



Request for Proposals (RFP) by Invitation

Municipal Audit Services

Opening Date: July 10, 2024

Closing Date: September 5, 2024 at 12:00 p.m. CST

1. OPPORTUNITY

The Rural Municipality of Mervin No. 499 (hereafter known as the Municipality) is requesting proposals from qualified Chartered Professional Accounting firms to conduct the Financial and Compliance Auditing Services of the Municipality's operations and subsidiary boards.

Services will include, but are not limited to:

- Planning and performing the audit;
- Performing tests of documentary evidence;
- Evaluating internal controls;
- Reviewing Management Letter;
- Reviewing adjusting journal entries;
- Reviewing and finalizing of year-end financial statements;
- Submission of finalized financial statement to the Provincial Government; and
- Technical assistance throughout the fiscal year.

From time to time, the Municipality may require audit services for purposes other than the annual audit. The Municipality is also requesting a per hour quote as an option that may be exercised in the future as the need arises.

2. SCHEDULE

The proposal is for auditing services for a three-year term with separate audits for each fiscal year ending December 31, 2024, 2025, and 2026. If the services are successfully carried out for the period defined in this document, the successful proponent may be appointed as Auditor by Council resolution on an ongoing annual basis. A Letter of Engagement will be required each year by the auditing firm.

Either party may cancel the written contract by giving notice, in writing, to the other party by August 1st of any current year.

Completion of the audit and finalization of the financial statements must be done prior to May 31st for each auditing year.

Requests for Proposals issued – July 10, 2024

Proposal submission deadline – September 5, 2024, 12:00 p.m. CST

3. **BACKGROUND**

The Rural Municipality of Mervin No. 499 is located in Northwest Saskatchewan and has a population of approximately 1800. The R.M. provides municipal services including administration, finance, public works, waste management, recreation, planning services, and water/wastewater services. The Municipality is comprised of permanent and seasonal residential property, agricultural lands, oilfield services, 12 Organized Hamlets, and 6 Unorganized Hamlets. The R.M. is part of multiple associations and subsidiary boards.

The Council is comprised of six (6) elected members and an elected reeve. The Municipality currently utilizes MuniSoft accounting systems for its financial and operational reports. The Municipality reserves the right to change and/or add systems as required during the life of the service time provided by this request for proposal.

4. **AUDITING STANDARDS**

Financial statements are prepared to conform to the Canadian Professional Accountants (CPA) handbook and Public-Sector Accounting Board (PSAB) requirements. The auditor's opinion will be directed towards the fairness and presentation of the financial statements in accordance with PSAB. The auditor will also provide compliance reports as required under federal and provincial legislation.

5. **SCOPE OF SERVICES REQUESTED**

The Auditor, as part of this engagement, will conduct the following activities utilizing the appropriate standards noted in Section 4:

- a. Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by error or fraud and conformity with PSAB.
- b. Perform tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions.
- c. Perform tests of the RM's compliance with applicable laws, regulations and provisions of contracts and agreements.
- d. Prepare a report on compliance with specific requirements applicable to federal and provincial assistance programs, if required.
- e. Review the internal accounting controls of the RM to an extent necessary to evaluate the system as required by applicable standards.
- f. Issue a Management Report making recommendations for improvement.
- g. The Auditor shall be required to make an immediate, written report of any irregularities, illegal acts or indications of illegal acts of which they become aware of to the CAO.
- h. Inform the CAO of any matter involving internal controls with the RM's operation that the Auditor considers being reportable conditions established by the CPA handbook.
- i. Provide the RM with adjusting entries and final trial balance upon completion of the field work.
- j. A pre-audit conference to outline areas of concern that special attention is to be adhered to during the audit process will occur at a mutually agreed upon date.

- k. A post-audit conference will be held on a mutually agreeable date where the Auditor will present the audit to the CAO and Council.
- l. The audited Financial Statement will be in the form prescribed by the Province of Saskatchewan.
- m. As part of the contract, the RM expects to receive a variety of technical assistance throughout the fiscal year, including but not limited to, answers to accounting, reporting and/or internal control questions.
- n. All working paper(s) and reports must be retained at the auditor's expense for a minimum of ten (10) years, unless the firm is notified in writing by the Rural Municipality of Mervin No. 499 of the need to extend the retention period.

