



CENTRAL COAST REGIONAL DISTRICT

TO: Darla Blake, CAO September 30, 2013

FROM: Donna Mikkelson, CFO

SUBJECT: Request for Proposals – Financial Audit Services 2013-2017

RECOMMENDATION:

THAT PMT Chartered Accountants/Business Advisors LLP be retained to provide financial audit services to the Central Coast Regional District and the Central Coast Regional Hospital District as provided in the Detailed Proposal dated September 20, 2013; and further, that PMT Chartered Accountants/Business Advisors be (re)appointed as the regional district's auditors for the years ending December 31, 2013 – 2017.

BACKGROUND:

The regional district issued a request for proposals (RFP) for financial audit services for the 5 year period ending December 31, 2017. (For clarity, the actual audit for the 2017 year end, will be completed in the spring of 2018.)

The RFP was issued on August 29th and was published twice in the Tribune newspaper (Williams Lake), once in the Coast Mountain News, and on the regional district's website (www.ccrd-bc.ca) until the closing date of September 27, 2013.

One formal response was received by the deadline from PMT Chartered Accountants/Business Advisory LLP.

I have evaluated the proposal according to the RFP as follows:

Mandatory criteria has been confirmed as follows:

- Proposal From completed and signed by a person authorized
- Proponents are qualified
- Receipt and delivery of proposal verified



Point-Rated criteria was evaluated in the following categories:

Capability of Proponent and Audit Team (35 points)

- Experience in the audit of similar organizations and other local governments with an emphasis in the audit of regional districts
- Qualifications and availability of proposed audit team and other firm resources to carry out the work and meet deadlines
- Meets the requirements of the *Local Government Act* and *Community Charter*.
- Flexibility and expertise for additional services
- Knowledge of information systems used by the CCRD
- Demonstration of commitment to providing reasonable annual continuity of experienced and qualified personnel

Proposed Audit Strategy (25 points)

- Audit plan including scope, number of person-hours anticipated to perform the services, broken down between interim and final audits for each of the two entities for the five years.
- Clarity of work plan (time table) and reporting requirements
- Approach used to gain an understanding of the CCRD and CCRHD structure and operations

Price (40 points)

- The proposed fees will be firm, for the five year term, quoted in Canadian funds exclusive of taxes, for each entity which is to include:
 - o Professional fees of audit and support staff based on person hours for each entity for each of the five years
 - o Estimated disbursements and administrative fees exclusive of taxes
 - o Hourly rates for additional services

Evaluation Summary

Criteria	Available	Awarded	Comment
Capability	35	35	Solid experience and qualifications
Strategy	25	20	Service not broken down between interim and regular audit
Price	40	35	See below. Increase of \$2,700 over 2012
Total	100	90	

The following table illustrates past expenses (taxes excluded) associated with audit fees:

Year	CCRD Audit	RHD Audit	Other Fees	Total
2010 year end	15,000	3,000	2,925	20,925
2011 year end	15,500	3,250	4,230	22,980
2012 year end	16,000	3,500	4,650	24,150

The following table illustrates proposed expenses (taxes excluded) associated with audit fees:

Year	CCRD Audit	RHD Audit	Other Fees	Total
2013 year end	18,000	3,450	Hourly rate	21,450 + hrly
2014 year end	18,500	3,500	Hourly rate	22,000 + hrly
2015 year end	19,000	3,550	Hourly rate	22,550 + hrly
2016 year end	19,500	3,600	Hourly rate	23,100 + hrly
2017 year end	20,000	3,650	Hourly rate	23,650 + hrly

I have attached the Proposal for External Audit Services from PMT Chartered Accountants for your additional information. To complete the file, I have also attached the Request for Proposals issued on August 29, 2013. Please advise of any questions or concerns.

Respectfully Submitted,



Donna Mikkelson, CFO

RECEIVED

SEP 26 2013

Central Coast Regional District



CHARTERED ACCOUNTANTS / BUSINESS ADVISORS LLP

SUBJECT: Proposal for External Audit Services for
Central Coast Regional District and
Central Coast Regional Hospital District

DATE: September 20, 2013

CONTACT INFORMATION: Jay S. Cheek, CA

PMT Chartered Accountants/Business Advisors LLP
201 - 35 South 2nd Ave
Williams Lake, BC V2G 3W3

Phone: 250-392-2911
Fax: 250-293-5789
Toll free: 1-877-392-2911

Email: jay.cheek@caribooca.com

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September 20, 2013

Donna Mikkelson
Chief Financial Officer
CENTRAL COAST REGIONAL DISTRICT
626 Cliff Street
PO Box 186
Bella Coola, BC V0T 1C0

Dear Ms. Mikkelson:

RE: REQUEST FOR PROPOSAL FOR AUDITING SERVICES

In response to your request for proposal for auditing services, we are pleased to provide you with the enclosed proposal, which represents a firm and irrevocable offer for sixty (60) days for the period 2013-2017.

