



## **SALT SPRING ISLAND FIRE PROTECTION DISTRICT**

105 Lower Ganges Road  
Salt Spring Island, British Columbia  
V8K 2T1

### **REQUEST FOR PROPOSALS**

For

### **FINANCIAL AUDIT SERVICES**

**ISSUE DATE:**  
**July 29th, 2024**

**CLOSING DATE AND TIME:**  
**4:00 P.M. Pacific Time, August 30, 2024**

#### **Contact**

Any inquiries regarding this request for proposal should be directed to, Rodney Dieleman, Corporate Administration Officer, at telephone number (250) 537-2531 or email: [corpadmin@saltspringfire.com](mailto:corpadmin@saltspringfire.com)

## Contents

Contact .....	1
Introduction .....	3
Background Information .....	3
Terms and Conditions of the Engagement.....	4
Term of Engagement.....	4
Acceptance of Proposals .....	4
Awarding of Contract .....	5
Insurance.....	5
Registration with WorkSafe BC .....	5
Financial Systems and Statistics.....	6
Services .....	6
Qualified Statement .....	6
Annual Audit Schedule .....	7
Proposal/Requirements .....	7
Default /Termination .....	10
Addenda.....	10
Disclaimer.....	10
Appendix A .....	11

# SALT SPRING ISLAND FIRE PROTECTION DISTRICT

## REQUEST FOR PROPOSALS

### FINANCIAL AUDIT SERVICES

#### Introduction

The Salt Spring Island Fire Protection District invites qualified accounting firms to submit proposals to perform annual financial audits for the District. Audits must be planned and executed in accordance with Canadian generally accepted auditing standards, the provisions of the Local Government Act, and Community Charter. Audits will result in an opinion to the District's Board of Trustees as to the fairness of the annual financial statements and related schedules. The Auditor should have experience and expertise in performing municipal and/or improvement district audits, be free of any obligations or interests that may conflict or affect their ability to perform and act as the Auditor of the District and have the capacity to provide this service in a timely manner.

#### Definitions

Throughout this request for Proposal the following definitions apply:

**"Auditor"** means the accounting firm selected through this Request for Proposal process.

**"District"** means the Salt Spring Island Fire Protection District.

**"Proponent"** means an accounting firm that submits a proposal in response to this Request for Proposal.

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

**"PSAB"** means the Public Sector Accounting Board of Canada.

**"RFP"** means Request for Proposal.

**"Services"** means the work specified in this Request for Proposal to be performed by the successful Proponent.

#### Background Information

The Salt Spring Island Fire Protection District was incorporated in 1959 and provides fire and first responder services on Salt Spring Island. The District is governed by a seven member Board of Trustees. The District's 2024 total operating and capital budget is approximately \$5.1 million.

The chart of accounts contains approximately 150 active general ledger accounts and in 2023 there were some 5,000 general journal transactions and 675 accounts payable cheques issued. The District has approximately 60 personnel (union career members, excluded and auxiliary staff), and the bi-weekly payroll is approximately \$70,000 net. Personnel are paid by direct deposit. Taxation Revenue from the Province of British Columbia. In 2024, Taxation Revenue was \$5.1 million. This comes an annual direct deposit. Miscellaneous income is minimal. It includes grants and provincial wildfire deployments. All annual transaction documents fit into 2 storage boxes, including bi-weekly payroll files.

Auditor qualifications, duties and powers are referenced in Sections 169 and 171 of the *Community Charter*.

Audit firms who are considering a Proposal pursuant to this request are encouraged to visit the Salt Spring Island Fire Protection District's website at [www.saltspringfire.com](http://www.saltspringfire.com) for a more detailed overview of the District's characteristics and activities. Also, on this website are documents pertinent to this proposal: the District's 2024-2029 Strategic Plan and the 2023 Audited Financial Statements.

# Terms and Conditions of the Engagement

## Term of Engagement

It is the intention of the Salt Spring Island Fire Protection District to enter into a five-year agreement with the successful firm to provide external audit services beginning with the annual audit for the fiscal year ending December 31, 2024 to the fiscal year ending December 31, 2028 inclusive.

## Acceptance of Proposals

The Salt Spring Island Fire Protection District reserves the right to reject any and all Proposals for any reason or to accept any Proposal on the basis of Proposals received which the District, in its sole unrestricted discretion, deems most advantageous to itself. The lowest of any Proposal may not necessarily be accepted.

