions selected for testing;
6. Typing of confirmations and other related correspondence;
7. Other reasonable assistance as required by the Auditor.

The above would include meetings with audit staff during the planning and field work stage of the audit. All <<Organization Name>> staff involved with the audit process are located at <<Address>>.

### Audit / Finance Committee

<<Organization Name>> has an Audit / Finance Committee, which assists the Board in fulfilling its oversight responsibilities by reviewing:

1. the financial and performance information that will be provided to the Province and the public;
2. the systems of internal controls, that Management and the Board have approved;
3. all audit processes;
4. compliance with laws, regulations and policies that may apply to <<Organization Name>>
5. **RFP Author: Include any other relevant responsibilities of the Audit or Finance Committee**

### Internal Audit

**RFP Author: amend this section as appropriate for your circumstances.**

<<Organization Name>> has an Internal Audit department which carries out both financial and value for money audits. Although some elements of the department’s annual work-plan may be of value to the Auditor, the department does not carry out any specific tasks in support of the financial statements audit.

OR

<<Organization Name>> does not have an Internal Audit Department.

# REQUEST FOR PROPOSALS ADMINISTRATION

The following terms and conditions apply to this RFP and to the subsequent Service Agreement. Submission of a proposal in response to this RFP indicates acceptance of all the terms and conditions that follow and that are included in any addenda issued by <<Organization Name>>. Provisions in proposals that contradict any of the terms of this RFP will be as if not written and do not exist.

## Definitions

Throughout this Request for Proposals, the following definitions apply:

* “Contract” or “Service Agreement” means the written agreement resulting from this Request for Proposals executed by <<Organization Name>> and the Auditor;
* “Auditor” means the successful Proponent to this Request for Proposals who enters into a written Contract with <<Organization Name>>;

**RFP Author: if the organization uses an acronym or short form for the organization name, then include the following bullet point**

* “<<Organization Acronym / Short form of name>>” means <<Full Organization Name>>;
* “must”, or “mandatory” means a requirement that must be met in order for a proposal to receive consideration;
* “Proponent” means an individual or a company that submits, or intends to submit, a proposal in response to this Request for Proposals;
* “Province” means Her Majesty the Queen in Right of the Province of British Columbia and includes <<Organization Name>> ;
* “Request for Proposals” or “RFP” means the process described in this document; and
* “should” or “desirable” means a requirement having a significant degree of importance to the objectives of the Request for Proposals.

## Request for Proposals Process

Proponents are advised to fill out and return the Receipt Confirmation Form (Appendix A)

### Enquiries

All enquiries related to this Request for Proposals are to be directed, in writing by letter or email, to the contact persons identified on the front page of this Request for Proposals. Information obtained from any other source is not official and should not be relied upon. Responses to enquiries concerning clarification of the terms of this Request for Proposals or information included in it will be provided to those Proponents who have returned the Receipt Confirmation Form. Enquiries must be communicated to the contact persons at least five days prior to the RFP closing date. Where possible, responses will be provided within two business days.

### Information Meeting

An information meeting will be held at the time and in the location specified on the front page of this RFP.

Oral questions will be accepted at the information meeting. However, questions of a highly complex nature, or questions where the questioner requires anonymity, should be forwarded in writing by letter or email, prior to the meeting, to the contact persons. The <<Organization Name>>’s <<Senior Financial Officer>>, <<Staff Person>> (or delegate) and <<Information Technology Expert>> will be present at the information meeting.

The minutes from the meeting will be distributed to those Proponents who have returned the Receipt Confirmation Form.

### Closing Date and Time

Proposals must be received by <<Date>> at <<Time>> Pacific Time.

Electronic proposals must be sent by email to <<Contact Name>> at <<Contact Email>>. Electronic proposals must be a single PDF document (i.e. do not send multiple PDF documents or other attachments). Any text in the email sent to <<Contact Name>> will not be considered part of the Proponent’s proposal.

