



Settle down.

## **City of Grand Forks**

**The Corporation of the  
City of Grand Forks**

### **REQUEST FOR PROPOSAL**

### **PROFESSIONAL AUDIT SERVICES FOR 2016 – 2018 FINANCIAL STATEMENTS**

**Sealed Proposals will be received at  
City of Grand Forks  
Corporate Services, City Hall  
7217 4<sup>th</sup> Street  
Grand Forks, BC V0H 1H0**

**or**

**Email: [corporate@grandforks.ca](mailto:corporate@grandforks.ca)  
Subject line: RFP Professional Audit Services 2016-2018**

**Up to 4:00 pm Pacific Time, September 30<sup>th</sup>, 2016.**

**Note: Faxed Submissions will not be accepted.**

**All queries related to this Request for Proposal shall be submitted in writing to the  
attention of:**

**Juliette Rhodes  
Chief Financial Officer  
Fax: 250-442-8000  
Email: [jrhodes@grandforks.ca](mailto:jrhodes@grandforks.ca)**

**CITY OF GRAND FORKS  
REQUEST FOR PROPOSAL  
AUDIT SERVICES**

**Table of Contents**

<b>PART A - INSTRUCTIONS TO PROPONENTS</b>	<b>page 1 – 4</b>
1.0 Introduction	
2.0 Receipt and Acceptance of Proposal	
3.0 Unacceptable Proposals	
4.0 Prices	
5.0 Quantities	
6.0 Due Diligence	
7.0 Eligibility and Evaluation Process	
8.0 Award	
9.0 Terms of Engagement	
10.0 Freedom of Information and Protection of Privacy Act	
11.0 Confidentiality	
<b>PART B - GENERAL CONDITIONS</b>	<b>page 5 - 8</b>
1.0 Invoicing and Payment	
2.0 Conduct of the Contract	
3.0 Termination of Contract	
4.0 Contract Disputes	
5.0 Warranty	
6.0 Indemnification	
7.0 Insurance	
8.0 WorkSafeBC Coverage	
9.0 Subcontractors	
10.0 Taxes	
11.0 Laws	
12.0 Assignment	
13.0 Notices	
<b>PART C – SPECIAL CONDITIONS</b>	<b>page 9 - 10</b>
1.0 Comprehensive General Liability Insurance	
2.0 Fuel Consumption Data	
3.0 Evaluation and Criteria	
<b>PART D – SCOPE OF WORK</b>	<b>page 11 - 14</b>
1.0 Background	
2.0 Scope of Services	
3.0 Letters and Reports to be Issued	
4.0 Meetings and Other Services	
5.0 Assistance to be Provided to the Auditor	
6.0 Work to be Provided by City Staff	
7.0 Contact Person	
8.0 Transmittal Letter	
9.0 Proposal	
<b>SCHEDULE A</b>	<b>page 15</b>
<b>APPENDIX 1 – ESTIMATED VOLUMES &amp; STATISTICS</b>	<b>page 16</b>
<b>APPENDIX 2 - CAPITAL EXPENDITURES PLANNED FOR 2016</b>	<b>page 17</b>

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART A – INSTRUCTIONS TO PROPONENTS**

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**1.0 Introduction:**

This **Request for Proposal – Audit Services (“RFP”)** is issued by the City of Grand Forks.

The City of Grand Forks is requesting responses to this RFP for the provision of external audit services to audit the City’s financial statements.

Inquiries regarding this Request for Proposal are to be directed in writing by fax or email to:

**Juliette Rhodes, CFO  
City of Grand Forks, BC  
Fax: (250)442-8000  
Email: jrhodes@grandforks.ca**

Inquiries must not be directed to other City employees or Elected Officials. All clarification requests are to be sent in writing to the individual mentioned above. No clarification requests will be accepted by telephone. Responses to clarification requests will be provided to all Proponents in writing.

