



REQUEST FOR PROPOSALS

Auditing Services

Town of Stratford

Stratford Utility Corporation

Stratford Business Park Corporation Inc.

Stratford Community Seniors Complex Ltd.

Town of Stratford

November 2019

1. Background

The Town of Stratford was created in 1995 through the Charlottetown Area Municipalities Act and is the third largest municipality in Prince Edward Island with a population currently estimated at 10,500.

The Town and Town entities provide a range of services to the residents of Stratford. The Town is responsible for recreation and cultural programs, residential and commercial development control, fire and police services and various other administrative functions.

The Stratford Utility Corporation provides water and sewer services to residents and is continuing to grow the serviced area of the Town through continuing infrastructure expansion.

The Stratford Business Park Corporation Inc. was established to promote, sell and maintain the only available industrial zoned land in Stratford.

The Stratford Community Seniors Complex Ltd., in coordination with CMHC, provides affordable housing to Stratford seniors through a rent subsidy program.

The Town of Stratford employs a full-time staff of 30, and a part time and casual staff of 40 plus.

The Town of Stratford employs the full accrual method of accounting in order to more accurately record the value of Town assets.

The Town of Stratford's consolidated financial statements and schedules for 2018/19 and the operating and capital budgets for 2019/20 are available on the Town of Stratford website located at www.townofstratford.ca.

The following is a summarization of the approved operating budgets for the Town and Town entities for 2019/20:

	<u>Town of Stratford</u>		<u>Stratford Utility Corporation</u>
Revenue	\$ 6,384,700	Revenue	\$ 2,642,500
Expenses	<u>6,383,000</u>	Expenses	<u>2,610,200</u>
Surplus	\$ 1,700	Surplus	\$ 32,300

Amount needed to cover principal payments on long term debt	\$ 606,000	Amount needed to cover principal payments on long term debt	\$684,000
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<u>Stratford Business Park</u>		<u>Stratford Community Seniors Complex Ltd.</u>	
Revenue	\$ Nil	Revenue	\$ 167,055
Expenses	<u>Nil</u>	Expenses	<u>167,055</u>
Surplus	\$ Nil	Surplus (CMHC subsidized)	\$ Nil

2. Auditing Services

The Municipal Government Act (MGA) section 171, requires that the Town prepare in accordance with the regulations and the Canadian accounting standards for the public sector recommended from time to time by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, annual financial statements of the municipality for the immediately preceding fiscal year ending March 31.

Under section 174 of the MGA, the duties of auditor include the following: (1) The auditor shall submit a report to the chief administrative officer on or before June 30 immediately following the fiscal year for which the audit is prepared (a) identifying the financial statements audited; (b) outlining the scope of the audit and stating whether the audit was conducted in accordance with generally accepted accounting principles for the public sector recommended from time to time by the Chartered Professional Accountants of Canada; (c) expressing the auditor's professional opinion as to whether (i) the municipality's financial statements fairly represent the financial position of the municipality as at the end of the fiscal year and the results of its operations for the fiscal year, and (ii) the financial statements were prepared in accordance with the generally accepted accounting principles for the public sector recommended from time to time by the Chartered Professional Accountants of Canada.

The firm submitting the successful proposal will be appointed as the Town auditor for a period of four years commencing with the fiscal year of April 1, 2019 to March 31, 2020 and ending with the fiscal year of April 1, 2022 to March 31, 2023.

The audit is to be performed in late May with draft financial statements prepared in the second week of June and final statements presented in the last week of June.

The audit of the Town of Stratford, Stratford Utility Corporation and Business Park Corporation shall be consolidated with:

- separate statements of financial activity for each;
- separate statements of financial position/cash flow for each;
- internal control testing;
- two meetings to review and present audit findings;
- report to those charged with governance including concerns and recommendations on internal controls, policies, etc;
- drafting of the notes to the financial statements;
- filing of corporate tax return for the Stratford Business Park;
- consolidated financial statement.