Alternatively, hardcopy proposals (<<Quantity>> complete copies of the proposal must be received) can be submitted by hand or courier to:

<<Organization Name>>

<<Organization Address>>

Attention: <<Contact Name>>

### Late Proposals

Proposals will be marked with their receipt time at the closing location. Only complete proposals received and marked before closing time will be considered to have been received on time. Hard copies of late proposals will not be accepted and will be returned unopened to the Proponent. Electronic proposals that are received late will be marked late and will not be considered or evaluated. In the event of a dispute, the proposal receipt time as recorded at the closing location shall prevail whether accurate or not.

## Proposal Format

The following format and sequence must be followed in order to provide consistency in Proponents’ responses and to ensure each proposal receives fair consideration. All pages should be consecutively numbered.

1. Proposal Transmittal Form (see Appendix B) - the Proposal Transmittal Form must be signed by a person authorized to sign on behalf of the Proponent and to bind the Proponent to statements made in response to the RFP.
2. Table of Contents for proposal, including page numbers.
3. The body of the proposal, including pricing. The proposal should address all factors identified as the assessment criteria in the same order as they are described in the criteria. Failure to address all criteria will impair the proposal. The <<Organization Name>> will not seek clarification of vague or incomplete information.
4. The price for each year must be in Canadian dollars, be all-inclusive, including applicable taxes, and be firm for the entire period covered by the Service Agreement, subject to Section 4 of this RFP.
5. The Proponent must include statements:
   1. confirming that the Proponent’s proposed audit teams are independent[[3]](#footnote-3) from <<Organization Name>>, and any non-audit services performed by the Proponent for <<Organization Name>> will neither prejudice that independence nor be in conflict with any governing code of professional ethics; and
   2. providing details of any non-audit services rendered to <<Organization Name>> in the past three years and the fees relating thereto.

## Additional Terms

### Eligibility

Proposals will not be evaluated if the Proponent’s current or past corporate or other interests may, in the <<Organization Name>>’s opinion, give rise to a conflict of interest in connection with the project described in this RFP. This includes but is not limited to, involvement by a Proponent in the preparation of this RFP. If a Proponent is in doubt as to whether there might be a conflict or interest, the Proponent should consult with the contact persons prior to submitting a proposal.

### Irrevocability of Proposal

Proposals must be open for acceptance for at least 90 days after the closing date.

By submission of a proposal, a Proponent agrees that should its proposal be successful the Proponent will enter into a Service Agreement with the <<Organization Name>>, with format and content consistent with Appendix D.

### Definition of a Contract

Notice in writing to a Proponent that it has been identified as the successful Proponent and the subsequent full execution of a written Contract will constitute a Contract for services, and no Proponent will acquire any legal or equitable rights or privileges relative to the services until the occurrence of both such events.

### Negotiation Delay

If a written Contract cannot be negotiated within thirty days of notification of the successful Proponent, the <<Organization Name>> may, at its sole discretion at any time thereafter, terminate negotiations with that Proponent and either negotiate a Contract with the next qualified Proponent or choose to terminate the RFP process and not enter into a Contract with any of the Proponents.

### Changes to Proposal

By submission of a clear and detailed written notice, a Proponent may amend, or withdraw, its proposal prior to the closing date and time. At closing time, all proposals become irrevocable.

A Proponent will not change the wording of its proposal after closing, and no words or comments will be added to the proposal unless requested by <<Organization Name>> for purposes of clarification.

### Proponents’ Expenses

Proponents are solely responsible for their own expenses in preparing a proposal and in subsequent negotiations with <<Organization Name>>, if any. If <<Organization Name>> elects to reject all proposals, <<Organization Name>> will not be liable to any Proponent for any claims, whether for costs or damages incurred by the Proponent in preparing the proposal, loss of anticipated profit in connection with any final agreement, or any other matter whatsoever.

Furthermore, a Proponent, by submitting a proposal, agrees that it will not claim damages, for whatever reason, relating to the Contract or in respect of the competitive process, in excess of an amount equivalent to the reasonable costs incurred by the Proponent in preparing its proposal and the Proponent, by submitting a proposal, waives any claim for loss of profits if no Contract is made with the Proponent.