It is our understanding that you are looking for a qualified accounting firm to enter into a five (5) year contract, to perform the annual financial audit requirement for the Central Coast Regional District and the Central Coast Regional Hospital District beginning with the 2013 fiscal calendar year.

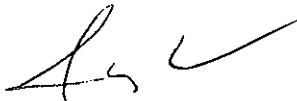
If our bid is accepted, we assure you that our firm is committed to performing the work within the timeframe identified in the request for proposal, which involves completing the audits no later than April 30th.

We are certain that the other firms you contacted are fully qualified to perform the services required. Our experience with very similar organizations, including yours, will be beneficial as we will have a better understanding of who you are, what you do, and why you do it. At our firm we pride ourselves on being very compliant with tax, Accounting Standards for Private Enterprises, Accounting Standards for Not-for-Profit, Public Sector Accounting Standards, and Generally Accepted Audit Standards.

We thank you for the invitation to offer our proposal for these services. Should it be required, we would be pleased to provide elaboration on any points within our proposal.

Yours truly,

PMT CHARTERED ACCOUNTANTS/BUSINESS ADVISORS LLP



Jay S. Cheek, CA

DETAILED PROPOSAL

OVERVIEW OF AUDIT FIRM

We are the leading accounting firm in the Cariboo and have been in practice since 1952. PMT has offices in Williams Lake, 100 Mile House, and Quesnel.

With a current staff of 49, which includes 11 Chartered Accountants, 5 Certified General Accountants and 33 technicians and support staff, we have a deep "in house" body of knowledge. Our firm is committed to staying up to date and has extensive in house training programs. The current partners have all come from international firms with extensive knowledge on not-for-profit, first nation, government, for-profit public and private engagements. In addition, we regularly attend professional development courses and subscribe to the major technical publication services.

At PMT, we strongly believe in giving back to our local communities here in the Cariboo through both sponsorships and donations in worthy initiatives that contribute to the quality of life in the communities we serve. Several examples of PMT's contributions and continued support include donations to the North Cariboo Multi-Centre, Cariboo Friendship Society Pregnancy Outreach Program, Woman's Contact Society of Williams Lake, Boys and Girls Club, 4H, Big Brothers and Big Sisters, in addition to the sponsorship of various local youth sports groups. We also support the Bella Coola area through donations and contributions of relief funds following the flooding.

PMT is invested in the community's future and is committed to working with local businesses to ensure that more money and jobs stay within the Cariboo. You too can be a part of this.

Please visit our website at www.pmtaccountants.com to find out more about us.

AUDIT TEAM QUALIFICATIONS AND EXPERIENCE

The work on these engagements will be completed through the Williams Lake office and our proposed staffing for these engagements is as follows:

Engagement Partner – Jay S. Cheek, CA

Jay has a Bachelor of Business Administration and completed his Chartered Accountant designation in 2003. Jay joined PMT in November 2006, and was promoted to partner effective January 1, 2008. Previously, he worked for an international accounting firm in Kamloops BC and the Cayman Islands. Jay is the managing partner at the firm and is responsible for the Williams Lake office. Jay has audit experience working with government, for-profit, and not-for-profit.

Manager – JoAnn Francis, CA

JoAnn joined PMT in May 2007. In 2009, she passed the Uniform Final Exam and obtained the Chartered Accountant designation. JoAnn also has a Bachelor of Science, Honours – 2005, and a Bachelor of Commerce with Distinction – 2007. JoAnn is experienced with various audit engagements, including government, for-profit, and not-for-profit work.

Support staff as required

At PMT, we understand, recognize, and empathize that the turnover of staff on an engagement can be very challenging, sometimes frustrating, and at least inconvenient. With this in mind, we strive to keep the same staff on an engagement for as long as possible. The engagement partner will remain on your engagement for an extended period of time as will the manager. The staff that you deal with during the audit may rotate every couple of years due to attrition, advancement, or scheduling. We always keep you, the client, in mind when we schedule the audits each year. We cannot guarantee that the staff will not change, but we certainly do strive to keep a minimum of one person on the engagement from the prior year for the field work.