**2.0 Receipt and Acceptance of Proposal:**

- 2.1 The Proponent shall submit its Proposal no later than 4 pm Pacific Time, Friday September 30, 2016 (the “Closing Time”). Proposals shall be submitted in a sealed envelope or package clearly marked “**Request for Proposal (RFP) – Professional Audit Services for 2016 – 2018**” to the attention of the Corporate Officer, City of Grand Forks, 7217 4<sup>th</sup> Street, Grand Forks, BC, V0H 1H0 or by e-mail to corporate@grandforks.ca. Two copies of hardcopy submissions are required.
- 2.2 It is the Proponent’s responsibility to ensure that its Proposal has been received by the Closing Time. Proposals received after the Closing Time or in locations other than the address indicated, will not be accepted and will be returned unopened. The City of Grand Forks reserves the right, at its sole discretion, to extend the closing date and time.
- 2.3 All Proposals shall be open for acceptance for sixty (60) days after the Closing Time, whether or not another Proposal has been accepted.
- 2.4 Prior to the Closing Time, Proponents must not establish contact with anyone inside the City organization regarding this Proposal without the permission of the Chief Financial Officer.
- 2.5 If alternative Proposals are offered, the Proposals shall be submitted separately in the same format as the initial Proposal. While the City of Grand Forks is not obligated to accept any alternatives, all suggested alternatives will be considered during the evaluation process.
- 2.6 Amendments to a Proposal may be submitted if delivered in writing to the address shown above prior to the Closing Time.
- 2.7 Proposals may be withdrawn by written notice only, provided such notice is received at the office of the Chief Financial Officer, City of Grand Forks prior to the Closing Time.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART A – INSTRUCTIONS TO PROPONENTS**

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2.8 Any deviations from the requirements or the conditions specified in this RFP must be clearly stated in the Proponent's Proposal. The City of Grand Forks will be the sole judge as to what constitutes an acceptable deviation. If no deviations are indicated in the Proponent's Proposal, the City of Grand Forks expects the Proponent to be in full compliance of the requirements and conditions stated herein.

2.9 If any of the terms set out in the RFP are unacceptable to the Proponent, the Proponent must identify such terms and provide suggested alternatives in its Proposal. Suggested alternatives will be considered during the evaluation process.

2.10 The City of Grand Forks is not obligated to pay any costs the Proponent incurs in the preparation of their Proposal. All costs for the preparation of the Proponent's Proposal will be borne solely by the Proponent.

**3.0 Unacceptable Proposals:**

3.1 Proponents are hereby notified that the lowest or any Proposal need not be accepted and the City of Grand Forks reserves the right to reject or accept any or all Proposals in whole or in part at any time without further explanation. The Proponent acknowledges the City's rights under this clause and absolutely waives any right of action against the City's failure to accept its Proposal whether such right of action arises in contract, negligence, bad faith or any other cause of action. The acceptance of any Proposal is subject to funds being legally available to complete this transaction and/or approval by the City's Council.

3.2 Proponents are cautioned to carefully read and follow the instructions stated herein as the City of Grand Forks reserves the right to disqualify any Proposal that fails to meet any of the requirements of this RFP.

3.3 The City will only consider Proposals from firms with municipal audit experience.

**4.0 Prices:**

4.1 All-Inclusive Quoted Prices – Indicated by Sub-total, PST (if applicable), GST and Total.

**5.0 Quantities:**

5.1 The quantities stated herein are the City of Grand Forks' best estimate of its requirements and have been based on the total previous year's consumption and any changes anticipated for the coming year. Actual quantities may vary. No penalty shall apply if actual quantities do not meet or exceed that stated herein.

**6.0 Due Diligence:**

6.1 It is understood and agreed that the Proponent has, by careful examination, satisfied itself as to the nature and location of the work, the quality and quantity of services/ materials to be encountered, the character of materials, labour and facilities needed in the completion of the work.

**7.0 Eligibility and Evaluation Process:**

7.1 To be considered for this Proposal, Proponents must meet the following criteria:

- a) have the ability to meet the requirements set out herein and deliver the requirements when and where required and;

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART A – INSTRUCTIONS TO PROPONENTS**