### Acceptance of Proposal

This Request for Proposals should not be construed as an agreement to purchase services. The <<Organization Name>> is not bound to enter into an agreement with the Proponent that submits the lowest priced tender or with any Proponent. Proposals will be assessed in light of the evaluation criteria. The <<Organization Name>> will be under no obligation to receive further information, whether written or oral, from any Proponent.

Neither acceptance of a proposal nor execution of a Contract will constitute approval of any activity or development contemplated in any proposal that requires any approval, permit or license pursuant to any federal, provincial, regional district or municipal statute, regulation or by-law.

### Liability for Errors

While the <<Organization Name>> has used considerable effort to ensure an accurate representation of information in this RFP, the information contained in this RFP is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by <<Organization Name>>, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve Proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

### Modification of Terms

The <<Organization Name>> reserves the right to modify the terms of this RFP at any time at the <<Organization Name>>’s sole discretion. This includes the right to cancel this Request for Proposals at any time prior to entering into an agreement with a successful Proponent.

### Ownership of Proposals

All documents, including proposals, submitted to <<Organization Name>> become the property of <<Organization Name>>. Documents will be received and held in confidence by <<Organization Name>>, subject to the provisions of the *Freedom of Information and Protection of Privacy Act* and this RFP.

### Confidentiality of Information

Any portion of this document, or any information supplied by <<Organization Name>> in relation to this RFP may not be used or disclosed for any purpose other than the submission of proposals.

Without limiting the generality of the foregoing, by submission of a proposal, the information pertaining to <<Organization Name>> obtained by a Proponent as a result of participation in this bid is confidential and must not be disclosed except as required to fulfill the obligations of the Auditor under the Service Agreement.

### Collection and Use of Personal Information

Proponents are solely responsible for familiarizing themselves, and ensuring that they comply, with the laws applicable to the collection and dissemination of information, including resumes and other personal information concerning employees and employees of any subcontractors. If this RFP requires Proponents to provide <<Organization Name>> with personal information of employees who have been included as resources in response to this RFP, Proponents will ensure that they have obtained written consent from each of those employees before forwarding such personal information to <<Organization Name>>. Such written consents are to specify that the personal information may be forwarded to <<Organization Name>> for the purposes of responding to this RFP and use by <<Organization Name>> for the purposes set out in the RFP. <<Organization Name>> may, at any time, request the original consents or copies of the original consents from Proponents and upon such request being made the Proponents will immediately supply such originals or copies to <<Organization Name>>.

### No Lobbying

Proponents must not attempt to communicate directly or indirectly with any employee, contractor or representative of <<Organization Name>>, including the evaluation committee and any elected officials of the Province or with members of the public or the media about the project described in this RFP or otherwise in respect of the RFP other than expressly directed or permitted by <<Organization Name>>.

### Reciprocity

<<Organization Name>> may consider and evaluate any proposals from other jurisdictions on the same basis that the government purchasing authorities in those jurisdictions would treat a similar proposal from a British Columbia supplier.

## Evaluation

Evaluation of proposals will be by a committee formed by <<Organization Name>> and may include employees and contractors of <<Organization Name>>. All personnel will be bound by the same standards of confidentiality. <<Organization Name>>’s intent is to enter into a Contract with the Proponent who has the highest overall ranking.

### Unsuccessful Proposals

At the conclusion of the RFP process, all Proponents will be notified. Unsuccessful Proponents may request a debrief meeting with <<Organization Name>>.

### Timetable

The below timetable provides the anticipated schedule for the RFP process and signing of a Service Agreement. The timing and the sequence of events resulting from this RFP may vary and shall ultimately be determined by <<Organization Name>>.

|  |  |
| --- | --- |
| **Event** | **Date** |
| Request for Proposals issued | <<Date>> |
| Information meeting held | <<Date>> |
| Request for Proposals closes | <<Date>> |
| Proposal evaluations completed | <<Date>> |
| Service Agreement signed | <<Date>> |

### Basis for Selection

<<Organization Name>> will first check proposals against the mandatory requirements in section 10.3.1. Proposals not meeting all mandatory requirements will be rejected without further consideration. Proposals that meet all the mandatory requirements will then be assessed and scored against the criteria for assessment as per section 10.3.2.

