



DRUMHELLER

REQUEST FOR PROPOSAL



AUDIT SERVICES

RFP Issue Date: July 8, 2019

**RFP Closing Date: 2:00 p.m. MDT
July 25, 2019**

RFP Contact: Barbara Miller, CPA, CGA, CLGM
Deputy CAO/Director, Corporate Services

Telephone: (403) 823-1311

Email: bmiller@dinosaurvalley.com

Contents

Contents 2

1.0 Purpose of Request for Proposal 3

2.0 Schedule 3

3.0 Proposal Submissions 3

4.0 Term 4

5.0 Conditions and other General Information 4

6.0 Town of Drumheller Profile 6

7.0 Scope 6

8.0 Response Submission 6

9.0 Evaluation Criteria 7

Schedule "A" -Audit Program 8

Schedule "B" - Finance System 10

Schedule "C" - Controls 11

1.0 Purpose of Request for Proposal

Proposals are being accepted for the provision of professional financial auditing services for the Town of Drumheller and its affiliates being the Drumheller & District Solid Waste Management Association, the Drumheller Public Library and Red Deer River Municipal Users Group.

2.0 Schedule

The following outlines the anticipated schedule for the RFP. While the Town of Drumheller will attempt to adhere to the outline, the timing of events resulting from this RFP may vary as determined by the Town.

RFP Issue Date:	July 8, 2019
RFP Closing Date:	2:00 p.m. MDT July 25, 2019
Council Agenda:	September 3, 2019

3.0 Proposal Submissions

Interested proponents shall submit three (3) paper copies of their proposal in a sealed envelope to:

Town of Drumheller
224 Centre Street
Drumheller, Alberta T0J 0Y4

Attention: Barbara Miller, CPA, CGA, CLGM
Deputy CAO/Director Corporate Services

Sealed proposals shall be clearly marked as follows:

“Request for Proposal – Auditing Services”

Faxed, emailed or late proposals will not be accepted.

The deadline for submission of proposals is 2:00 p.m. Mountain Daylight time (MDT), July 25, 2019. Proposals must be received by the Town of Drumheller by the specified time. Any submission received after this deadline will not be considered.

4.0 Term

The term of the ensuing contract shall be for a three (3) year period commencing with the year ending December 31, 2019 to December 31, 2021. The contract may be extended for up to an additional two (2) one-year periods at the mutual agreement of the proponent and the Town of Drumheller at a rate equivalent to CPI

5.0 Conditions and other General Information

Proponents are advised that all of the following instructions and conditions of the RFP must be strictly complied with and any non-compliance may invalidate the proposal in question.

- a) All proposal responses, questions or inquiries shall be written in English.
- b) Any questions regarding the details of the specifications or the submission and review process should be directed to:

Barbara Miller
Deputy CAO/Director Corporate Services

OR

Elin Gwinner
Finance Manager

Ph: (403) 823-1311
Fax: (403) 823-7739

Ph: (403) 823-1313
Fax: (403) 823-7739

bmiller@dinosaurvalley.com

egwinner@dinosaurvalley.com

- c) The Town of Drumheller will not accept any proposal after 2:00 p.m. MDT on Thursday, July 25, 2019.
- d) Proposals by facsimile, telephone or e-mail will NOT be accepted on this Request for Proposal.
- e) All rates/pricing are to be quoted in Canadian dollars and are to be quoted G.S.T. extra.
- f) All rates/pricing are to be quoted in Canadian dollars and are to be quoted G.S.T. extra.
- g) The resultant outline agreement cannot be assigned to a third party without prior notification to the Town of Drumheller and the Town's acceptance of the change.
- h) Proponents may be individuals, partnerships or limited corporations. Proponents must be professionally designated accountant (CPA), licensed to practice in the Province of Alberta and the individual in direct supervision of audit activities must be at all times a member in good standing with their professional association. Preference will be given to proposals where a senior partner or principal of the successful audit firm is on direct supervision of the various audits.

- i) The final decision to accept a proposal rests with Town Council who will select a successful proponent at a regular meeting of Council on or before September 16, 2019.
- j) The Proponent is requested to submit a name and telephone number that the Town may contact regarding any questions or clarifications relating to a Proponents response to the Request for Proposal.
- k) Proposals received by the submission deadline will be opened immediately following the deadline. As this is a request for proposal, the opening of the proposals is intended to publicly record the proposals received. No awarding or announcing of a successful proposal will take place at that time.
- l) The Town of Drumheller reserves the right to accept the proposal which is deemed the most advantageous, and the right to reject any and all proposals, in each case, without giving notice. The Proposal shall remain open for acceptance for seventy-five (75) days from the date and time of the closing date.
- m) The Town of Drumheller shall not be responsible for any costs that may be incurred by a proponent in preparing, submitting or presenting its response to this RFP.
- n) Proponent clarification: If the proponent finds discrepancies in, or omissions from the proposal, or is requesting clarifications of scope of the proposal, they must notify the Director of Corporate Services, who may send written instructions or issue addendums against RFP.

