



## **REQUEST FOR PROPOSALS**

### **Town of Oliver** Annual Financial Audit

Issued: May 31, 2024

Closing Date:  
**Monday, July 8th, 2024 at 3:00 pm Pacific Time**  
PO Box 638  
6150 Main Street  
Oliver BC V0H 1T0  
**Town of Oliver – RFP External Auditor**

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## Introduction

The Town of Oliver invites qualified audit firms to submit proposals for auditing the financial statements of the Town of Oliver.

Audits must be planned and executed in accordance with Canadian Auditing Standards, and provisions of the *Local Government Act* and *Community Charter*. Audits will result in an opinion to the Town's Council as to the fairness of the annual financial statements.

The Auditor should 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 Town and have the capacity to provide this service in a timely manner.

All inquiries regarding this RFP should be directed to:

John Kurvink, Chief Financial Officer

Tel: 250-485-6201

Email: [jkurvink@oliver.ca](mailto:jkurvink@oliver.ca)

## Terms and General Conditions of Engagement

The selected firm will be appointed to provide external audit services for a period of three years (with the option for the Town to extend the engagement for an additional two years) beginning with the annual audit of the year ending December 31, 2024, to the year ending December 31, 2026 inclusive.

The appointment may be cancelled at any time, if in the opinion of the Town of Oliver the work of the Auditor does not meet Canadian Auditing Standards or legislated timelines.

## Acceptance of Proposals

The Town of Oliver reserves the right to reject any and all Proposals for any reason or accept any Proposal received by the Town, which in its sole unrestricted discretion, is deemed the most advantageous to itself. The lowest or lower fee proposals may not necessarily be accepted. The Proponent acknowledges the Town's rights under this clause and absolutely waives any right of action against the Town's failure to accept its proposal whether such right of action arises in contract, negligence, bad faith or any other action. The acceptance of any Proposal is subject to approval by the Town's Council.

The Town reserves the right to modify the terms of this RFP at any time in its sole discretion. This includes the right to cancel the RFP at any time prior to entering into an agreement with a successful proponent.

There is no expressed or implied obligation of the Town to reimburse responding firms for any expenses incurred in preparing proposals for this request.

## **Selected Contract Terms**

### ***Awarding of Contract***

Notice in writing to the successful Proponent of the approval of their Proposal and their appointment as Auditors by the Town of Oliver's Council (**Letter of Transmittal**), followed by the subsequent execution of an **Engagement Letter** acceptable to the Town and the Auditor shall constitute the making of the Contract for Services. The Proponent will not, without written consent of the Town of Oliver, assign or transfer this contract or any part thereof.

### ***Remuneration***

With reference to remuneration:

- in no case will the total remuneration for each fiscal year exceed the all-inclusive maximum fee in the proposal and confirmed in the **Letter of Transmittal**; and
- any subsequent agreed upon changes or performance of additional work shall be made in writing by the auditor and approved by the Town of Oliver prior to the commencement of that work.

### ***Termination***

The Town of Oliver may terminate this Agreement at any time:

- (a) for inadequate or non-performance; or
- (b) for breach of any term agreed to; or
- (c) if the Audit Firm is adjudged bankrupt or makes a general assignment for the benefit of creditors, or a receiver, trustee in bankruptcy or similar officer is appointed to take charge of all or part of its property; and such conditions are not cured within thirty (30) days of notice thereof from the Town of Oliver to the Audit Firm; or
- (d) failure to complete work by stipulated dates for legislated reporting; or

(e) upon thirty (30) days notice.

### ***Indemnity***

The Audit Firm will indemnify and save harmless the Town of Oliver, its employees and agents from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Town of Oliver at any time or times (either before or after the expiration or sooner termination of the Audit Firm) 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 Audit Firm or by any servant, employee, officer, director or subcontractor of the Audit Firm.

### ***Insurance***

The Auditor shall maintain professional liability insurance for audit and accounting services, including errors and omissions, with a limit of not less than \$5,000,000 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 Town 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 Town and the Auditor.