#### Mandatory Requirements

The following are mandatory proposal requirements. Proposals not clearly demonstrating that they meet these requirements will receive no further consideration during the evaluation process.

1. The proposal must be received either by email, hand or courier by the specified closing date and time.
2. The Proposal Transmittal Form (see Appendix B) must be signed by a person authorized to sign on behalf of the Proponent.
3. The proposal must be in English and must not be sent by facsimile.
4. The Proponent must provide written confirmation that the Proponent’s proposed audit teams are independent of <<Organization Name>>.

#### Criteria for Assessment

Proposals meeting the mandatory requirements will be assessed against the evaluation criteria indicated below. <<Organization Name>> is aware of the benefits that can arise from a good quality audit. Accordingly, attributes concerning quality of the Auditor and audit team, and proposed audit strategy, are emphasized below. The following criteria must be specifically addressed in the proposal submission. Failure to address all factors will impair the proposal and <<Organization Name>> will not be obliged to seek clarification or inclusion of vague or incomplete information in making its selection. The lowest proposal in terms of all‑inclusive maximum cost will not necessarily be accepted.

It is the responsibility of the Proponents to ensure that their proposals address all the requirements established in the evaluation criteria.

|  |  |
| --- | --- |
| Capability of Proponent and Audit Team | 35% |
| 1. The location(s) and size of the Proponent, the experience and capabilities of its partners, managers and staff in the financial audit of organizations similar to <<Organization Name>>. | |
| 1. The proposed financial audit team’s experience in the financial audit of similar organizations and in other public bodies, and details of skills or experience which are directly relevant to the capacity of the team to conduct the financial audit of <<Organization Name>> (please provide short bios of the key members of the proposed audit team). | |
| 1. The availability of other specialized services that may be necessary for the financial audit engagement. | |
| 1. The availability of resources to ensure the financial audit engagement deadlines are met. | |
| 1. Expected turnover of staff assigned to the financial audit engagement over the next two to five years (based on historical experience). | |
| 1. Information on contributions made by the Proponent in improving the financial administration of other public bodies. | |
| 1. Quality assurance, quality control, and peer review processes of the Proponent as they would apply to the financial audit engagement. | |
| 1. The Proponent’s internal risk management techniques for liability, personnel and business loss exposures as they would apply to the financial audit engagement. | |
| 1. The Proponent’s policies on notification to clients of changes in key personnel or service level. | |
| Proposed audit strategy | 45% |
| 1. General financial audit strategies and methodology employed by the Proponent. | |
| 1. The depth of the perceived audit needs and understanding of the key issues facing <<Organization Name>>, the implications of those issues for the conduct of the financial audit, and particularly the audit strategies and methodology for the financial audit including, but not limited to:    1. preliminary audit plan and risk assessment, including IT audit approach;    2. risk response (e.g. controls testing, detailed and analytical substantive procedures etc.);    3. use of auditor’s experts or specialists;    4. utilization of computer assisted audit techniques;    5. reporting deliverables; and    6. audit approach to the external actuary’s work and other key service providers/organizations; | |
| 1. An audit engagement time budget (use Appendix C). | |
| Fee | 20% |
| 1. The cost up to a committed maximum cost for which the requested work will be performed for each year of the term of the Service Agreement. These amounts should include:    1. professional fees of audit and support staff; and    2. estimated out-of-pocket expenses (based on approved government rates where applicable). | |
| Total | 100% |

**RECEIPT CONFIRMATION FORM**

**Request for Proposals**

**For the Audit of**

<<Organization Name>>

For any further distributed information about this Request for Proposals,   
please return this form by fax as soon as possible to:

<<Contact Person>>

Email: <<Contact Email>>Fax: <<Contact Fax>>

**Company:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Street Address:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**City:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Postal/ZIP Code:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Province/State:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Country:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Mailing Address, if different**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Fax Number:** **(** \_\_\_ **)** \_\_\_\_\_\_\_\_\_\_\_ **Phone Number: (** \_\_\_ **)** \_\_\_\_\_\_\_\_\_\_\_\_

**Contact person:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Title:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**E-mail Address:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Please send us any subsequent information about this Request for Proposals by:**

|  |  |
| --- | --- |
| * **Courier Collect**: Courier Name and Account No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| * Fax (default if no box checked) | * E-Mail |
| **AND** | |
| **Proponents Meeting Response:** | |
| * We will be sending \_\_\_\_\_\_\_ (number) representatives to the Proponents’ meeting. | |
| * We will not be attending but will probably be submitting a proposal. | |

**Proposal Transmittal Form**

**For** **hard-copy proposals**, a person authorized to sign on behalf of the Proponent must complete and sign the Proponent section below, leaving the rest of this page otherwise unaltered, and include the originally-signed and completed page with the first copy of the proposal.

**For** **electronic proposals**, a person authorized to sign on behalf of the Proponent must complete and sign the Proponent section below, leaving the rest of this page otherwise unaltered, and include a scanned version of the originally-signed and completed page as the first page of the PDF document submitted.

**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 Administrative Section, 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**.

Proponent’s Full Legal Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address of Proponent: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Person Authorized to contract on Behalf of Proponent: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name and Title of Authorized Person: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Signing: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Audit Team Composition and Budgeted Audit Hours**

**RFP Author: if any audit work is to be outsourced internationally, ensure that this table reflects the location of engagement staff.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **<<Organization Name>> Financial Audit**  **Fiscal year <<Year>>** | | | | |
| **Audit role** | **Audit Phase** | | | **Total Audit Hours** |
| **Audit Planning Hours** | **Audit Fieldwork Hours** | **Review and Reporting Hours** |
| Audit Engagement Partner |  |  |  |  |
| Audit Engagement Quality Review Partner |  |  |  |  |
| Audit Engagement Manager/Lead |  |  |  |  |
| Other CA qualified audit team member/s |  |  |  |  |
| Other unqualified audit team member/s |  |  |  |  |
| Other Technical Expert/s |  |  |  |  |
| CISA Qualified IT Auditor/s |  |  |  |  |
| Other IT Auditor/s |  |  |  |  |
| [Other roles] |  |  |  |  |
| **Total Audit Hours** |  |  |  |  |

*Note: One table should be completed for each audit year where the audit hours differ. The audit hours of each team member should be clearly identifiable.*

**Note to RFP Author:**

**This is a sample of a service agreement; if your organization uses different contract forms and will be using them to create the contract for this RFP, delete this draft service agreement and include the form (and any attachments) appropriate to your organization.**

**Service Agreement**

Between:

<<Organization Name>>

and

<<Name of Successful Proponent>> (the Auditor)

Whereas <<Organization Name>> requires an audit of its financial statements and the Auditor has agreed to perform the audit of <<Organization Name>> pursuant to this Service Agreement. The parties agree as follows:

**The Auditor agrees:**

1. To perform the audit of the financial statements of <<Organization Name>> for the reporting year(s) ending <<Date>> to <<Date>> inclusive.
2. To express an audit opinion as to whether the financial statements present fairly, in all material respects, the financial position of the entity, and the results of its operations, change in its net liabilities, and its cash flows for the year in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

**Note to RFP Author: If the financial statements are prepared on a compliance basis and not in accordance with GAAP, the wording of the paragraph above should be amended as follows:**

To express an audit opinion as to whether the financial statements are prepared, in all material respects, in accordance with section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

1. Where requested, to assist <<Organization Name>> to meet all statutory and reporting requirements where financial information or an auditor’s report is needed.