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- b) hold a valid accounting designation and;
  - c) have experience in municipal audits and demonstrate comprehensive knowledge of municipal financial reporting requirements and;
  - d) demonstrate an understanding of legislation relevant to the municipal environment and;
  - e) have well developed, professional auditing techniques and processes and a sound system of control and review of audit performed and;
  - f) have necessary staffing, facilities, financial resources and expertise sufficient to address the scope of the audit services required in a timely manner in order to meet City and provincial reporting requirements. The City of Grand Forks reserves the right to inspect the Proponent's facility and to perform such investigations as may be deemed necessary to ensure that competent personnel and management will be used in the performance of this Contract and;
  - g) demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel and;
  - h) demonstrate a commitment to meeting all reporting deadlines.
- 7.2 Proponents may be required to provide additional information, including preparing a presentation, supplying samples, demonstrations, and/or additional technical literature prior to the award of a contract.
- 7.3 The City of Grand Forks reserves the right, at its sole discretion, to enter into negotiations with the Proponent or with any other Proponents concurrently. In no event will the City of Grand Forks be required to offer any modified terms to any Proponent prior to entering into a contract, and the City of Grand Forks will not be liable to any Proponent as a result of such negotiations.
- 8.0 Award:**
- 8.1 The City of Grand Forks 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.
- 8.2 The City of Grand Forks, unless it otherwise states, reserves the right to award by item, or part thereof, groups of items, or all items of the Proposal, and to award contracts to one or more Proponent submitting identical Proposals as to price; to reject any and all submissions in whole or in part; to waive technical defects, irregularities and omissions, if in so doing, the best interests of the City will be served.
- 8.3 The successful Proponent (the "Auditor") is required to have a valid business license in the municipality where its head office is located and for all municipalities where it will be performing services under this contract.
- 8.4 The Proponent will not, without written consent of the City of Grand Forks, assign or transfer this contract or any part thereof. Where subcontractors are utilized in the performance of this contract, the successful Proponent is required to ensure that the subcontractors are properly licensed and to provide proof of it prior to execution of the Contract.
- 8.5 Notice in writing to the successful Proponent of the approval of its Proposal and the appointment of auditors by the City's Council and the subsequent execution of an engagement letter shall constitute the making of the Contract for Services.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART A – INSTRUCTIONS TO PROPONENTS**

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**9.0 Terms of Engagement:**

- 9.1 It is expected that the successful firm will be auditors of the City of Grand Forks for a period of three years, subject to the performance of the audit firm. An annual letter of engagement outlining the terms of the audit should be submitted for the review and approval of both parties.
- 9.2 The Auditor's Proposal documents, the RFP and such other documents, including all amendments or addenda agreed between the parties comprise the "Contract Documents" and shall form the contract entered into between the Auditor and the City of Grand Forks.
- 9.3 Should any work or materials be required which are not detailed in this RFP, either directly or indirectly, but which are nevertheless necessary for the proper carrying out of the intent hereof, the Auditor is to understand the same to be implied and required, and shall perform all such work and furnish any such material as fully as if they were particularly delineated or described. No after claim will be allowed or entertained for obstructions or work necessary to fully complete the work whereon said Auditor made tender.

**10.0 Freedom of Information and Protection of Privacy Act:**

- 10.1 All Proposals submitted to the City of Grand Forks become the property of the Corporation, and as such, are subject to the provisions of the Freedom of Information and Protection of Privacy Act. This will confirm that the Corporation of the City of Grand Forks will not use/disclose the information provided, without proper authorization, and will keep the information in a physically secure location to which access is given only to staff requiring access.

**11.0 Confidentiality:**

- 11.1 Proponents submitting Proposals and the successful auditor shall not at any time before, during or after the completion of the engagement, divulge any confidential information communicated to or acquired by the Proponent or the auditor or disclosed by any of the entities being audited in the course of carrying out the engagement. No such information shall be used by the Proponent or the auditor on any other project without prior written approval.
- 11.2 The awarding of a contract does not permit the successful Proponent to advertise its relationship with the City without the City's prior authorization.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART B – GENERAL CONDITIONS**

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**1.0 Invoicing and Payment:**

- 1.1 All invoices shall show the actual hours, work completed, staff and hourly rates. All payments will be made in response to invoices itemized in accordance with the final signed contract, provided the invoices are based on work described in the scope of the project, consistent with the negotiated deliverables and completed to the City's satisfaction.
- 1.2 For further certainty, in the event that invoices are rendered that are in excess of the fees quoted in the final signed contract, payment will not be made unless the additional deliverables have been negotiated with and accepted by the City in advance of the conduct of the work.
- 1.3 In the event that less time is required to perform the audit than anticipated, it is expected that a reduction will be provided to the City.
- 1.4 Should a significant increase or decrease occur in the scope of work to be conducted by the auditor during the terms of the engagement, the auditor must discuss this change with the Chief Financial Officer. The auditor must provide a firm quote of the impact of such changes on fees, if any, prior to the submission of the annual audit plan to the Chief Financial Officer. Without a firm quote and agreement by the respective entity, additional billings will not be accepted.

