



FINANCE DEPARTMENT

Request for Proposals

#2023-FIN-01

FINANCIAL AUDIT SERVICES

For further information
please contact:

Erin Anderson
Director of Financial Services
Town of Ladysmith
250-245-6402
eanderson@ladysmith.ca

RFP Issue Date: **June 22, 2023**
RFP Closing Date: **July 13, 2023 2:00pm,**
RFP Opening: **July 13, 2023 2:15pm,**
Location of Bid Opening: **Ladysmith City Hall**
410 Esplanade



1. INTRODUCTION

Town of Ladysmith (the “Town”) is seeking proposals from qualified firms for the provision of annual financial audit services. We invite your firm to complete and submit a formal proposal for the Town’s external financial audit engagements. The purpose and intent of this process is to obtain high quality auditing services at a competitive price and in a timely, efficient manner.

1.1 Proposal Request

The Town of Ladysmith is requesting proposals from qualified accounting firms to perform the annual financial audits for the fiscal years 2023 to 2027 (inclusive) of the Town's consolidated financial statements in accordance with generally accepted auditing standards for the purpose of rendering opinions as to the fairness of presentation of these statements. The Town's fiscal year end is December 31.

1.2 Term of Engagement

The term of the audit engagements will be for five years, beginning for the year ending December 31, 2023.

1.3 Award

The Town of Ladysmith is not under any obligation to award a contract and reserves the right at its sole discretion to terminate or amend this RFP at any time.

1.4 Community Charter Requirements

Auditor qualifications, duties and powers are referenced in Sections 169-172 of the *Community Charter*.

1.5 Accounting Systems

The Town's policy is to adhere to accounting principles generally accepted for British Columbia municipalities. The resources and operations of the Town are segregated into various funds for accounting and financial reporting purposes.

The Town’s general ledger contains approximately 1750 accounts in seven funds – operating, capital and reserves for general, water and sewer functions.

The Town uses Vadim's iCity RIM for general ledger, payroll, accounts payable, accounts receivable, cash receiving, property tax bill, purchase orders, business licenses, dog licenses, inventory, building permits and utility billing. The Town uses Xplor Recreation (previously Perfect Mind) via a shared database with other members of the Cowichan Valley Regional District for recreation management software.

Other accounting policy details are covered in the notes to the Town's Annual Financial Statements (Appendix A).

Information regarding the Town's accounting activities is as follows:

- 4,300 property tax folios.
- Approximately 3,700 user rate billings quarterly.
- Average of 100 payments (electronic and cheque) made every two weeks valued at \$982,000.
- 86-110 employees are paid bi-weekly; 7 Council members and 25 paid-on-call firefighters are paid monthly.

The Town of Ladysmith has a wholly owned subsidiary company, Ladysmith Harbour Economic Development Corporation (previously known as DL2016 Holdings Corporation), which is fully consolidated into the Town's year end reports. Completion of the tax filings for this subsidiary is not included in this audit service proposal.

2. REQUIRED PROJECT DELIVERABLES

2.1 Responsibilities

The responsibility of the external auditors is to examine the financial statements of the Town of Ladysmith prepared by Town staff and to express audit opinions thereon. The audit report for the Town will be addressed to the Mayor and Council of the Town of Ladysmith; it must disclose the scope of the examination and state that the audit was performed in accordance with generally accepted auditing standards. The report will also include an opinion as to whether the financial statements conform to generally accepted accounting principles. The Council of the Town of Ladysmith has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Town of Ladysmith. Please refer to the financial report included in Appendix A.

The Town's computer system environment is a very important component of the external audit, as the computer applications are integral elements of the Town's financial books of accounts. The audit plan should identify the approach to be taken in testing the Town's systems.

The selected audit firm must be well versed in the latest PSAB recommendations and play a leadership role in advising and assisting the Town with any new standards.

The Town does not have a separate Audit Committee. The selected audit firm must be available to attend various Council and committee meetings, as required, to make presentations and discuss the audit and related financial issues.

2.2 Additional Services

Ancillary studies, audits or examinations of other accounts, records and transactions may be required from time to time. Contractual agreements for such other examinations will be negotiated separately at the time of the request. Include information relevant to the scope of engagements your firm can provide.