The District's rights to reject Proposals may include, but are not limited to, the following conditions:

- **Non-Compliance with RFP Requirements:** Proposals that do not meet the mandatory requirements, specifications, or criteria outlined in the RFP may be rejected.
- **Incomplete Proposals:** Proposals that are incomplete, missing required documentation, or fail to provide sufficient detail may be disqualified.
- **Late Submissions:** Proposals received after the designated deadline will not be considered.
- **Financial Stability:** Proponents who do not demonstrate financial stability or provide adequate financial information may have their proposals rejected.
- **Experience and Qualifications:** Proposals from Proponents who do not have the required experience, qualifications, or credentials to perform the audit services may be dismissed.
- **Conflict of Interest:** Proposals from Proponents with a conflict of interest, or those that do not disclose potential conflicts, may be rejected.
- **Poor Performance History:** Proposals from Proponents with a history of poor performance or failure to fulfill contractual obligations in previous engagements may be disregarded.
- **Unrealistic Pricing:** Proposals with pricing that is considered too low (potentially indicating an inability to deliver quality services) or too high (indicating a lack of cost-effectiveness) may be rejected.
- **Failure to Comply with Legal and Regulatory Requirements:** Proposals from Proponents who do not comply with relevant laws, regulations, or industry standards may be disqualified.
- **Fraudulent or Misleading Information:** Proposals that contain false, misleading, or fraudulent information may be rejected.

The Proponent acknowledges the District's rights under this clause and absolutely waives any right of action against the District's failure to accept its Proposal whether such right of action arises in contract, negligence, bad faith, or any other cause of action.

## Awarding of Contract

Notice in writing to the successful Proponent of the approval of its Proposal and the appointment of auditors by the District's Board of Trustees and the subsequent execution of an engagement letter and contract shall constitute the making of the Contract for Services. The Proponent will not, without written consent of the Salt Spring Island Fire Protection District, assign or transfer this contract or any part thereof.

## 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 per occurrence with respect to the Services alone. The Auditor shall, without limiting its obligations or liabilities and at its own expense, provide and maintain insurance for its own equipment and continuously carry insurance with insurers licensed in British Columbia. The Proponent is responsible for all insurance costs (as required by law). The Proponent will provide verified copies of required insurance policies when requested.

## Registration with WorkSafe BC

The Auditor will be registered with WorkSafe BC and maintain WorkSafe BC coverage for the duration of the engagement. The Auditor will abide by all provisions of the Workers Compensation Act of British Columbia and provide proof to the District that all assessments have been paid and that they are in good standing. It is a condition of the contract that the Auditor must remain in good standing throughout the term of any contract between the District and the Auditor.

## Experience and Qualifications

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

**Assigned Supervisory Staff:** Accounting Designation: The assigned supervisory staff must hold a valid accounting designation (e.g., CPA, CA, CMA, CGA).

**Audit Experience:** The supervisory staff must have a minimum of 5 years of experience in performing municipal or improvement district audit engagements.

**Relevant Audit Experience:** The Proponent must have completed at least one audit of similar size and scope (or greater) within the last two years. This should include experience with financial audits of organizations with similar annual revenues and operational complexities.

**Legislative Understanding:** The Proponent must demonstrate a thorough understanding of legislation relevant to the local government environment, including but not limited to, the Community Charter, Local Government Act, and Public Sector Accounting Standards (PSAS).

**Resources and Expertise:** The Proponent must have sufficient staffing, facilities, financial resources, and expertise to address the full scope of the audit services. This includes having a team of qualified auditors with relevant experience and the ability to allocate necessary resources to meet project deadlines.

**Personnel Continuity:** The Proponent must demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel. This includes providing a plan for maintaining consistency in the audit team assigned to the District and outlining strategies to ensure minimal disruption due to personnel changes.

# General Information

## Financial Systems and Statistics

The Salt Spring Island Fire Protection District utilizes Intuit QuickBooks Premium, Non-Profit (Product #535-885). The software is run in a Windows environment and includes modules for general ledger and financial reporting, budget, payroll, accounts receivable and payable.

## Scope of Services

### Services

The Auditor will be required to examine the financial records, systems and controls of the Salt Spring Island Fire Protection District in accordance with Canadian generally accepted auditing standards and the provisions of the Local Government Act and Community Charter, and to then provide written audit reports with an audit opinion on the consolidated financial statements as prepared by the Auditor. The Auditor's report should be suitable for printing within the financial statements and be addressed to the Board of Trustees of the Salt Spring Island Fire Protection District. The Auditor will be required to attend a meeting of the Finance & Audit Committee to present and explain as necessary the audit reports. The Auditor will also be required to attend the Annual General Meeting of the District to present and explain as necessary the audit reports. In compliance with the Community Charter, the Board of Trustees will appoint an Auditor (or Audit Firm) for audit services; however, other firms may be used for other financial services if it is deemed more advantageous or appropriate to do so. The District, therefore, expressly reserves the right, at its sole discretion, to use other financial services and financial firms.