**<<Organization Name>> agrees to:**

1. Pay the Auditor’s fees and expenses, up to the maximums set out below, for satisfactory performance of the financial audit.

|  |  |  |
| --- | --- | --- |
| **Audit of Financial Statements** | | |
| **Year ended** | **Professional Fees**  **(maximum)** | **Expenses**  **(maximum)** |
| <<Year end date>> |  |  |
| <<Year end date>> |  |  |
| <<Year end date>> |  |  |
| <<Year end date>> |  |  |
| <<Year end date>> |  |  |

These fees and expenses are subject to Provincial Sales Tax and Goods and Services Tax.

1. Maintain a system of internal control that is adequate to permit accurate financial and performance reporting by <<Organization Name>>
2. Prepare annual financial statements for the <<Organization Name>> in accordance with Canadian generally accepted accounting principles, including disclosure of significant accounting policies adopted by <<Organization Name>>.

**RFP Author: if the financial statements are prepared on a compliance basis and not in accordance with GAAP, the wording for item 3 above should be amended as follows:**

Prepare annual financial statements for<<Organization Name>> in accordance with section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, including disclosure of significant accounting policies adopted by <<Organization Name>>.

1. Disclose all liabilities and debt obligations, claims and contingent liabilities, related party transactions, and all material agreements and transactions.
2. Make all financial and operational records available to the Auditor on a timely basis.
3. Be available on an ongoing basis to discuss audit issues with the Auditor as they arise.
4. Keep the Auditor informed of any matters that <<Organization Name>> becomes aware of that could affect the Auditor’s conduct of the audit.
5. Provide a management representation letter, in accordance with Canadian Auditing Standards, that meets the reasonable requirements of the Auditor.

**The Auditor will:**

1. Prepare an Audit Planning Report for review and approval of the Audit / Finance Committee of <<Organization Name>>.
2. Complete the audit work in sufficient time to enable the <<Organization Name>> to meet any reporting deadlines imposed by legislation, the Board or the Office of the Comptroller General.
3. Perform the financial audit in accordance with the Audit Planning Report in a thorough, timely and professional manner.
4. Perform its audit duties under this Service Agreement according to Canadian Auditing Standards and the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.
5. At the request of the Audit / Finance Committee, participate in any audit related discussions with the Audit / Finance Committee, Board or management of <<Organization Name>>
6. Remain alert while carrying out the audits for significant instances or patterns of behaviour that give rise to concerns about:
7. accountability in the use and management of employers’ monies;
8. waste or misuse of <<Organization Name>> resources;
9. probity in behaviour; or
10. compliance with financial and other legislation.

The Auditor will advise the Audit / Finance Committee of any concerns as they are identified.

1. Unless approved by <<Organization Name>>, complete its audit work consistent with the audit strategy and audit methodology proposed by the Auditor in the Proposal, which has been included as Attachment 2 to this Service Agreement.
2. Prepare a Final Report to the Audit / Finance Committee of <<Organization Name>>, including management letter, for the financial audit
3. Discuss the Final Report with the Audit / Finance Committee and management of <<Organization Name>>.
4. At the end of the term covered by this Service Agreement, make its <<Organization Name>> audit files available for review if so requested by the audit firm succeeding as auditor of <<Organization Name>>.

**Other:**

1. The Auditor will notify the Audit / Finance Committee as soon as possible if unanticipated issues could delay completion of the audit engagements.
2. The Auditor will notify the Audit / Finance Committee of any significant or key staffing changes proposed from the Auditor’s Audit Team Staffing Plans.
3. The Auditor will provide the Audit / Finance Committee with an annual declaration confirming that the staff assigned to the audit of <<Organization Name>> maintained their independence, in accordance with Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, throughout the conduct of the audit engagements.
4. The Auditor will immediately notify the Audit / Finance Committee in writing of any threat to independence or conflict of interest that arises respecting the audit engagements.
5. The Auditor will consult with the Audit / Finance Committee prior to offering or agreeing to provide other services to <<Organization Name>>
6. The Audit / Finance Committee of <<Organization Name>> and the Auditor agree that they will attempt to resolve any dispute arising in relation to the services provided under the terms of this Service Agreement by discussion between <<Organization Member name>> on behalf of <<Organization Name>>, and the engagement partner, on behalf of the Auditor, before taking any legal action to enforce the terms of this Service Agreement.
7. The Auditor will, except as may be required to be disclosed by law or professional standards, keep strictly confidential, and will ensure that its employees and other representatives keep strictly confidential, all information concerning <<Organization Name>> acquired through activities related to this Service Agreement.
8. The Parties designate the following individuals as their initial contacts for the financial audit under this Service Agreement.