AUDIT FIRM EXPERIENCE

At PMT, we have a long history of auditing. The types of clients we currently deal with include:

- Municipalities (audit and other special work such as Tangible Capital Assets conversion)
- Not-for-profits
- For profit
- Special engagements (compliance with agreements)

Our firm currently audits several local governments that are very similar to your organization and we provide all of the services you currently are requesting. We have extensive experience working with Public Sector Accounting Board Standards (PSAB), which is supported by the sampling of references provided below:

1. District of 100 Mile House 2008 – 2013

PO Box 340, 385 Birch Ave.
100 Mile House, BC V0K 2E0

Client profile: The District of 100 Mile House was incorporated in 1965 and operates under the provision of the Local Government Act and the Community Charter of British Columbia. The District provides municipal services such as administrative, protective, transportation, environmental, recreational, water, sewer and fiscal management.

Contact: Flori Vincenzi, Director of Financial Administration
Phone: (250) 395-2434
Fax: (250) 395-3625

2. City of Williams Lake 1982 - 2017

450 Mart Street
Williams Lake, BC V2G 1N3

Client profile: The City of Williams Lake was incorporated in 1929 and operates under the provision of the Local Government Act and the Community Charter of British Columbia. The City provides municipal services such as administrative, protective, transportation, environmental, recreational, water, sewer and fiscal management.

Contact: Pat Higgins, Director of Finance
Phone: (250) 392-2311
Fax: (250) 392-1798

3. Cariboo Regional District and Hospital Districts

2012 – 2017

180D 3rd Avenue, N
Williams Lake, BC V2G 2A4

Client profile: The Cariboo Regional District was incorporated in 1968 and operates under the provision of the Local Government Act and the Community Charter of British Columbia. The District provides municipal services such as administrative, protective, transportation, environmental, recreational, water, sewer, landfill and fiscal management.

Contact: Scott Reid, Chief Financial Officer
Phone: (250) 392-3351
Fax: (250) 3

METHODOLOGY

The following section outlines our proposed methodology for this engagement:

Services to be performed

The audit will entail the examination of financial statements, prepared in accordance with Public Sector Accounting Board Standards (PSAB), and an expression of an audit opinion.

PMT will also provide a management letter conveying all concerns relative to internal accounting, operating controls, and/or other matters of material importance regarding operations, which would have been found during the audit. The management letter will include appropriate solutions to correct the issues identified. It is possible that the issue could be resolved before the issuance of the final management letter, and PMT always gives management the opportunity to respond in writing to the management letter.

The audit will be completed no later than March 30th each year to provide sufficient time for the Local Governments to file the financial statements with the Minister by its May 15th deadline.

Proposed audit methodology

PMT will conduct the audit in accordance with the Canadian generally accepted auditing standards and would like to suggest, that due to the size of your organization, that a combined audit approach be used. A combined audit approach means that substantive procedures will be used in conjunction with control testing.

Control testing will be limited to specifically identified areas, including cash, revenue, payroll, and purchasing, unless information is uncovered that causes us to change our initial audit plan.

Substantive procedures are relatively standard between audits, however they are adapted to each client as required based on your uniqueness. We would be glad to discuss this further if awarded the audit.

Compliance procedures will be dependent upon the contracts under audit and their requirements.

Use of computers will be tested with regards to software and hardware. PMT will obtain an understanding of your existing IT environment and recommend general controls, where appropriate. We will also want to test any online services or use of other external service providers.

The commencement of audit work will be mutually agreed upon, and will terminate upon completion of the audit. We typically would request an opportunity to do interim field work in November or December that

would be related to process documentation and control testing. The yearend audit would take place in March as requested unless another time is mutually agreed upon.

In preparation for the engagement, PMT will send you an audit checklist, which is a listing of required information to start the audit.

We will rely on our past knowledge and experience of the Districts systems and operations and each year will update this knowledge through inquiry of staff to gain an understanding of any changes that have taken place in the operations and systems.

Information Technology

We currently use Windows 7. We use the full suite of Microsoft Office products. The accounting package we use for Audit is Caseware, which is essentially a database with multiple tools in it to manipulate a trial balance into financial statements, schedules, reports, etc. We use two different templates for financial statements: Caseview and Jazz-it, which is based on Caseview. We use both Profile and Taxprep for tax compliance. Our staff are familiar with the operations of bookkeeping software packages including Quickbooks and Simply accounting.

We leverage technology to service clients efficiently. All of our staff have a high speed scanner on their desk so they can digitize all information to save on the server as required or distribute to clients through email. Our computers are renewed every three years. We operate in a multiple server environment with connections between offices and one of our associates uses a secure connection to work from her home in Blind Bay and her manager works from her home in Burns Lake.