6.0 Town of Drumheller Profile

Situated in the heart of the Canadian Badlands, the Town of Drumheller has a population of 7,900 and is located in 110km NE of Calgary.

2018 Revenues Operating \$20.5m
 Capital \$2.0m

2018 Expenses Operating \$19.5m
 Capital \$4.6m

2018 Audited Financial Statements can be viewed at:

<https://www.dinosaurvalley.com/pdf-files/files/corporate-services/702-audited-financial-statements-december-31-2018-signed/file>

7.0 Scope

Proposals will cover all professional financial auditing needs of the Town as specified in this document. Proponents are invited to expand on their response to this RFP to cover value-added features or extra performance options, provided that the minimum specifications are met. However, only the areas identified in Section XI Evaluation Criteria of this proposal will be given consideration during the evaluation process. The Town reserves the right to take advantage of any additional services included in the successful proposal.

All required items in this proposal should be clearly addressed in the proposal. Any costs (exclusive of GST) should be included as well as the nature of the fee structure. **Any service that cannot be provided as described should be noted in the Proposal.**

8.0 Response Submission

In preparing the proposal, the proponent should take into consideration the requirement outlined in Schedule “A” of this Request for Proposal. Additional information, as outlined below, should be attached and be organized in separate sections. Proponents are urged to be concise in providing information. Each page should clearly identify the name of the respondent. Information should be in the following order

- a) An overview of your firm and the individual who would be in charge of the audits including any historical information which details professional capabilities and capability that your firm has in providing management advisory services to governmental entities.
- b) A description of your firms’ government auditing experience during the past five (5) years.
- c) A list of firms (preferably governmental entities) for whom your firm has provided professional auditing services during the past five (5) years, including

the entity name, a contact person and contact information, the number of years in which service was provided and a synopsis of the services provided.

- d) Engagement approach

B. Disclosure of Information

The bidder acknowledges that any information or documents provided by it to the Town of Drumheller may be released pursuant to the provision of the Freedom of Information and Protection of Privacy Act, R.S.A. 2000, F-25. This acknowledgement shall not be construed as a waiver of any right to object to the release of any information or documents.

9.0 Evaluation Criteria

All quotations shall be evaluated by the assignment of a score in each of the criteria with corresponding weight.

Corporate Information and Experience	25 %
Qualifications of Team	5 %
Client Relations and References	15%
Engagement - Timing and Approach	15%
Price	40%

- a) The Town reserves the right to request and have supplied any clarifications. However, if numerous clarifications are required from a proponent, their proposal may be disqualified at the discretion of the Town of Drumheller. Therefore, please ensure that all areas of the Proposals are properly and fully addressed.

Schedule "A" -Audit Program

Timing of Engagement

- Interim Audit
1st week of November (if required)
- Final Audit
3rd week of March
Please note that originals cannot leave the premises,
- Issuance of Draft Financial Statements
2nd week of April
- Presentation to Council
Mid April

Assistance from Accounting Staff

- Inquires and Interviews with Corporate Services staff during office hours
- Inquires and Interviews with Finance Manager during and after office hours
- Inquires and Interviews with Director when available during and after office hours

Information Provided by Accounting Staff

- Detailed Transaction Report grouped by type of account (personnel, services, governments, goods, etc)
- Working Papers including last and current year actual and budget with variance
- Trial Balance of General Ledger
- Analysis of Balance Sheet with supporting documentation
- Bank Reconciliations
- Reconciled Aging Reports for Subsidiary Ledgers
- Analysis of Reserve Activity
- Analysis of Investment Portfolio
- Financial Report as presented to Council
- Various schedules for the Financial Statement
- Other schedules as detailed by the auditor
- Other required information such as Minutes, Bylaws, Contracts, etc
- Contact information of the principals for each of the Society audits