The audit and consolidated statement must be in compliance with Public Sector Accounting Board (PSAB), guidelines. The auditors shall notify the Town of any significant changes to PSAB guidelines in advance of the implementation date of these changes and provide an updated fee estimate of additional work associated with the changes.

The audit of the Stratford Seniors Complex must include the following:

- compliance with CMHC guidelines and requirements
- a Board of Directors letter
- filing of corporate tax return for the Stratford Seniors Complex
- completion of annual project data report

It should be noted that from time to time, the Town may also require additional advice and services from the auditor. These services are to be in addition to the audit cost being proposed at the hourly rates quoted in the proposal. Before any work is performed that is in addition to the audit services, a time and materials estimate must be approved by the Director of Finance and Technology or the CAO.

3. Proposal Instructions

- Three copies of the Proposal as well as a copy of the proposal on a flash drive shall be submitted in a sealed envelope before 1:00 p.m. local time on December 4, 2019 to the Town of Stratford, 234 Shakespeare Drive, Stratford, PE, C1B 2V8. Electronic or faxed proposals will not be accepted. Late or unsealed proposals will be returned unopened.
- The Town of Stratford reserves the right to accept or reject any proposal submitted and is not obliged to enter into a contract based on any proposal submitted in response to this proposal request.
- The Town of Stratford reserves the right to negotiate contract terms and conditions with the successful bidder.

4. Proposal Submission

Proposals shall include the following:

Qualifications of the Firm

- A general description and history of the firm including an explanation of the firm's methodology and work approach, and a short biography of the audit manager who will be involved;
- The changeover of audit staff that can be expected over the next four (4) years, including junior and senior staff (including audit managers) and audit partners;
- Any specialized knowledge and experience including local knowledge that you deem relevant to help the Town in the selection of an auditor; and
- The approach to ensure that audit deadlines are met.

Extent of Municipal Experience

- Outline of municipal experience including the extent of your staff's municipal audit experience, a listing of other municipal/governmental organizations for which you have acted as auditor;
- Process to ensure that all new staff are familiar with the Town's operation; and
- References from other municipalities that you provide service.

Cost of Service

- Firm price of auditing services per year, excluding taxes, with a breakdown of each Town entity. Please include an estimate of the hours required and hourly rate for each team member to carry out the audit;
- The hourly rates for additional advice and accounting services as required; and
- Any "start-up cost" relating to the initial audit, if applicable.

Other Comments

- Describe the scope of the work that is included in the audit and what preparation is required by Town staff;
- Management consulting experience in a municipal setting; and
- Other information that will assist in the evaluation of your proposal.

5. Other Additional Services Required

The following services will be required and will be performed on an hourly fee basis to a preauthorized maximum or upset fee prior to commencement of work.

1. Town of Stratford
 - New Deal Gas Tax compliance report
 - Province of PEI MFIR reports
 - Audit Reports for other Government Grants

2. Stratford Utility Corporation
 - Annual compliance reports for government funded programs (ie) Clean Water and Wastewater Fund (CWWF), Investing in Canada or any new government funds

3. Commodity Tax Services
 - Potential Commodity Tax Recovery Project

6. Evaluation Criteria

Submitted proposals shall be evaluated and ranked by a using the following weighting:

Evaluation Weights:

Qualifications of firm	30
Extent of Municipal experience	25
Cost of service	30
Other	<u>15</u>
Total	100

Currently, there is no intent to conduct interview sessions. Proponents are cautioned that the evaluation shall be made on the written proposals as submitted.

The Town of Stratford reserves the right to accept or reject any or all proposals as it deems in its best interests.

7. Additional Information

Questions or requests for further information are to be addressed to:

Kim O'Connell, Director of Finance and Technology
Town of Stratford
234 Shakespeare Drive
Stratford, PE, C1B 2V8
Telephone: (902) 569-6258
Fax: (902) 569-5000
Email: koconnell@townofstratford.ca