## **Experience and Qualifications**

The Proponent must meet the following minimum requirements to be considered for evaluation pursuant to this RFP:

- Completed municipal audits of similar size/ scope (or greater) within last three years.

- Have sufficient staffing, facilities, financial resources, and expertise to address the scope and timing of the audit services.
- The assigned supervisory staff must hold a valid accounting designation and have previous experience in performing municipal audit engagements.
- Demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel.

## Background Information

The Town of Oliver is located in the Okanagan Valley in British Columbia. The current population is estimated to be around 5,046.

The Town's 2024 Consolidated Budget was estimated at \$23 million (including capital projects of \$6.1 million and amortization of \$1.8 million).

Link to Budget: [eSCRIBE Published Meetings \(escribemeetings.com\)](https://www.escribemeetings.com)

### Oliver Parks & Recreation Society

Prior to December 31, 2023 recreation services for the Town of Oliver and the RDOS Area "C" were governed by the Oliver Parks and Recreation Society.

During the 2022 fiscal year The Society passed a resolution to dissolve the Society and transfer operations to the Town of Oliver after the 2023 year-end.

Subsequent to year end on January 1, 2024, The Society transferred all assets, liabilities and the responsibility to manage and operate the arena, pool, parks, hall and recreational programs for the Town of Oliver and Area C of the RDOS to the Town of Oliver with no consideration received.

Information and estimated activity are as follows:

#### Statistical Information (including addition of Oliver Parks & Recreation)

Payroll for approximately 42 FTE's is processed by Town (CUPE collective agreement).

Non payroll cheques and EFT's issued: 2,500 per year

The Town of Oliver primary accounting software is Vadim iCity Financial software which includes modules for General Ledger, Cash and Bank Reconciliation, Payroll, Accounts Receivable,

Accounts Payable, Tangible Capital Assets, Property Tax, Utilities, Business Licensing, and Pet Licensing. The Parks & Recreation service uses Amelia Recreation software for day to day transactions which are journaled into Vadim.

The Town has CaseWare software but does not currently utilize it for working papers or financial statement preparation. The Town is interested in using CaseWare, in partnership with our Auditor, to prepare financial statements.

The Town has requested a separate fee proposal for financial statement preparation.

The Town utilize Excel spreadsheets to prepare audit working papers.

The Town uses Excel spreadsheets for Budgeting.

2023 Financial statement/information for the Town can be found at:

[www.Oliver.ca](http://www.Oliver.ca)

## SCOPE OF SERVICES

### *Services*

The Auditor will in accordance with Canadian generally accepted auditing standards and the provisions of the *Local Government Act* and *Community Charter* examine the financial systems, controls, records, and statements of the Town of Oliver. And then will provide audit reports with opinions on the Town's consolidated financial statements prepared by Auditors.

The **Auditor's Reports** are to be suitable for printing within the financial statements and to be addressed to the Council of the Town of Oliver. The Auditor will be required to attend meetings of Council to present and explain as necessary the audit reports.

These are public sector audits. The public and legislators have high expectations that public officials will conduct business in a proper and prudent manner, giving every regard to spending taxpayers money wisely. The Auditors should remain alert during the engagement for:

- a lack of accountability in the use and management of public resources;
- instances of waste or misuse of public resources; or
- situations reflecting a lack of stewardship by management.

The Auditor shall communicate in a post-audit report in the form of **Management Letters** to Town Council any reportable conditions, as determined by the Auditor, found during the audits. If there are no reportable conditions, then letters must still confirm that.

Also, the Town wish to be advised of significant weaknesses in internal control noted during the audit or other area of concern, prior to the issue of the **Management Letters**. The Auditor shall provide appropriate suggestions for improving areas of concern.

The Auditor will ensure all significant new or changed reporting requirements and auditing standards are communicated to the Town of Oliver, in writing, to ensure that financial statements and notes prepared by management will be in compliance with current reporting requirements and auditing standards support requirements.