By utilizing Doc-it software, PMT is now a paperless office and all of the information we have is easily transmitted to the client using email instead of providing printed financial statements.

Communications and accessibility

At PMT, we use both formal and informal communication techniques. The formal methods include letters and meetings where notes are taken and kept in the correspondence file. The informal methods are conversations on the telephone, email, or in person regarding various issues related to the audit or the business.

For example, the audit approach and plan will be discussed with Council/Board, or a Committee appointed, as will the results. If any irregularities were identified during the audit, depending on the nature, the Council/Board would be informed. A letter will be sent to the Director of Financial Services or Chief Financial Officer requesting information to be prepared for the audit.

The engagement partner, manager, and all other staff are only a phone call or email away. We value all of our clients and strive to return calls and email in a timely manner.

FEES

The net total cost for PMT to perform the audits and related LGDE government reporting is broken down by local government in the section below. Each of the quotes contains all direct and indirect costs including all out-of-pocket expenses.

Local Government	2013	2014	2015	2016	2017	TOTAL
Central Coast Regional District	\$18,000	\$18,500	\$19,000	\$19,500	\$20,000	\$95,000
Central Coast Regional Hospital District	3,450	3,500	3,550	3,600	3,650	17,750

An estimate of the total number of person hours required to complete each annual audit along with hourly billing rates for each category of staff is provided below:

CENTRAL COAST REGIONAL DISTRICT

Position	Hourly Rate	Total anticipated Hours	Anticipated Cost
Partner	\$275	12.0	\$3,300
Manager	\$145	52.0	7,540
Junior	\$90	52.0	4,680
Administrative fees			900
Disbursements			1,580
Total		140.0	\$ 18,000

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Position	Hourly Rate	Total anticipated Hours	Anticipated Cost
Partner	\$275	3.0	\$825
Manager	\$145	4.0	580
Junior	\$90	17.0	1,530
Administrative fees			515
Total		26.0	\$ 3,450

The identified disbursements will cover travel and expenses for audit work performed in Bella Coola at the Central Coast Regional District office. These costs will be charged on a recovery basis.

In the event that a Local Government withdraws from this proposal, it would not impact our proposal or quote.

Our quote is based on the understanding that the records will be in good order, a minimum number of bookkeeping adjustments are required, and a draft of the financial statements are prepared by you, which can include the prior year statements and a printout from your accounting program.

Interim invoices may be submitted at periodic dates to cover charges and expenses incurred. Bills for services are due and payable when rendered and interest is charged at 2% per month after thirty (30) days.

Our quotation does not include the following:

- a. Any accounting work required to be performed by us in order to bring the books and records up to the expected standards, as noted above;

- b. Any additional work required to be performed by us if the internal controls are found to be weak or missing, are ineffective, or were not consistently applied throughout the period under examination;
- c. Any additional audit work necessitated by a significant change in the nature or scope of the organization's activities;
- d. A detailed examination of all the transactions for the period; and
- e. Any additional follow-up compliance audit or other procedures required.
- f. Any additional audit work necessitated by a significant change in Canadian Audit Standards.

If your organization requires accounting and other advice it will be billed at our hourly rates of \$60 to \$275 per hour which is dependent on the type of work performed and the person doing it. Our fees for additional services are usually based on the time spent by various members of our staff at their regular hourly rates plus any direct expenses incurred. Our rates vary according to the degree of responsibility involved and skill required.

Should we be required to provide any compliance audit or other consulting or advisory services, we would agree upon an appropriate fee with you prior to commencement of the work.

In order to minimize audit costs we propose to do the interim work via telephone in late November. Through our past relationship with the District we have worked each year to streamline the audit process and reduce our audit fee. We feel that the process utilized in the 2012 audit year was successful and propose to use this same process whereby an electronic copy of the bookkeeping records along with the supporting documents as requested in our audit checklist be provided to our office two weeks prior to the scheduled audit field work. This will allow us to complete the audit using 1.5 days of audit work in Bella Coola and provide you with draft financial statements on the final day of field work.

We are able to perform the audit work as outlined in the request for proposal however, if the year end audit work is performed at the beginning of March, Mr. Cheek would be available to present the audited financial statements in person at the end of March.

VALUE ADDED SERVICES

At PMT we pride ourselves on the ability to understand our clients and the entities they operate. We have a very deep in-house body of knowledge and skills and would like to create the relationship where we are the first point of contact for all of your business advisory needs. We of course have to be careful that we do not breach any Rules of Professional Conduct related to our independence.