**2.0 Conduct of the Contract:**

- 2.1 The City of Grand Forks has conduct of the contract resulting from this RFP. Without limiting the generality of the foregoing, this means that all correspondence related to changes in pricing, delivery, etc. shall be with the City of Grand Forks.
- 2.2 Where the City of Grand Forks and the Auditor agree to changes in the Contract, except for emergencies, all changes shall be made in writing.

**3.0 Termination of Contract:**

- 3.1 The City of Grand Forks may, by notice of default to the Auditor, immediately terminate part or all of this contract if the Auditor fails to make delivery of the goods and/or services within the time specified, or fails to perform any other provisions, terms or conditions of this contract within the time specified, or within a reasonable time if no time is specified.
- 3.2 The City reserves the right to call in alternative services if the Proponent is unable to provide the service when it is requested.

**4.0 Contract Disputes:**

- 4.1 The parties to the Contract agree to attempt to resolve disputes arising out of or in connection with this contract, or in respect of any legal relationship associated with it, or from it, by mediated negotiation with the assistance of a single person appointed by the British Columbia International Commercial Arbitration Centre administered under its Mediation Rules. The cost of any such mediation shall be borne equally by the parties hereto. The arbitration shall take place in the City of Grand Forks, British Columbia or upon a mutually agreed location.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART B – GENERAL CONDITIONS**

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**5.0 Warranty:**

- 5.1 The Auditor warrants that the goods or services delivered by the Auditor to the City of Grand Forks in connection with the Contract will perform according to the Auditor's Proposal and the requirements set out in the RFP.
- 5.2 The Auditor also warrants that its employees have the qualifications, experience, knowledge, skills and abilities necessary to carry out the services and the services will be performed in a competent, efficient and first class manner.

**6.0 Indemnification:**

- 6.1 The Auditor shall indemnify, hold and save harmless the City of Grand Forks from and against all claims, losses, damages, costs, actions and other proceedings made, sustained, brought or prosecuted in manner, based upon, occasioned by attributable to any injury, including death, property damage, infringement or damage arising from any act or omission of the Auditor, his employees, officers, volunteers, servants or agents or persons from whom the Auditor has assumed responsibility in the performance or purported performance of this contract.

**7.0 Insurance:**

- 7.1 Without limiting any of its obligations or liabilities under the contract, the Auditor and its subcontractors shall obtain and continuously carry during the term of the Contract at their own expense and cost, the insurance coverages set out in the Special Conditions.
- 7.2 All insurance policies shall be in a form and in amounts satisfactory and with insurers acceptable to the City of Grand Forks and shall provide the City of Grand Forks with thirty (30) days prior written notice of material change, lapse or cancellation. Notice must identify the Contract title, policy holder, and scope of work.
- 7.3 The Auditor and each of its subcontractors shall provide, at its own cost, any additional insurance that it is required by law to provide or which it considers necessary. The insurance coverage shall be primary insurance as respects the City of Grand Forks.
- 7.4 Prior to commencing any work or services on the City of Grand Forks site, the Auditor will be required, upon request, to provide evidence of insurance coverage according to the insurance conditions set out in the Special Conditions. The certificate of insurance shall identify the Contract title, policy holder, and scope of work.
- 7.5 Similar evidence of renewals, extensions or replacement of said policies, upon request, shall be forwarded to the City of Grand Forks, at least fifteen (15) days prior to their renewal extension or replacement. A certificate of insurance provided by the Auditor shall not contain any disclaimer whatsoever.
- 7.6 The Auditor shall provide in its agreements with its subcontractors clauses in the same form as those found herein. Upon request, the Auditor shall deposit with the City of Grand Forks detailed certificates of insurance for the policies it has obtained from its subcontractors and a copy of the insurance clauses so provided in the said agreements.



**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART B – GENERAL CONDITIONS**

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**8.0 WorkSafeBC Coverage:**

- 8.1 The Auditor agrees that it shall, at its own expense, procure and carry or cause to be procured and carried and paid for, full WorkSafeBC coverage for itself and all workers, employees, servants and others engaged in or upon any work or service which is the subject of this contract. The Auditor agrees that the City of Grand Forks has the unfettered right to set off the amount of the unpaid premiums and assessments for such WorkSafeBC coverage against any monies owing by the City of Grand Forks to the Auditor. The City of Grand Forks shall have the right to withhold payment under this contract until the WorkSafeBC premiums, assessments or penalties in respect of work done or service performed in fulfilling this contract have been paid in full.
- 8.2 The Auditor shall, upon request, provide the City with the Auditor's WorkSafeBC registration number and letter from WorkSafeBC confirming that the Auditor is registered in good standing with WorkSafeBC and that all assessments have been paid to the date thereof prior to the City of Grand Forks having any obligation to pay monies under this contract.