<<Organization Name>> Auditor

|  |  |
| --- | --- |
| <<Name>>, <<Title>> | <<Name>>, Engagement Partner |

1. The terms of the Request for Proposals, attached as Attachment 1 to this Service Agreement, form part of this Service Agreement except where there is a conflict with the terms of the Service Agreement in which case the Service Agreement prevails.
2. If there is a conflict between the terms of the Request for Proposals and the Auditor’s Proposal, the former prevails.
3. The Auditor must be registered with WorkSafeBC (the Workers’ Compensation Board of BC), in which case WorkSafeBC coverage must be maintained for the duration of the Service Agreement.
4. The Auditor will not advertise their relationship with <<Organization Name>> or use <<Organization Name>>’s name or any contents of this Service Agreement in any advertising, mailing list or publication, written or verbal, except where the Auditor has been given written approval by <<Organization Name>>.
5. The Auditor will not, without the prior written approval of <<Organization Name>>:
   1. assign, either directly or indirectly, this Service Agreement or any right of the Auditor under this Service Agreement; or
   2. sub-contract any obligation of the Auditor under this Service Agreement.
6. Neither party will be liable for any failure or delay to perform that party's obligations resulting from any cause beyond that party's reasonable control, including but not limited to fires, explosions, floods, strikes, work stoppages or slow-downs or other industrial disputes, accidents, riots or civil disturbances, acts of civil or military authorities, inability to obtain any license or consent necessary in respect of use with any telecommunications facilities, or delays caused by carriers, suppliers or material shortages.
7. The Auditor is required to maintain Comprehensive Commercial General Liability insurance in a minimum amount of not less than $2,000,000 per occurrence for the duration of the Service Agreement.
8. When using <<Organization Name>> premises, the Auditor will comply, and will take all reasonable steps to ensure that their staffs comply, with all security requirements in effect for those premises.
9. This Service Agreement will be governed by and construed according to the laws of the Province of British Columbia.
10. This Service Agreement may be cancelled by <<Organization Name>> by written notice at any time if, in the opinion of <<Organization Name>>:
    1. the audit work of the Auditor does not meet Canadian auditing standards, or
    2. the audit work of the Auditor is carried out in a manner inconsistent with the Auditor’s proposal, or
    3. the Auditor’s staff assigned to the audit of <<Organization Name>> have not maintained their independence, in accordance with Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, throughout the conduct of the audit engagements.
11. The Auditor shall indemnify and save harmless <<Organization Name>>, its employees and agents from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by <<Organization Name>> at any time or times (either before or after the expiration or sooner termination of this Service Agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by the Auditor or by any servant, employee, officer, director or sub-Contractor of the Auditor pursuant to the Service Agreement excepting always liability arising out of the independent acts of <<Organization Name>>.

**Signatures:**

The Parties agree to the terms of this engagement.

|  |  |  |
| --- | --- | --- |
| <<Organization Name>> |  | Auditor |
|  |  |  |
| <<Name>>, <<Title>> |  | <<Name>>, Engagement Partner |
|  |  |  |
| Date |  | Date |

**Request for Proposals**

***[RFP as issued on \_\_\_ and, if applicable, modified on \_\_\_ to be attached]***

**Auditor’s Proposal**

***[Auditor’s proposal to be attached]***

1. Reporting to the Minister responsible is a specific requirement of paragraph 11(3) of the Auditor General Act. [↑](#footnote-ref-1)
2. A significant component is one identified by the group engagement team (i) that is of individual significance to the group, or (ii) that, due to its specific nature or circumstances, is likely to include significant risks of material misstatement to the group financial statements. [↑](#footnote-ref-2)
3. Independence as defined in the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia. [↑](#footnote-ref-3)