QUALITY AND INDEPENDENCE

PMT Chartered Accountants/Business Advisors LLP is in good standing with the Institute of Chartered Accountants of British Columbia and has a comprehensive Quality Assurance Manual that is adhered to and includes our commitment to quality and independence. Further, we review the rules of professional conduct whenever there is a possible threat to independence, whether actual or perceived. If we identify a threat, we will make sure appropriate safeguards are put in place including, if required, resignation from an engagement.

We confirm that our firm is independent of the Central Coast Regional District and Central Coast Regional Hospital District, and that there is not a conflict of interest under any governing code of professional ethics. We also confirm that this firm is not economically dependent on the fees derived from these audits.



REQUEST FOR PROPOSALS

FINANCIAL AUDIT SERVICES
For
2013-2017 FINANCIAL STATEMENTS
CENTRAL COAST REGIONAL DISTRICT AND
CENTRAL COAST REGIONAL HOSPITAL DISTRICT

CLOSING LOCATION
626 Cliff Street
PO Box 186
Bella Coola, B.C. V0T1C0

CLOSING DATE AND TIME
FRIDAY, SEPTEMBER 27TH, 2013
3 PM LOCAL TIME

CONTACT PERSON
Donna Mikkelson, CFO.
Email cfo@ccrd-bc.ca

**INTENT TO SUBMIT PROPOSAL
REQUEST FOR PROPOSAL FOR
FINANCIAL AUDIT SERVICES**

Please complete this form and mail, email or fax immediately to:

Central Coast Regional District
Attn: Donna Mikkelson, CFO
626 Cliff St., PO Box 186,
Bella Coola, B.C. V0T 1C0

Email: cfo@ccrd-bc.ca
Fax: (250)799-5750
Phone: (250) 799-5291

Failure to return this form will result in no further communication regarding this Request for Proposal, including any addenda correspondence.

Name of Firm: _____

Address: _____

Contact Name: _____

Phone: _____ Fax: _____

Email: _____

I have received a copy of the above noted Request for Proposal.

- Yes, I will be responding to this Request for Proposal.
- No, I will not be responding to this Request for Proposal

I understand that if I do not submit a response, this will not affect our Company's status as a potential supplier in the future. I also understand that if I do not return this form our company may not receive any further notices with regard to this Request for Proposal.

Signature _____

Title _____

Date _____

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A. INTENT

The Central Coast Regional District invites proposals from qualified auditing firms for the provision of audit services for the Central Coast Regional District and Central Coast Regional Hospital District starting with the year ending December 31, 2013 through December 31, 2017. Audits must be planned and executed in accordance with Canadian Generally Accepted Auditing Standards (GAAS) and the provisions of the Local Government Act and Community Charter and shall result in an opinion to the Regional District Board of Directors as to the fairness of the annual consolidated financial statements and related schedules of both organizations. Auditors must be appointed by the Regional District Board of Directors.

B. DEFINITIONS AND ADMINISTRATIVE REQUIREMENTS

1. DEFINITIONS

Throughout this Request for Proposal, the following definitions apply: "Auditor" means the successful Proponent to this Request for Proposal "Audit Services" means the financial audit of and resulting opinion on the annual consolidated financial statements of both the Central Coast Regional District and the Central Coast Regional Hospital District.

"Board" means the Central Coast Regional District Board of Directors

"CICA" means the Canadian Institute of Chartered Accountants

"CCRD" means the Central Coast Regional District

"CCRHD" means the Central Coast Regional Hospital District

"Proponent" means an individual or a firm that submits, or intends to submit, a proposal in response to this Request for Proposal

"Proposal" means a submission in response to this Request for Proposal

"PSAB" means Public Sector Accounting Board

"Regional District" means the Central Coast Regional District

"RFP" means Request for Proposal

"Services" means the works requested to be performed as per this RFP

2. PROPOSED SCHEDULE

The anticipated schedule for the Request for Proposals – Audit Services is as follows:

Release date for RFP	August 22, 2013
RFP closing date and time	September 27, 2013 3pm
CCRD board approval (subject to change)	October 10, 2013
Notice of award (pending board approval)	October 15, 2013

3. TERM

The Term of the proposed engagement will be for a period of five (5) years starting with services for the years ending December 31, 2013 through December 31, 2017.

4. ACCEPTANCE OF PROPOSALS

The CCRD reserves the right to reject any and all Proposals for any reason or to accept any Proposal in whole or in part on the basis of the Proposals received which the CCRD, in its sole unrestricted discretion, deems to be the best value for the CCRD. The lowest or any proposal may not necessarily be accepted.