**9.0 Subcontractors:**

- 9.1 All subcontractors are the responsibility of the Auditor. The Proponent agrees that the subcontractors shown in its Proposal are the subcontractors that it proposes to use to carry out the requirements. Subject to the City of Grand Forks' approval of the listed subcontractors, the Proponent agrees, if awarded this contract, to engage the listed subcontractors and no others in their stead without prior written authorization of the City of Grand Forks.
- 9.2 Nothing contained in any Contract Documents shall create any contractual relationship between the subcontractors and the City of Grand Forks.

**10.0 Taxes:**

- 10.1 Unless otherwise provided herein, the Auditor shall pay all government sales or excise taxes in force at the date of the agreement, provided that any increase or decrease in such taxes shall increase or decrease the amount due under the contract accordingly. Invoices shall show the appropriate amounts for Goods and Services taxes and Provincial Sales taxes separately.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART B – GENERAL CONDITIONS**

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**11.0 Laws:**

- 11.1 The laws of British Columbia shall govern the contract.
- 11.2 In carrying out its obligations hereunder, the Auditor shall familiarize itself and comply with all applicable laws, bylaws, regulations, ordinances, codes, specifications and requirements of all regulatory authorities, and shall obtain all necessary licenses, permits and registrations as may be required by law.

**12.0 Assignment:**

- 12.1 Neither party to the contract shall assign, sublet or transfer this contract without the written consent of the other.

**13.0 Notices:**

- 13.1 Any notice required to be given or made in this contract shall be given or made in writing and shall be served personally or mailed by registered mail addressed to the City of Grand Forks and to the Auditor at the address set forth in its Proposal.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART C – SPECIAL CONDITIONS**

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Where Special Conditions are attached herein and there is a conflict, the Special Conditions shall take precedence over the Instructions to Proponents and General Conditions set out in this RFP.

**1.0 Comprehensive General Liability Insurance:**

- 1.1 Comprehensive general liability insurance with limits of not less than two million dollars (\$2,000,000) per occurrence inclusive for personal injury or property damage and in the aggregate with respect to products and completed operations. The insurance shall protect the Auditor, its subcontractors and their respective employees, servants and agents against personal injury, including death, sustained by any person and damage to or destruction of property including loss of use thereof, arising directly out of the operations or requirements performed in connection with the Contract.
- 1.2. The policy of insurance shall:
- a. contain a cross-liability or severability of interest clause;
  - b. extend to cover non-owned automobile, contingent employer's liability, blanket contractual liability, Auditor's protective liability, broad form property damage, broad form completed operations, and operation of attached machinery;
  - c. add the City of Grand Forks, its officers, officials, employees, servants, and agents as additional insured; and
  - d. have a policy deductible not exceeding five thousand dollars (\$5,000) for any one accident of occurrence.
- 1.3 The Auditor shall ensure that vehicles owned and/or operated by the Auditor in connection with the Contract maintain Third Party Legal Liability Insurance in an amount not less than three million dollars (\$3,000,000) per occurrence.

**2.0 Fuel Consumption Data**

- 2.1 The City of Grand Forks will require the successful Proponent to communicate the quantity of fuel used to operate vehicles, equipment and machinery as part of the delivery of the services described in this contract within thirty (30) days of the date of completion of the project. Fuel consumption associated with the provision of these services must be provided to the City of Grand Forks.

Data provided should include the following information:

- number of vehicles, by vehicle class, used to deliver the contracted service (heavy duty, light duty, off road);
- type of fuel consumed by each vehicle class (e.g. diesel / gasoline / natural gas / ethanol blend/ biodiesel blend); and
- litres of fossil fuels consumed in relation to the service delivered under the contract in each vehicle class, from the award date of the contract up to the completion date.