Such additional services include but aren't limited to:

Ability to provide additional services such as:

- General PSAB advice (including Asset Retirement Obligations)
- GST/PST advice
- Corporation T2 completion

2.3 Client Assistance Provided to External Auditor

Finance Department staff will be available to assist the auditors by providing information, working papers and schedules. Finance staff is responsible for the year-end close and financial statement preparation. Supporting documentation will be provided to the auditors on a timely basis. The preparation and processing of all confirmations will be jointly prepared and processed by both Town staff and the external auditors.

The Town's solicitors will provide a representation letter regarding the status of suits, threatened litigation and other contingent liabilities.

The Town will provide adequate office space for on-site audit, though remote work is an option. The response must indicate if it will be an in-person or remote audit.

On a yearly basis the selected audit firm must submit to the Director of Finance a schedule detailing when the assistance of each Town department is required.

2.4 Audit Schedule

EVENT	Timetable
Pre-Audit Meeting	*October
Detailed Audit Plan and Schedule	*End of October
Listing of Schedules to be completed by Town staff	*End of October
Interim Audit	*End of November
Year-End Audit	*March
Audit Report and Management Letter to Municipal Services Committee or Council	*Mid April
Audited statements to Municipal Services Committee or Council	Prior to May 15th

* Dates may be subject to change if operational needs change.

Proponents must advise if they are not available during these dates, or cannot produce the deliverables by the dates stated, and specify when their schedule would permit commencement and completion.

2.5 Retention of Working Papers

The selected auditing firm must retain working papers for a period of at least seven (7) years.

3. RESPONSE CONTENT

All respondents should include the following information in their proposal.

3.1 Fee Schedule

The fee schedule should be stated for each of the five fiscal years of the engagement, beginning with the year ending December 31, 2023, in the following format:

Year	Value (\$)	Taxes	Total
Year 1: 2023 fiscal year	\$	\$	\$
Year 2: 2024 fiscal year	\$	\$	\$
Year 3: 2025 fiscal year	\$	\$	\$
Year 4: 2026 fiscal year	\$	\$	\$
Year 5: 2027 fiscal year	\$	\$	\$
Total Contract Value			\$

Rates shall be provided in Canadian funds. Rates quoted shall be all-inclusive and shall include all labour and material cost, all estimated disbursements, all travel and parking costs, all insurance costs, all license costs, and all other overhead costs, including any fees or other charges required by law. **No disbursements of any kind will be paid by the Town.**

3.2 Your firm’s audit fees

Please indicate your firm's audit fee to be charged, in the following format, for each year of the Town of Ladysmith audits:

# of Staff	Staff Assigned	Hours	Rate	Fee
	Partners		\$ /hr	\$
	Managers		/hr	
	Seniors		/hr	
	Staff Support		/hr	
	Total Hours/Fees			
	Taxes			
	Total Fixed Fee			\$

3.3 Remote or in-person audit

Proponents are required to indicate if the audits will be performed in-person or remotely. If remote, indicate the required turn-around time for Ladysmith staff to respond to inquiries.

3.4 Your firm’s additional services

Proponents are to provide a rate sheet for **additional services** as referenced in Section 2.2.

As part of the submission review process, proponents may be required to present their proposal and approach to the Town staff. Proposals will be reviewed and evaluated by a committee comprised of Town staff. During the evaluation process any or all of the proponents may be asked for clarification by telephone or email.

4. ENQUIRIES

All enquiries related to this “Request for Proposal” are to be directed to the Financial Services Department, via email:

Erin Anderson, Director of Finance
250-245-6402
eanderson@ladysmith.ca

Enquiries and responses will be recorded and will be made available, by request, to all proponents for examination. A proponents’ meeting will not be held.

5. RFP ADDENDA

It is the responsibility of the proponents to check periodically for any addenda that may be issued by the Town of Ladysmith. Addenda will be posted on the Town of Ladysmith website (www.ladysmith.ca/city-hall/bid-opportunities) and on BC Bid.