Proposals will be assessed in light of the evaluation criteria and the CCRD is under no obligation to receive further information, whether written or oral, from any Proponent.

The CCRD reserves the right to enter into negotiations with one or more Proponents concerning the terms and conditions of the Services to be provided, and expressly reserves the right through such negotiations to request changes, alterations, additions or deletions from the terms of any Proposals received.

Proponents acknowledge the CCRD rights under this clause and absolutely waive any right of action against the CCRD for the CCRD failure to accept their Proposals 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 approval by the Board of the CCRD having authority to accept the proposal and funds being legally available to complete this transaction.

5. CHANGES TO PROPOSALS

By submission of a written request only, to the Chief Financial Officer, a Proponent may amend or withdraw its Proposal prior to the Closing date and time.

Amendments will be accepted in a sealed package and must be clearly marked as such and received prior to the Closing. The most recent dated submission by the same Proponent will be the submission considered.

6. PROPOSAL VALIDITY

Upon Closing, all Proposals must remain open for acceptance for at least sixty (60) days.

7. PROPONENTS' EXPENSES

Proponents are solely responsible for their own expenses in preparing a proposal. If the CCRD elects to reject all proposals, the CCRD will not be liable to any Proponent for any claims for costs or damages incurred by the Proponent in preparing the proposal, loss of anticipated profit in connection with a final engagement, costs for returning unopened proposals, or any matter whatsoever.

8. OWNERSHIP OF PROPOSALS AND FREEDOM OF INFORMATION

All documents, including Proposals, submitted to the CCRD become the property of the CCRD. Each Proposal should clearly identify any information that is considered to be

confidential or proprietary information. The CCRD reserves the right to make extra copies for utilization during the evaluation process only.

The CCRD is subject to the provisions of the Freedom of Information and Protection of Privacy Act. As a result the CCRD cannot guarantee that any such information provided to the CCRD will remain confidential if a request for access is made under the *Freedom of Information and Protection of Privacy Act*.

9. 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 CCRD obtained by the Proponent as a result of participation in this process is confidential and must not be disclosed without written authorization from the CCRD.

10. PROPOSAL SUBMISSION

The original and two copies of the Proposal must be submitted in a sealed package with the name and address of the Proponent and the title "Proposal – Financial Audit Services" clearly marked on the outside.

Proposals must be submitted together with one (1) paper copy of the completed, signed and dated Proposal Form provided herein, and must be received no later than Friday, September 27, 2013 at 3:00pm at the following location:

Central Coast Regional District
626 Cliff Street
PO Box 186
Bella Coola, BC V0T 1C0

Facsimile and electronic submissions will not be accepted.

Late proposals will not be accepted and will be returned to the Proponent unopened at the Proponent's expense.

Proponents shall be solely responsible for the delivery of their Proposals in the manner and time prescribed.

11. INQUIRIES

All inquiries related to this RFP are to be received by 3 p.m. two days before the stated closing date and are to be directed, in writing or by email, to:

Donna Mikkelson, Chief Financial Officer
626 Cliff Street, PO Box 186
Bella Coola, BC V0T1C0
Email: cfo@ccrd-bc.ca

Unless otherwise authorized in writing by the herein designated Regional District Officer, a Proponent must not contact or communicate with any elected or appointed officer or employee of the Regional District other than the designated employee in relation to the proposal prior to

the award of such proposal by the regional board. Any such communication will result in disqualification of the proposal from further consideration.

12. ADDENDA

Addenda may be issued during the Proposal period in response to queries received. The CCRD reserves the right to share, with all proponents, all questions and answers related to this proposal. Addenda, if issued, will be in electronic format to all Proponents who have received RFP packages and notified the CCRD through "Intent to Submit Proposal Form" their interest in the RFP. All addenda must be considered and acknowledged when responding to this RFP. Verbal answers are binding only when confirmed by written addenda.

13. DISCLAIMER

The information contained in this RFP is supplied solely as a guideline for Proponents and is not guaranteed or warranted by the CCRD to be accurate, nor is it necessarily comprehensive or exhaustive.

Each Proponent is responsible to review and understand the terms and conditions of this RFP, and the Scope of Services being requested. The CCRD will not be responsible for any loss, damage or expense incurred by a Proponent as a result of any inaccuracy or incompleteness in this RFP, or as a result of any misunderstanding or misinterpretation of the terms of this RFP on the part of any Proponent.

14. EVALUATION AND SELECTION CRITERIA

Proposals will be evaluated by the CCRD according to the following criteria. The intent of the CCRD is to engage with the Proponent who has the highest overall ranking offering the best value to the CCRD.