**3.0 Evaluation**

- 3.1 An Evaluation Team comprised of financial staff and/or contracted services will evaluate the responses to the RFP. Proponents, whose proposals have been selected for further evaluation, may be invited to give written or oral presentations and/or participate in interviews to discuss their Proposal with the Evaluation Team. Proponents may be requested to clarify information provided in their submission.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART C – SPECIAL CONDITIONS**

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- 3.2 The City of Grand Forks will evaluate the Proposals received on the basis of the overall best value to the City, based on quality, service, and any criteria set out herein based solely on the City of Grand Forks' assessment of the Proposal, including, but not limited to the following criteria and any other relevant information provided by the Proponent.
- 3.3 In recognition of the importance of the procedure by which a Proponent may be selected, the following outlines the primary considerations to be used in the evaluation and awarding of this contract (not in any order).

**Qualifications and Experience**

- Technical experience of the firm in performing audits of municipalities, public sectors and/or organizations of a similar size and complexity.
- Audit team experience and qualifications of personnel assigned to the audit.
- References.

**Submission**

- Statement of full understanding of the audit objectives, overall scope of work.
- Quality of the Proposal in terms of methodology and approach to the audit.
- Responsiveness to the RFP and demonstrated willingness to comply with the terms and conditions of the RFP.

**Financial**

- Proposed fees for scope of work required (including out of pocket expenses, if any) for each year.
- Estimated hours required, levels of staff to be assigned and hourly billing rates.
- Hourly rate, flexibility and expertise for additional services

**Sustainability**

- Describe how the company incorporates green or sustainable business practices or technology
- Describe and quantify total GHG emissions for all equipment throughout the life of the contract. Include fuel consumption costs and all other GHG emissions.

- 3.4 Evaluation criteria to be used in the evaluation and consequent awarding of the contract is as follows:

**Evaluation Criteria**

Qualifications and Experience (45 points available to be awarded)  
Submission (20 points)  
Financial (30 points)  
Sustainability (5 points)  
Total 100 points.

- 3.5 The Evaluation Team will recommend the audit appointment to the Chief Administrative Officer for final approval.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART D – SCOPE OF WORK**

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**1.0 Background**

- 1.1 The following documents can be obtained from the City of Grand Forks website: [www.grandforks.ca](http://www.grandforks.ca)
- City of Grand Forks – Audited Financial Statements for the year ended December 31, 2015 (as part of the 2015 Annual Report).
  - City of Grand Forks – 2016-2020 Financial Plan.
- 1.2 A copy of the 2015 Statement of Financial Information return is available upon request.
- 1.3 Appendix 1 provides Estimated Volumes and Statistics based on 2015 data.
- 1.4 Appendix 2 provides Capital Expenditures Planned for 2016.

**2.0 Scope of Services**

- 2.1 Commencing with the 2016 fiscal year, the City requires audit services for the Corporation of the City of Grand Forks.
- 2.2 The audit program must be in accordance with generally accepted auditing standards in order to express an opinion on the fair presentation of City consolidated financial statements and supplementary information, in conformity with generally accepted accounting principles and provisions of the Community Charter and Local Government Act of British Columbia.
- 2.3 The following is required:

**Annual Schedule**

Before November 15th of the first year, and September 30 of subsequent years, the Auditor shall meet with the appropriate City Chief Financial Officer to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit. The schedule of activities shall be finalized by November 30 and shall set out the key dates by which necessary information is to be assembled by both parties, a list of all the necessary schedules, working papers, analysis and other information relevant to statement preparation.

Should a Proponent be unable to meet any dates, they shall note any deviation in their submission document and where possible, provide alternate dates.

**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, inform and fully discuss such matters with the appropriate staff. In addition, the Auditor shall, as far as possible, allow a reasonable period of time for City staff to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART D – SCOPE OF WORK**

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**Delivery of Annual Financial Statements**

Annual financial statements accompanied by the Auditor's reports duly signed by the Auditor shall be delivered to the Chief Financial Officer by the deadlines set out in the annual schedule.

2.4 The Finance Officer wishes to be advised of any weaknesses in internal control noted during the Audit.

2.5 The audit process includes evaluating the overall financial statement presentation as drafted by City staff, as well as reviewing and signing certain pages of the Provincial Financial Reporting forms (LGDE) and/or forms required by any federal government ministry or agency, prepared by City staff.

**3.0 Letters and Reports to be Issued**

3.1 The Auditor shall issue a written opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles, suitable for printing within the financial statements.