The Auditor will respond to and discuss with the Town's staff, accounting, auditing, tax, and other issues arising throughout the year. It is expected that such inquires would be included in the fee schedule provided and would not incur additional billing. Inquiries, if any, are infrequent, usually brief and specific in nature, and may require a written confirmation. Town staff are to be advised of any additional charges prior to those services being provided.

### ***Qualified Statement***

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

### ***Annual Audit Schedule***

Every year by September 30<sup>th</sup> or earlier, the Auditor shall discuss, agree, and confirm in writing with Town staff the key dates for interim and year end work including the necessary information to be assembled by the Town.

Town staff will be responsible for the year-end close. Town staff will assist the Auditor by preparing a full set of working papers, schedules, a trial balance and supporting documentation on a timely basis. Town staff may be responsible for completion of the final financial statements and the Auditor will take responsibility for production of the audit report.

Town and the Auditor will be jointly responsible for the preparation and processing of confirmation letters.

The annual **Representation Letters** as required by Canadian Auditing Standards to be prepared by the Auditor and signed by the Town's Chief Financial Officer ("Finance Officer").

### ***Alternate Service Providers***

In compliance with the *Community Charter*, Council appoints 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 Town, therefore, expressly reserves the right, at its sole discretion, to use other financial services and financial firms.

## **Proposal Requirements**

A **Covering Letter** shall be provided with the proposal clearly stating the audit 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.**

**The Covering Letter must include an affirmative statement that the firm is for audit purposes independent of the Town of Oliver.**

Proponents must respond to the items listed below in the order they are presented. The proposal should include a table of contents identifying the topics by page number. Proposals, as a minimum, should include:

1. **Company Profile and Contact:** A brief profile of your firm (1 to 2 pages) indicating the scope of its practice, the range of activities performed by the firm, such as auditing, tax, accounting or management services. Identify the Proponent's contact person, phone number and email address. State the Head office address as well as the address and phone number of any Local office that will manage or assist in managing this audit.
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 and auditing standards.

3. References: Three references at least two of which must be municipal audits within the last three years. Include number of years of service to and a contact name, telephone number and email address for each reference.
4. Audit Staffing: Name and brief resume of the partner(s), manager(s) and other key staff who would be assigned to this audit.
5. 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 obtain an understanding of the Town’s structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the interim or annual audit work. The Auditor will also outline time spent on-site versus remote work.
6. Other Services: Description of the methodology to be used for keeping the Town abreast of any changes in accounting principles or legislation that would impact the annual financial statements.
7. 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.
8. Fee Proposal: the audit fee should be in the following format:

<b>Staff Assigned</b>	<b>Hours</b>	<b>Rate</b>	<b>Fee</b>
Partners	xx	xxx	\$xxx
Managers	xx	xxx	xxx
Seniors - On-site - Remote	xx	xxx	xxx
Staff Support - On Site - Remote	xx	xxx	xxx
Total Hours/Fees	xx	xxx	xxx
Other Disbursements (identify)			xxx
<b>Total Maximum Fee</b>			<b>\$xxx</b>

A separate fee schedule, in the above format, should be provided for the preparation of the Financial Statements.

## Proposal Evaluation Criteria

Proponents must meet the following mandatory requirements, in addition to the Experience and Qualifications section (page 5), to be considered for further evaluation:

- Proposal signed by the person authorized in the **Cover Letter** to bind the Proponent to statements made in the proposal – **the same person that signed the Cover Letter.**
- Proposal received at the closing location by the specified closing date and time.

Proposals that comply with the mandatory requirements will be evaluated on the basis set out on below:

<b>Criteria</b>
<b>Experience with Municipal Audits – 10 points</b> <ul style="list-style-type: none"><li>- Municipal audit experience.</li><li>- Municipal audits of similar size/ scope (or greater) within last three years.</li><li>- Knowledge of Vadim software.</li></ul>
<b>References – 10 points</b> <ul style="list-style-type: none"><li>- Confirm sufficient staffing, facilities, financial resources, and expertise to address the scope and timing of the municipal audit services contracted to them.</li><li>- Confirm demonstrated commitment to providing reasonable annual continuity of experienced and qualified personnel for them.</li><li>- Confirm demonstrated commitment to serving the southern Okanagan Valley public sector organizations including training and development of audit staff in the region.</li></ul>