6. QUALIFICATIONS

The audit firm must meet the following mandatory requirements to proceed to the next step of evaluation:

- Proponent must be registered to do business in the Province of Saskatchewan.
- The Principal Auditor must be a licensed Chartered Professional Accountant, in good standing, qualified to perform municipal audits in the Province of Saskatchewan.
- Proponent must have a minimum of 10 years experience in performing municipal audits in accordance with PSAB.
- Proponent must have a minimum of 10 years experience in preparing financial statements compliant with regulations set out by the Province of Saskatchewan.

7. PROPOSAL SUBMISSION REQUIREMENTS

All proposals must contain the following items at a minimum:

a. Business Description

- i. Name of Company
- ii. Owners
- iii. Location
- iv. Business start date
- v. Number of employees

b. Scope of Services

Describe how you will complete the Scope of Services requested, including but not limited to the following:

- i. "a" through "n" in Section 5 of this document;
- ii. A proposed work schedule and work plan for completing the audit. The work schedule should be structured to deliver the audit to the RM Council no later than the first regular scheduled Council meeting in May of each year. Include discussions of assumptions made in the development of the proposal and any steps required that have not been specifically identified in the document. Include plans with respect to dealing with start-up and familiarization, if appointed.

- iii. Comment on your firm's ability and willingness to provide constructive suggestions for improving the RM's internal accounting controls, administrative procedures, and financial processes. Identify any unique approaches or strengths that your firm may have related to this contract.
- iv. Comment on your firm's willingness to work with and assist the RM's personnel in completing the audit.

c. Qualifications

Demonstrate that your firm has the personnel who possess the knowledge and skills required for the successful completion of the services required.

- i. Identify the audit team leader and other key staff personnel assigned to this engagement with a description of their roles and a brief description of their professional experience.
- ii. Describe your firm's personnel development program and your continuing professional education requirements including the specialized areas of municipal accounting and auditing.
- iii. For purposes of transparency, disclose and describe any personal, business, investment, and/or family relationship that exists between any member of your staff and any Rural Municipality of Mervin No. 499 Appointed Official(s), Councillors, or employee(s).
- iv. Provide references from at least two (2) other Saskatchewan municipalities for which you have provided similar services in the last two (2) years. Include the name of the municipality, where it is located, and a contact person.

d. Fee for Service

The proposal shall include the firm's annual fees to be charged to complete the services outlined in Section 5 of this document.

Indicate any additional services that your firm offers that are not included in the above annual base fee and a fee schedule for those services.

Overhead expenses such as travel and accommodation must be included in the contract annual fee and are not to be billed separately. The RM will not be responsible for disbursements incurred by the firm that are caused by using staff from outside locations.

8. SUBMISSION INSTRUCTIONS

When submitting your Proposal, please note the following:

- a. The proposal should be received in its entirety before the submission deadline of September 5, 2024 at 12:00 p.m. CST, preferably by email to:

cao@rmofmervin.com with the subject line:

“Request for Proposals – Municipal Audit Services”.

or alternately, by post to:

RM of Mervin No. 499

Attention: CAO

PO Box 130

Turtleford, SK S0M 2Y0

or in person to:

211 Main Street

Turtleford, SK

- b. The RM will not accept liability for any late, lost, or improperly delivered email or parcel. We recommend that you contact the RM Office to verify successful delivery.
- c. Questions concerning this RFP shall be directed to Shiloh Bronken, CAO, and can be submitted to the email provided below no later than five (5) business days prior to the proposal deadline. Verbal responses to any inquiry cannot be relied upon and are not binding on either party.