3.2 The Auditor shall issue a separate written opinion on the supplementary information accompanying the financial statements, suitable for printing within the financial statements. Supplementary information would include the notes to the financial statements as well as any additional financial information.

3.3 Not later than thirty (30) days following the completion of the audit, the Auditor shall communicate in a post audit management letter to the Chief Financial Officer any reportable conditions, as determined by the Auditor, found during the audit. The Auditor shall also provide appropriate beneficial suggestions to correct any areas of concern and weaknesses arising as a result of the audit process.

3.4 The Auditor shall meet with the City staff to discuss the contents of the post audit management letter and staff's response to the comments. Following agreement as to the factual accuracy of the observations, a revised management letter, if necessary, shall be submitted to City Council.

**4.0 Meetings and Other Services**

4.1 The Auditor will attend such meetings as are called to discuss their work and reports, and shall provide such information as requested which will enhance the understanding of the members of Council and Staff concerning matters relating to the annual financial statements. At a minimum, an annual presentation to City Council on the financial statements and financial affairs of the Corporation is required.

4.2 The Auditor will respond to and discuss with City staff accounting, auditing, tax and other issues arising throughout the year. Inquiries, if any, are infrequent, usually brief and specific in nature, and do not require a written confirmation. It is expected that such inquiries would be included in the quoted price and would not incur additional billing.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART D – SCOPE OF WORK**

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**5.0 Assistance to be provided to the Auditor**

5.1 Finance department staff and responsible management personnel will be available during the audit to assist the firm by providing overview information and explanations.

**6.0 Work to be provided by City staff**

6.1 Preparation of year-end working papers for all entities including:

- Supporting working papers for all significant asset and liability accounts
- Financial Statement lead sheets
- Comparative analysis of current and prior actual
- Comparative analysis of current actual to current budget
- Audit confirmations to banks, lawyers and other entities as required upon receipt of forms from auditors

6.2 Preparation of annual financial statements including related schedules and notes. Statements are substantially complete in draft form at the beginning of the audit. Comments as to financial or procedural improvements are welcome.

6.3 Preparation of Provincial Financial Reporting forms (LGDE) is done by City staff. The audit is limited to signing the pages designated by the Province.

**7.0 Contact Person**

The Auditor's principal contact with the City of Grand Forks will be Juliette Rhodes, Chief Financial Officer, or a designated representative who will coordinate the assistance to be provided by the City to the Auditor.

**8.0 Transmittal Letter**

A letter of transmittal briefly stating the Proponent's understanding of the work to be done and a statement that the Proposal is a firm and irrevocable offer for the period 2016 – 2018 shall be submitted along with the RFP response. See attached Schedule A.

**9.0 Proposal**

9.1 The Proposal should be prepared simply and economically. While additional data may be presented, the following subjects, items **9.2** through **9.13**, must be included. They represent the criteria against which the Proposal will be evaluated.

9.2 **Independence** - The firm must provide an affirmative statement that it is independent of the City.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART D – SCOPE OF WORK**

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- 9.3 **Firm Qualifications and Experience** - The Proponents should state the size of the firm, the size of the firm's municipal audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.
- 9.4 **Partner, Supervisory and Staff Qualifications and Experience** - The Proponents should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists that would be assigned to the engagement.
- 9.5 The Proponent should provide information on the firm's municipal government auditing experience, as well as the municipal audit experience of staff assigned to the engagement. The Proponents should provide as much information as possible regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement. Indicate how the continuity of staff over the term of the agreement will be assured.
- 9.6 Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office.
- 9.7 Other audit personnel may be changed at the discretion of the Proponents, provided that replacements have substantially the same or better qualifications or experience.
- 9.8 **References** - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum – 5) performed in the past five years that are similar to the engagement described in this RFP. Please include the name and telephone number of the principal client contact.
- 9.9 **Specific audit approach** – Provide a statement of your understanding of the work to be done, audit approach and commitment to perform the work within the time period.
- 9.10 Describe the methodology to be used for keeping the City abreast of any changes in accounting principles or legislation that impact financial reporting.
- 9.11 Describe the firm's experience in providing additional services to government and the nature of such services. Include a description of the range of services provided by the local office.
- 9.12 **Total All-Inclusive Maximum Price** – The bid should contain all pricing information relative to performing the audit engagement as described in this RFP. The total all-inclusive maximum price bid is to contain all direct and indirect costs including all out-of-pocket expenses. Changes in wording or presentation suggested or requested by Audit staff during the course of any audit will not be considered as additional services.
- 9.13 **Rates for additional services** – During the period of this contract, additional audit services may be required to address new legislated requirements, such as the recording of Contaminated Sites. As the extent of these additional services is not known, the City is requesting that Proponents set out, in their own words and format, the approach that will be taken to ensure your charges for these additional services are as cost effective as possible.