<b>Criteria</b>
<p><b>Personnel – 15 points</b></p> <ul style="list-style-type: none"> <li>- Audit team experienced and qualified (key members that would be assigned).</li> <li>- Audit team experienced with public sector organizations of similar size/ complexity.</li> <li>- Assigned supervisory staff hold CPA accounting designations and have previous experience in performing municipal audit engagements.</li> </ul>
<p><b>Audit Implementation – 30 points</b></p> <ul style="list-style-type: none"> <li>- Demonstrates understanding of Town structure and governance.</li> <li>- Demonstrates understanding of Town services, risks, and current situation.</li> <li>- Provides clear statement on audit objectives and scope of audit work.</li> <li>- Provides clear Audit plan, including the number of hours anticipated to complete the audit split between interim and year end work and on-site versus remote.</li> <li>- Audit approach, methodology, and plan are clear including legislated reporting dates.</li> </ul>
<p><b>Value Added Services – 5 points</b></p> <ul style="list-style-type: none"> <li>- Ability to provide additional services or add value such as: <ul style="list-style-type: none"> <li>o PSAB advice</li> <li>o ESG advice</li> <li>o Other</li> </ul> </li> </ul>
<p><b>Audit Fee – 30 points</b></p> <p>Fees for Town should be listed net of GST and include:</p> <ul style="list-style-type: none"> <li>- Detail on estimated hours required, levels of staff to be assigned, hourly billing rates.</li> <li>- Disclose provision for travel expenses, disbursements, administrative fees in audit fee.</li> <li>- Disclose provision for value added services bundled with the audit fee.</li> <li>- Disclose the estimated hours, levels of staff to be assigned and hourly billing rates for preparation of the Financial Statements.</li> </ul>

## Closing Date and Time

Proposals must be received by **3:00 pm Pacific Time, on Monday, July 8, 2024** in one of the **optional** formats set out below. Proposals should be clearly marked with the name and address of the firm and the words “Audit Proposal”. Late proposals will not be accepted and will be returned.

One electronic copy in Adobe PDF format emailed to [finance@Oliver.ca](mailto:finance@Oliver.ca)

The subject line or body of the email should contain the name and address of the firm and the words "Audit Proposal"

**OR**

Two (2) complete printed copies of the proposal delivered to:

Town of Oliver  
PO Box 638  
6150 Main Street  
Oliver BC V0H 1T0

The proposal envelope should be clearly marked with the name and address of the firm and the words "Audit Proposal".

## **Freedom of Information**

All proposals submitted become the property of the Town of Oliver and as such are subject to the Freedom of Information and Protection of Privacy Legislation.

## **Confidentiality of Information**

This document, or any portion thereof, may not be used for any purpose other than the submission of proposals.

Information pertaining to the Town of Oliver obtained by the Proponent as a result of preparing the proposal or serving as Auditor is confidential and must not be disclosed except as required to fulfil the obligations of the Proponent under the Contract.

## **Proposal Irrevocability**

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

- (b) Proposals shall be firm for a period of at least 90 days from the RFP closing date and are the basis for and to be included as part of the contractual agreement that will be entered into with the selected firm.
- (c) By submission of a proposal, the Proponent agrees that should its proposal be successful, the Proponent will enter a Letter of Engagement with the Town of Oliver.

## **Expense of Audit Firm**

The Audit Firm has the sole responsibility for any costs associated with preparing its Proposal in response to this RFP. In no event will the Town of Oliver be responsible for the costs of preparation or submission of any Proposal. Furthermore, the Audit Firm, by submitting a proposal, agrees that it will not claim damages, for whatever reason, relating to the Agreement or in respect of the expenses incurred by the Audit Firm in preparing its proposal. The Audit Firm, by submitting a proposal, waives any claim for loss of profits if no agreement is made between the Audit Firm and the Town of Oliver.

## **Liability for Errors**

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