Shiloh Bronken

Email: cao@rmofmervin.com

Phone: (306) 845-2045

- d. This is not a Request for Tenders or an offer. The RM is not bound to accept the lowest price proposal, nor any proposal of those submitted. By submitting a proposal and participating in the process as outlined in this RFP, proponents expressly agree that no contract of any kind is formed under, or arises from, this RFP, prior to the signing of a formal written contract.
- e. A proponent may withdraw their proposal by providing a written withdrawal, signed by a person authorized to sign proposals, delivered by mail or in person to the address stated above before the closing date of the request for proposal.
- f. By submitting a proposal, the proponent agrees that the price shall be open for acceptance by the RM for a period of sixty (60) days from the closing date of the request for proposal. An agreement will be drafted in consultation with the preferred proponent which will contain the relevant provisions of the RFP, as well as such other terms as may be mutually agreed upon, whether arising from the accepted submission or as a result of any negotiations prior or subsequent thereof. If at any time the RM reasonably forms the opinion that a mutually acceptable agreement is not likely to be reached within a reasonable time, the preferred proponent will be given written notice to terminate discussions. In this event, the Rural Municipality of Mervin may then either open discussions with another proponent or terminate this RFP and retain the services in some or any other manner.
- g. Prior to commencing work, the successful proponent shall obtain all authorizations required by the law to enable them to carry on business and to complete work required by the agreement, such as Saskatchewan PST and Worker’s Compensation requirements.

- h. Proposals may be shortlisted. Proponents who are shortlisted may be requested to make a formal presentation. Such presentations shall be made at the cost of the proponent.
- i. Proponents are solely responsible for their own expenses in preparing and submitting proposals, and for any meetings, negotiations, or discussions with the RM or its representatives and consultants, relating to or arising from this RFP. The RM and its representatives, agents, consultants, and advisors will not be liable to any proponent for any claims, whether for costs, expenses, losses or damages, or loss of anticipated profits, or for any other matter whatsoever, incurred by the proponent in preparing and submitting a proposal, or participating in negotiations for a contract, or other activity related to or arising out of this RFP.
- j. The proposal and accompanying documentation submitted by all proponents become the property of the Rural Municipality of Mervin No. 499 and will not be returned. Proponents should be aware that the RM is a “public body” defined by and subject to *The Freedom of Information and Protection of Privacy Act* (Saskatchewan) and as such the RM may be required to disclose information in the proposal by operation of law. The RM reserves the right to amend and/or withdraw this RFP at any time prior to the closing date. The. All addendums will be posted on the Rural Municipality of Mervin website (www.rmofmervin.ca) and the SaskTenders website (www.sasktenders.ca). It is the responsibility of the proponent to monitor and obtain all addendums from SaskTenders or the Rural Municipality of Mervin website pertaining to the request for proposal.

9. TERMS AND CONDITIONS

The signature on the proposal of a duly authorized representative of the company proposing is a condition of acceptance and acknowledges that all items and deliverables included herein are establishing a relationship with the R.M. of Mervin Council, staff and representatives.

Any contrary terms and conditions added to the request for proposal or on the proponent’s own documents will deem that submission to be a counter proposal. Such submissions may be subject to outright rejection and proponents are cautioned to weigh carefully the consequences of contrary terms or conditions.

10. RFP TIMETABLE

Issue Date of RFP	July 10, 2024
Deadline for Issuing Addenda	August 29, 2024
Submission Deadline	September 5, 2024
Anticipated Ranking of Proponents	September 10, 2024
Anticipated Contract Start Date	December 1, 2024

11. INSURANCE

General Liability Insurance

The auditing firm shall provide evidence of insurance to the Municipality against loss for claims arising from the work under this contract where bodily injury, death, or property damage may occur; specifically, the auditing firm shall maintain Commercial General Liability insurance having a limit not less than five million dollars (\$5,000,000) per occurrence.

Professional Liability Insurance

The auditing firm shall provide, maintain, and pay for an insurance policy insuring against errors, omissions, negligent acts of the auditor or the auditing firm, commonly known as Professional Liability Insurance, in the amount of not less than five hundred thousand dollars (\$500,000) for a single claim and one million dollars (\$1,000,000) aggregate.

Saskatchewan Worker's Compensation

Prior to commencing the work on this contract and prior to receiving final payments, the auditing firm shall provide evidence of compliance with the requirements of *The Worker's Compensation Act* including payments due to the Saskatchewan Worker's Compensation Board.