**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART D – SCOPE OF WORK**

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**SCHEDULE A – TRANSMITTAL LETTER**

**ATTESTATION [original signed copy to be included with submission]:**

I/We, the officially authorized representatives of the firm:

\_\_\_\_\_  
Firm name.

\_\_\_\_\_  
Firm address.

hereby acknowledge and confirm that I/we accept the conditions, requirements and stipulations contained within this Request For Proposal.

\_\_\_\_\_  
Authorized signatory

\_\_\_\_\_  
Authorized signatory

\_\_\_\_\_  
Print name.

\_\_\_\_\_  
Print name.

\_\_\_\_\_  
Date.

\_\_\_\_\_  
Date.

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART D – SCOPE OF WORK**

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**APPENDIX 1**

**ESTIMATED VOLUMES AND STATISTICS**

Population (approx.)	4,000
No. of active GL accounts	2,300
No. of full time staff	42
No. of cheques issued	2,300
No. of invoices issued	350
No. of vendor invoices Processed	4,500
No. of purchase orders issued	300
No. of bank accounts	14
No. of business licences	375
No. of properties	3,300
No. of building permits issued	44
No. of utility accounts	2,600
No. of HOG claimed	1,400
Computerized system	Vadim iCity

**RFP – AUDIT SERVICES  
CORPORATION OF THE CITY OF GRAND FORKS  
PART D – SCOPE OF WORK**

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**APPENDIX 2  
CAPITAL EXPENDITURES PLANNED FOR 2016**

2016 CAPITAL PROJECTS

WELL #3 PUMP AMD MOTOR	\$	100,000
3RD STREET SEWER MAIN REPAIR	\$	100,000
5TH STREET WATERMAIN REPLACEMENT	\$	575,000
VADIM SOFTWARE E3 UPGRADE	\$	7,857
ELECTRICAL SUBSTATION ENGINEERING	\$	50,000
ANNUAL EMERGENCY REPAIR FUND	\$	200,000
PUBLIC WORKS FUEL TANKS	\$	75,000
WHISPERS OF HOPE ROOF	\$	50,000
5 TON DUMP TRUCK	\$	250,000
T-TECH TRAILER	\$	25,000
GIS PHASE 2	\$	15,000
PICKELBALL COURTS	\$	34,556
ELECTRICAL UPGRADE JD PARK	\$	36,000
<b>2016 PROJECTS</b>	<b>\$</b>	<b>1,518,413</b>

2015 CAPITAL PROJECTS CARRY FORWARD

WORKS YARD FUEL PUMP REPLACEMENT	\$	1,190
SPRAY PARK	\$	53,876
GENERATOR 525 CENTRAL	\$	5,232
AIRPORT BEACONS	\$	60,000
PLAYGROUND EQUIPMENT	\$	45,000
1995 FORD PICK UP REPLACEMENT	\$	45,000
SILVER KETTLE SIDEWALK	\$	212,500
WEST SIDE FIRE PROTECTION	\$	928,784
EASTSIDE RESERVOIR STRUCTURE STUDY	\$	1,210
WASTEWATER TREATMENT PLANT UV	\$	495,900
MULTI UTILITY	\$	3,324,130
ELECTRICAL SYSTEM & VOLTAGE CONVERSION	\$	20,666
ELECTRICAL RECLOSER CONTROLS	\$	23,522
ELECTRICAL SYSTEM UPGRADES	\$	5,759
RIVERSIDE RECONDUCTOR	\$	30,096
HEADWORKS GRINDER	\$	50,446
WATER/SEWER SCADA	\$	11,150
RESIDENTIAL WATER METER PROJECT	\$	302,353
WATER SYSTEM LOCATES	\$	91,349
<b>2015 PROJECTS CARRY FORWARD</b>	<b>\$</b>	<b>5,708,163</b>

**TOTAL CAPITAL \$ 7,226,576**