Mandatory Criteria

- Proposal Form completed and signed by a person authorized to bind the Proponent to statements made in the submission.
- Proponents must meet the qualifications requirements of the RFP
- Sealed package containing two copies of the proposal and one signed Proposal Form.
- Proposal must be received at the closing location by the specified closing date and time

Point-Rated Criteria	
Capability of Proponent and Audit Team <ul style="list-style-type: none"> • Proponent's experience in the audit of similar organizations and other local governments with an emphasis on experience in the audit of Regional Districts • Qualifications and availability of proposed audit team and other firm resources to carry out the work and meet deadlines • Meets the requirements of the <i>Local Government Act & Community Charter</i> • Flexibility and expertise for additional services • Knowledge of information systems used by the CCRD • Demonstration of commitment to providing reasonable annual continuity of experienced and qualified personnel 	35

<p>Proposed audit strategy</p> <ul style="list-style-type: none"> • Audit plan including scope, number of person-hours anticipated to perform the services, broken down between interim and final audits for each of the two entities for the five years Clarity of work plan (time table) and reporting requirements • Approach used to gain an understanding of the CCRD and CCRHD structure and operations 	25
<p>Price</p> <p>The proposed fees will be firm, for the five year term, quoted in Canadian funds exclusive of taxes, for each entity which is to include:</p> <ul style="list-style-type: none"> • Professional fees of audit and support staff based on person hours for each entity for each of the five years • Estimated disbursements and administrative fees exclusive of taxes • Hourly rates for additional services 	40

15. SIGNED PROPOSALS

The person(s) authorized to sign on behalf of the Proponent and to bind the Proponent to statements made in response to this RFP must sign the Proposal Form. Unsigned proposals will not be considered for evaluation and will be disqualified.

C. ENGAGEMENT CONDITIONS

1. AWARDING

Notice in writing to the successful Proponent of the approval of its Proposal, the appointment of auditors by the Board of Directors and the subsequent execution of an engagement letter shall constitute the making of the Contract for Services.

2. TERM

It is expected that the successful firm will be auditors of the CCRD for a period of five years, subject to the performance of the audit firm. An annual engagement letter outlining the terms of the audit should be submitted for the review and approval of both parties prior to the beginning of each year's audit work.

3. INSURANCE

The Auditor shall maintain professional liability insurance with respect to professional liability as required and specifically named for the Services, including errors and omissions, with a limit of not less than \$1,000,000.00 per occurrence with respect to the Services alone.

The Auditor shall, from time to time at the request of the CCRD, provide to the CCRD proof satisfactory, that such policies of insurance required by these insurance conditions are in force, not amended and not cancelled, and that any premiums due therefore have been paid in full.

4. REGISTRATION WITH WORKERS' COMPENSATION BOARD

The Auditor will be registered with WorkSafe BC, and maintain WorkSafeBC coverage for the duration of the engagement. The Auditor shall abide by all provisions of the Workers

Compensation Act of British Columbia and provide at the request of the CCRD proof that all assessments have been paid.

D. SCOPE OF SERVICES AND GENERAL INFORMATION

1. SERVICES

The Services required include performing an annual audit in accordance with generally accepted auditing standards and the provisions of the *Local Government Act* and *Community Charter* which include advice on internal controls and related procedures. The Auditor will be required to provide separate written audit reports with an audit opinion on the consolidated financial statements as prepared by the CCRD staff for the CCRD and CCRHD which shall be suitable for printing within the financial statements and are addressed to the members of the Board. In the event the financial statements and working papers are not prepared by CCRD staff, please quote the fee for services rates in your proposal as additional services.

In addition the Auditor is required to provide a management letter addressed to the Chief Administration Officer of the CCRD every year outlining the results of the audit with any noted significant discrepancies or suggestions for improvement. The Auditor will report audit findings to the Chief Financial Officer and/or Chief Administrative Officer during the course of the audit engagement.

The Auditor shall be required to attend a meeting of the Board to present and explain as necessary the audit reports. The CCRD does not have an audit committee.

The Auditor will respond to and discuss with the CCRD staff accounting, auditing, tax and other issues arising throughout the year. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or that CCRD staff would be advised of any additional charges prior to such services being provided.