12. EVALUATION

Proposals will be reviewed for best value including, but not limited to, completeness, qualification, and soundness of approach. The Rural Municipality of Mervin No. 499 reserves the right to refuse or reject any or all quotes, and to waive irregularities and informalities at its sole discretion. Selection will be based on what Council considers being the "best value" to the Municipality taking into consideration the following factors:

- a) The amount of the quote;
- b) The extent to which the quote meets or exceeds the specifications set out in this invitation;
- c) The ability of the proponent to expeditiously provide parts and repair service to the greater.

Should the Municipality not receive any quotation satisfactory to it, in its sole and absolute discretion, the Municipality reserves the right to request new invitations to quote, either to the public or through invited quotation requests.

Best value does not necessarily imply the lowest cost.

The winning proponent will be selected on the following criteria:

Rated Criteria Category	Weighting (Points)
1. Deliverables	10
2. Qualifications	10
3. Experience	10
4. Proficiency	10
5. Cost of Service	50
6. References	10
Total Points	100

Rural Municipality of Mervin No. 499

Request for Proposals – Municipal Audit Services

Proposal Form

Name of Proponent: _____

Address of Proponent: _____

Proposal

Having fully examined all documents relevant to this proposal, the undersigned hereby offers to entertain a contract to perform all work, take such measures and provide such labor, equipment, and materials and to do all things required or necessarily incidental to completing the Contract and to do so in accordance with the specifications, terms, and conditions set forth in the Request for Proposal documents for maximum price/fees of:

All aspects of the annual audit for Rural Municipality of Mervin and full consolidations:

RURAL MUNICIPALITY OF MERVIN NO. 499 – APPROX. 9.5M OPERATING BUDGET

YEAR	SERVICE CONTRACT AMOUNT	GST	PST
2024			
2025			
2026			

NORTH SASKATCHEWAN RIVER MUNICIPAL HEALTH HOLDINGS – APPROX. 550K OPERATING BUDGET

YEAR	SERVICE CONTRACT AMOUNT	GST	PST
2024			
2025			
2026			

DISTRICT 38 RAT CONTROL COMMITTEE – APPROX. 45K OPERATING BUDGET

YEAR	SERVICE CONTRACT AMOUNT	GST	PST
2024			
2025			
2026			

CLOVER LAKE UTILITY BOARD – APPROX. 20K OPERATING BUDGET

YEAR	SERVICE CONTRACT AMOUNT	GST	PST
2024			
2025			
2026			

CRYSTAL BAY/SUNSET PUBLIC UTILITY BOARD – APPROX. 50K OPERATING BUDGET

YEAR	SERVICE CONTRACT AMOUNT	GST	PST
2024			
2025			
2026			

SUNSET VIEW PUBLIC UTILITY BOARD – APPROX. 100K OPERATING BUDGET

YEAR	SERVICE CONTRACT AMOUNT	GST	PST
2024			
2025			
2026			

No additional funds will be provided for travel, meals, or accommodations as the need may bear any other costs which may be incurred to perform the services required as indicated in this request for proposal.

Additional Services Upon Request

Additional services with respect to auditing services or professional services:

RURAL MUNICIPALITY OF MERVIN NO. 499

YEAR	HOURLY AMOUNT	GST	PST
2024			
2025			
2026			

Supporting Documents

The following documents are submitted together with, and form part of, the undersigned's proposal:

Declarations:

We hereby declare that:

- We agree to perform the work in compliance with the required completion schedule in the request for proposal documents;
- No person, firm, or corporation other than the undersigned has any interest in this proposal or in the proposed Contract for which this proposal is made;
- This proposal is open for acceptance for a period of sixty (60) days from date of closing of the request for proposals.

Signatures:

Signed, sealed, and submitted for and on behalf of:

Company: _____

(Name)

(Street Address or Postal Box Number)

(City, Province, and Postal Code)

(Corporate Seal)

Signature: _____

Name and Title: _____ (Please print)

Witness: _____

Date: at _____ this _____ day of _____, 2024.

Note: Where legal jurisdiction or owner requirement calls for proof of authority to execute this proposal, proof of such authority in the form of a certified copy of a resolution naming the person or persons in question as authorized to sign this proposal on behalf of the corporation or partnership should be attached.