Facilities Available

- Secured conference room
- Computer access
- Internet access
- Telephone

Items Included in the Audit Fee

- Preparation and certification of the Financial Information Return
- Preparation of the Audited Financial Statements
- 3 copies of the Financial Statement with original signatures
- 1 signed unbound set on plain paper for duplication and publication purposes
- Electronic Copy of Audited Financial Statements and Financial Information Returns
- Travel, Accommodation, Meals, etc
- Review Engagement Report for the "Family and Community Support Services" program
- Local Authorities Pension Plan (LAPP) audit (tri-annual)
- Preparation of a Management Report addressing any opportunities to improve effectiveness and efficiency that were noted during the audit
- Be available to provide ongoing advice and counsel related to new requirements, interpretations of rules and regulations and ensure the Town is informed as to new developments and trends pertinent to finance and accounting during the audit process

Additional Audits Required (quoted individually)

- Drumheller Public Library
Annual Revenue approximately \$400,000
3 original copies plus 1 unbound signed
Location of Audit: Library
- Drumheller and District Solid Waste Management Association
Annual Revenue approximately \$1,700,000
Asset value approximately \$12,990,000
3 original copies plus 1 unbound signed
Location of Audit: Town Hall
- Red Deer River Municipal Users Group (Tri-annual)

Schedule "B" - Finance System

Finance Software

Platform

- VADIM Computer Management Group
- Key features of Vadim's "Municipal Solution" are:
 - Vadim develops software for local and municipal governments only
 - Complete integration of all modules
- Activenet
 - Recreational facility membership/bookings software

Modules Installed

- Accounts Payable
- Accounts Receivable
- Bank Reconciliation
- Business License/Tax
- Cash Receipting
- Cemetery
- General Ledger
- Human Resources
- Maintenance Management
- Payroll
- Pet Licensing
- Property Taxes
- TCA
- Utilities (water and sewer)
- Virtual Town Hall

General Ledger

- roughly 1350 active accounts

Schedule "C" - Controls

Preparation and Printing of Invoices

- All invoices are prepared and printed by the Corporate Services Department

Collection of Cash

- Cashier's Counter, Corporate Services Department
 - ✓ Cash balancing is performed daily
- Aquaplex
 - ✓ Cash is collected and deposited to the bank daily. Deposit slips and cash register summaries are delivered to Corporate Services department on a weekly basis
- Bulk Water Sales
 - ✓ Bulk water is available through prepaid water cards, credit cards and approved charge accounts
 - ✓ Charge accounts are calculated and billed out monthly
- Airport Fuel Sales
- Utility and Tax Payments
 - ✓ Utility and Tax bills are also paid through the various banking services. We are informed of these payments by combination of e mail, fax and EDI payment upload.
 - ✓ Utility and Tax payments are available through electronic debit.

Where and How Purchases are Made

- Purchasing policy adopted
- Invoices may be supported by a Purchase Order, and are approved with spending and authorization limits
- Payment is made by invoice and/or approved, Town issued credit card

Payroll

- 2 Unions, Local 135 and Local 4604 plus out of scope staff
- Full-time employees: 75
- Seasonal and/or part-time employees: 40
- Volunteer Fire Force: 50
- Time Sheets are reviewed and approved by the supervisor
- Paid absence is approved by the supervisor
- Volunteer Fire force is paid monthly for fires and practices
- Employees and Council are paid bi-weekly
- In Scope employees are paid as per Collective Agreement schedule
- Management pay schedules are approved by Council

Other Payroll Services

- Drumheller and District Solid Waste Management and Recycling Association (5+ employees)

Issue and Signing of Cheques

General Account

- Cheques are prepared and printed by the Corporate Services Department
- Cheque disbursements are issued weekly
- Approximately 250 cheques issued per month
- Two signatures are required: Administration and Council
- Utilities and credit card paid by EFT

Signing Officers

- Administration
 - Chief Administrative Officer
 - Deputy CAO/Director of Corporate Services
 - Manager of Finance
- Council
 - Mayor
 - Councillors

Tax Levy

General

- Combined Assessment/Tax Notices are issued in May/June of each year
- Approximately 4,200 taxable notices issued

Supplementary

- Supplementary Assessment/Tax notices are issued in December of each year
- Approximately 20 to 50 notices issued annually.

Utility (Water and Wastewater)

- Approximately 3,400 water and sewer customers
- Drumheller, Nacmine and Rosedale receive water and sewer services
- East Coulee customers receive sewer services
- Entire system is radio remote
- Invoices are sent monthly.
- Invoices are calculated after consumption, due in 3 weeks. E.g.: January is billed on February 10, due on March 5, revenue credited in January.