6. PROPOSAL SUBMISSIONS

Proponents are requested to submit their proposals **no later than 2:00pm on July 13, 2023**, to the attention of:

Matt O’Halloran, Manager of Corporate Services
Town of Ladysmith
410 Esplanade - PO Box 220
Ladysmith, BC V9G 1A2
Email: bid@ladysmith.ca

Proposals must be submitted by e-mail. The Town is not responsible for the timely receipt or adequacy of any electronic transmissions, and late receipt of Proposals via email will be cause for rejection of a Proposal.

All submissions must be clearly marked “Request for Proposals No. 2023-FIN-01”.

The successful bidder will be required to obtain and provide proof of the following:

- A current business license for operating in the Town of Ladysmith.
- A Clearance Letter from WorkSafe BC that confirms they are registered and in good financial standing with WorkSafe BC.
- Minimum \$2 million liability insurance with the Town of Ladysmith named as additional insured.
- Federal, provincial and municipal permits when and where applicable.

Submissions in response to this RFP will be opened publicly at the Town of Ladysmith City Hall on **July 13, 2023, at 2:15pm.**

7. PROPOSAL EVALUATION

The Town will evaluate proposals based upon but not limited to, the following:

- Quality of the proposal/ Understanding of Engagement (5 points)
- Demonstrated alignment to the Town’s Community Benefit Goals (5 points)
- Firm Profile and Experience with Municipal Audits (20 points)
- Personnel (10 points)
- Approach to Engagement (30 points)
- Proposed fees for each of the five fiscal years (25 points)
- Additional Services offered (5 points)
- Reference checks (pass/fail)

The Town reserves the right to accept or reject any or all proposals either whole or in part at any time, or waive formalities in, or accept a proposal either whole or in part which is deemed most favourable in the interest of the Town. The Town will be under no obligation to proceed further with any submitted proposal and, should it decide to abandon same, it may, at any time, invite further proposals for the supply of the described services or enter into any discussions or negotiations with any party for the provision of the services. No alterations, amendments or additional information will be accepted after the closing date and time unless invited by the Town.

The lowest or any submission in response to this RFP will not necessarily be accepted. The bids will be considered on their merits, and it is not the intention of the Municipality to buy on price alone.

The Town of Ladysmith Purchasing Policy entails the following Principles of “Best Value”:

- Procure the goods and services requirements of all departments in an efficient, timely and cost-effective manner while maintaining the necessary controls;
- Engage in an open bidding process wherever practical;
- Ensure maximum value is obtained during the acquisition of goods and services. Where applicable, the total cost of the goods and services purchased should be taken into account. Total cost may include but not be limited to acquisition cost, disposal cost, residual value, training cost, maintenance cost, product performance and environmental impact;
- Take into account wherever practical the commitment to protection of the environment, and energy conservation;
- Ensure the acquisition of goods and services meets the requirements of applicable legislation and trade agreements, including the New West Partnership Trade Agreement, and the Agreement on Internal Trade; and
- Ensure that maximum value is realized when disposing of surplus goods, materials and equipment.
- Up to five (5) percent of the evaluation score will be allocated based on the proposal’s contribution to the following community benefits:
 - *Economy*
 - Demonstrate job creation within the local area, which is defined as the Cowichan Valley Regional District and the Regional District of Nanaimo
 - Contribute to a stronger local economy (buy local)
 - Increase training and apprenticeship opportunities
 - Provide work experience and employment opportunities for youth aged 15 to 24
 - Ensure that a Living Wage for the local area is paid.

- *Public Spaces*
 - Enhance community recreation, arts and/or culture infrastructure
 - Improve and enhance public spaces
 - Improve access to public spaces for people living with disabilities

- *Environment*
 - Demonstrate that work undertaken exceeds requirements for environmental standards

8. OWNERSHIP OF PROPOSALS

All Proposals and subsequent information materials shall become the property of the Town of Ladysmith after the closing date and time and will not be returned.

The Proposals will be held in confidence by the Town subject to the provisions of the *Freedom of Information and Protection of Privacy Act*. This Request for Proposals and all associated documentation is the property of the Town of Ladysmith and shall not be copied or distributed without the prior written approval of the Town.