The following audit schedule will be required for each year of the agreement, except as agreed to by the CCRD:

Pre audit meeting with staff	Early October
Audit plan and schedule	Late October
Interim Audit	November
Reconciliation and working Papers completed	Third week of March
Year End Audit	Fourth week of March/First week of April
Audit Completed and Audit Report	Third week of April
Management letter	April 30

2. QUALIFICATIONS

The successful Proponent will:

- a) Have sufficient staffing, facilities, resources and expertise to meet the requirements set out
- b) Hold a valid accounting designation and assign staff who hold valid accounting designations
- c) Have experience in local government audits and demonstrate comprehensive knowledge of local government financial reporting requirements and PSAB guidelines

- d) Demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel
- e) Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with regulatory bodies or professional organizations

3. BACKGROUND INFORMATION

The following information is provided to assist in the preparation of Proposals:

- a) The CCRD was incorporated in 1968 under the provisions of the *Local Government Act*, a statute of the Province of B.C. with the principal activity being the provision of local and regional services to less than 5,000 residents of five electoral areas within its boundaries.
- b) Services include:
 - Administrative Services (general operation, grants in aid);
 - Development Services (economic development, land use planning, street lighting);
 - Environmental Services (Thorsen Creek Waste and Recycling Centre);
 - Leisure Services (parks and recreation, swimming pool, regional library);
 - Protective Services (emergency management, house numbering);
 - Transportation Services (two airports); and
 - Local Services (water distribution, fire protection and street lighting)
- c) CCRD Strategic Plan – available at www.ccrd-bc.ca
- d) 2012 Audited financial statements of the Central Coast Regional District and Central Coast Regional Hospital District – available at www.ccrd-bc.ca
- e) CCRD financial plan 2013-2017 – available at www.ccrd-bc.ca

4. COST OF SERVICES

Proposals should include:

- A covering letter stating the Proponent's understanding of the services to be provided, signed by a person authorized to bind the Proponent
- A list of current and past public sector clients indicating the number of years the Proponent has been the auditor for each client and describing the Proponent's familiarity and experience with PSAB accounting and auditing standards, as well as a minimum of two public sector references for engagements within the last three years, including contact information
- A brief profile of the Proponent's firm indicating the scope of its practice and range of activities performed as well as identifying contact persons and identifying the number of staff located locally

Central Coast Regional District
Request for Proposal – Audit Services

- Information on key audit staff, including names and a brief resume of the proposed engagement partner(s), manager(s) and other key staff who would be assigned to this audit
- An estimate of the total hours of work required to complete the audits for each entity, broken down by major anticipated tasks/staff and a proposed schedule of billing dates
- The hourly billing rates for each category of staff
- Other identified additional costs or disbursements, and how these will be charged.
- An all-inclusive maximum cost for the requested work, laid out for each of the five years, 2013-2017, for both of the entities for basic audit services.
- A pricing structure for extra services
- A table similar to the following completed for each of the entities for each of the five years

	Hours of Service	Hourly Rate	Fee
Partner			
Manager			
Senior			
Staff Support			
Administrative Support			
Total Hours/Fees			
Other Disbursements			
Total Proposed Fees			

In addition, the CCRD welcomes Proponent's comments on:

- Innovative ways to reduce audit fees and streamline the audit process.
- An approach to fee negotiation for additional or unplanned audit work.
- Strategies to familiarize the audit team with the operations of the CCRD.
- Strategies to maintain continuity of the audit team and provide an appropriate level of partner / senior management involvement in the audit, while minimizing audit team staff costs.

5. COMPUTER & STATISTICS

Financial Software:	Quickbooks 2013
Operating System:	Windows 7
TCA:	Tangible capital asset inventories and valuations are in excel spreadsheets.

E. PROPOSAL FORM

REQUEST FOR PROPOSAL
FINANCIAL AUDIT SERVICES

CLOSING DATE AND TIME: 3:00 PM PACIFIC TIME ON FRIDAY, SEPTEMBER 27, 2013

One copy of this form must be signed and submitted with the proposal.

Name of Firm: _____

Address: _____

Contact Name: _____

Phone: _____ Fax: _____

Email: _____

SUMMARY OF PROPOSED FEES
(DETAILS TO BE INCLUDED IN PROPOSAL
(ALL TAXES EXCLUDED))

	Year Ending Dec 31 2013	Year Ending Dec 31 2014	Year Ending Dec 31 2015	Year Ending Dec 31 2016	Year Ending Dec 31 2017
Central Coast Regional District	\$	\$	\$	\$	\$
Central Coast Reg. Hospital District	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

The undersigned confirms that their submission is in response to the Request for Proposal for Audit Services and the Proponent acknowledges receipt of Addenda # _____ through Addenda # _____.

The Proponent confirms that their firm is independent of the Central Coast Regional District and Central Coast Regional Hospital District and that there is no conflict of interest related to the services requested in this Request for Proposal.

Name and Title _____

Signature _____ Date _____