The District wishes to be advised of any weaknesses in internal control noted during the audit or other area of concern, prior to the issue of the Management Letter. The Auditor shall provide appropriate beneficial suggestions to improve areas of concern. The Auditor shall communicate in a post-audit report and in the form of a Management Letter to the District any reportable conditions, as determined by the Auditor, found during the audit. The Auditor shall in subsequent years verify that concerns expressed in previous management letters have been addressed in the following management letters.

The Auditor will ensure all new or changed reporting requirements and auditing standards are communicated to the Salt Spring Island Fire Protection District, in writing, to ensure that financial statements and notes prepared by staff are in compliance with current reporting requirements and auditing standards.

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

### Qualified Statement

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

## Annual Audit Schedule

Before November 30<sup>th</sup> of each year, the Auditor shall correspond with District staff 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<sup>th</sup> of each year and shall set out the key dates by which necessary information is to be assembled by both parties. The basic time line will be as follows:

- Interim audit mid-December to mid-January of each year
- Schedule of client assistance, provided by the Auditor to the District staff by the 1<sup>st</sup> week of February
- Year-end trial balance, provided by District staff to the Auditor approximately 1 week prior to year-end audit
- Year-end audit, during March of each year
- Audit report and presentation to Annual General Meeting, mid-April of each year

District staff will be responsible for the year-end close. District staff will assist the Auditor by preparing a full set of working papers, schedules, a trial balance and supporting documentation on a timely basis.

Both the District staff and the Auditor will be jointly responsible for the preparation and processing of all confirmation letters.

The District's solicitors will provide annually a representation letter as required pursuant to the Canadian Bar Association and the Auditing Standards Committee of the Chartered Professional Accountants of Canada.

## Audit Proposals

### Proposal/Requirements

A covering letter shall be provided with the proposal clearly stating the accounting firm's understanding of the services to be provided. The letter must include the name(s) of the person(s) who will be authorized to make representations for the firm, their title(s) and telephone number(s). The person signing the covering letter must be authorized to bind the Proponent.

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

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

## Proposal/Requirements (cont'd)

2. **Experience with Local Government/Improvement District Audits:** List current and past public sector audit clients and indicate the number of years your firm has been the auditor for each client. Describe your familiarity and experience with PSAB accounting and auditing standards.
3. **Audit Staffing:** Name and brief resume of the partner(s), manager(s) and other key staff who would be assigned to this audit.
4. **Audit Implementation:** Proposals must clearly show the firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the annual schedule. This would include the approach to be used to gain an understanding of the District's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the interim audit and annual audit.
5. **Other Services:** Description of the methodology to be used for keeping the District abreast of any changes in accounting principles, practices and legislation that would impact the annual financial statements.

Description of non-auditing professional services provided to other local government clients and innovative products offered by your firm as well as any specific pricing structure for such services.

6. **Fee Proposal:** Your firm's audit fee in the following format:

Staff Assigned	Hours	Rate	Fee
Partners:	XXX	\$XXX	\$XXX
Managers:	XXX	\$XXX	\$XXX
Senior Partners:	XXX	\$XXX	\$XXX
Staff Support:	XXX	\$XXX	\$XXX
Total Hours/Fees:	XXX		\$XXX
Other Disbursements:			\$XXX
Total Fixed Fee:			\$XXX

The fee schedule should include an all-inclusive maximum cost for the requested work for each of the five years.

7. **Billing Dates:** The proposed schedule of billing dates.
8. **References:** Three references at least two of which one must be local government audit within the last three years. Include numbers of years of service and a contact name, telephone number and email address for each reference.



## Proposal Evaluation Criteria

Proponents must meet the following mandatory requirements to be considered for further evaluation:

1. Proposal completed and signed by a person authorized to bind the Proponent to statements made in the submission.
2. One duly signed copy of the Proposal submitted via email to [corpadmin@saltspringfire.com](mailto:corpadmin@saltspringfire.com).
3. Proposal received by email to [corpadmin@saltspringfire.com](mailto:corpadmin@saltspringfire.com) by the specified closing date and time.

Proposals that comply with the mandatory requirements will be evaluated on the basis of the following criteria using the scoring matrix outlined in Appendix A:

1. Understanding of Engagement
2. Municipal Audit Experience
3. Audit Firm Personnel Qualifications and Experience
4. Audit Implementation
5. Additional Services
6. References
7. Audit Fee

Shortlisted firms may be required to attend a brief phone interview with representatives of the Finance & Audit Committee of the Salt Spring Island Fire Protection District. At a minimum, the audit partner and audit supervisor shall attend.

## Submission of Proposals and Terms for Acceptance

Proposals must be submitted via email to [corpadmin@saltspringfire.com](mailto:corpadmin@saltspringfire.com), clearly marked "RFP for External Audit Services"

Chair, Trustee Finance & Audit Committee  
Salt Spring Island Fire Protection District  
105 Lower Ganges Road  
Salt Spring Island BC V8K 2T1

Only electronic submissions by email to [corpadmin@saltspringfire.com](mailto:corpadmin@saltspringfire.com) will be accepted.

Submissions will be received until **4:00 p.m. on Friday, August 30, 2024.**

Proposals received after the deadline will not be considered.

All proposals submitted will be irrevocable for ninety (90) days following the closing, subject only to the following:

- Notwithstanding the above, a Proponent will be permitted to withdraw their proposal prior to the closing provided that it has first notified the District in writing of its intention to do so. A firm that has so withdrawn a proposal may submit a new proposal prior to the closing, pursuant to this request, provided that such action is done in compliance herewith.

## Submission of Proposals and Terms for Acceptance (cont'd)

- Unless otherwise authorized in writing by the herein designated District Officer, a Proponent must not contact or communicate with any elected or appointed officer or employee of the Salt Spring Island Fire Protection District other than the designated employee in relation to the proposal prior to the award of such proposal by the District's Board of Trustees.

### Default /Termination

The District may, by Notice of Default to the successful Proponent, immediately terminate in whole or in part of the contract if the Proponent fails to perform the services required. In the event the District does terminate the contract in whole or in part as specified above, the District may purchase services so terminated and the Proponent shall be liable to the District for any excess costs for such services and for reasonable liquidated damages.

The District (at its sole discretion) may immediately terminate any contract awarded through this RFP process if there is a major violation of agreed conditions or where the Proponent has taken an action against the District.

### Addenda

Addenda may be issued during the Proposal period in response to queries received. Addenda will be sent in electronic format to all Proponents who have received RFP packages. All addenda must be considered and acknowledged when responding to this RFP. Verbal answers are binding only when confirmed by written addenda.

## Disclaimer

### Disclaimer

The information contained in this RFP is supplied solely as a guideline for Proponents and is not guaranteed or warranted by the Salt Spring Island Fire Protection District 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 Salt Spring Island Fire Protection District 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 the Proponent.

Further, the Salt Spring Island Fire Protection District is not liable for any costs incurred in the preparation of the proposals.

The Salt Spring Island Fire Protection District is subject to the provisions of *the Freedom of Information and Protection of Privacy Act*. As a result, while Section 20 of the Act does offer some protection for third party business interests, the Salt Spring Island Fire Protection District cannot guarantee that any information provided to the Salt Spring Island Fire Protection District can or will be held in confidence.

## Appendix A

RFP Evaluation Matrix:

Evaluation Criteria	Weight (%)	Maximum Points	Evaluation Methodology
Understanding of Engagement	10%	10	Evaluated based on the firm's demonstrated understanding of the scope and complexity of the work to be performed, including their approach, methodology, and ability to meet project objectives and deadlines
Municipal Audit Experience	15%	15	Evaluated based on the firm's past performance and experience with similar municipal audits, including the quality and timeliness of their work, client satisfaction, and the relevance of their previous projects
Audit Firm Personnel Qualifications and Experience	15%	15	Evaluated based on the qualifications, relevant experience, and specific expertise of the assigned staff, including their roles and responsibilities within the project
Audit Implementation	10%	10	Evaluated based on the proposed approach, methodology, and implementation schedule, including the feasibility, comprehensiveness, and alignment with project goals and timelines.
Additional Services	5%	5	Evaluated based on the additional services offered and their relevance to the District's specific needs and objectives, including any value-added benefits or innovative solutions proposed.
References	5%	5	Evaluated based on the feedback from provided references, including the firm's reliability, quality of work, communication skills, and overall client satisfaction.
Audit Fee	40%	40	Evaluated based on the total proposed fee for the audit services, including a detailed breakdown of costs and any potential additional expenses.