



**Request for Proposals  
(RFP)**

**External Audit Services**

Issue Date: November 6, 2023

**Delivery of Proposals:**

Electronic proposals must be sent by email to: [cynthia.leblanc-goodwin@eastlink.ca](mailto:cynthia.leblanc-goodwin@eastlink.ca)

(Electronic proposals must be a single PDF document)

or

By hand or courier:

Villa Saint-Joseph du Lac

255 Highway 1

Yarmouth, NS B5A 5A1

Attention: Cynthia LeBlanc-Goodwin

(Five complete copies of the proposal must be received)

**Closing Date and Time:**

Thursday, December 7, 2023 at 4pm AST

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**Villa Saint-Joseph du Lac**  
**Request for Proposals**  
**External Audit Services**

**Introduction**

Villa Saint-Joseph du Lac (VSJ) invites qualified accounting firms to submit proposals to perform annual financial audit. The audit must be planned and executed in accordance with Canadian Generally Accepted Auditing Standards. The audit will result in an opinion to the Board of Directors of VSJ as to the fairness of the annual financial statements and related schedules of VSJ.

**Term and General Conditions of Engagement**

**Term of Engagement**

It is the intention of VSJ 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 March 31, 2024 to the fiscal year ending March 31, 2028 inclusive. Please note that the Board of Director's must appoint auditors each year at VSJ's annual general meeting.

**Acceptance of Proposals**

VSJ reserves the right to waive any informalities or to accept or reject any or all proposals, not necessarily accept the lowest cost proposal and not accept any proposal that VSJ, in its sole discretion, considers not to be in its best interest. The Proponent acknowledges VSJ's rights under this clause and absolutely waives any right of action against VSG for VSJ's failure to accept its proposal whether such right of action arises in contract, negligence, bad faith or any other cause of action. The acceptance of any proposal is subject to funds being legally available to complete this transaction and/or approval by the Board of Directors of VSJ or the officer of VSJ having authority to accept the proposal.

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## **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 \$2,000,000 per occurrence with respect to the services alone.

## **Experience and Qualifications**

A proponent must meet the following minimum requirements to be considered for evaluation pursuant to this RFP:

1. The assigned staff must hold a valid Chartered Professional Accountant designation or be enrolled in the program and have some experience in performing a not-for-profit audit engagement.
2. Completed a not-for-profit audit of similar size and scope within the last three years.
3. Have sufficient staffing, facilities, financial resources and expertise to address the scope of the audit services.
4. Demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel.

## **Confidentiality**

In consideration of the receipt of this documentation, VSJ agrees to maintain the information contained in this RFP in confidence and to not reproduce or otherwise disclose this information to any person outside the group directly responsible for the evaluation of its contents, subject to disclosure rules in Part XX of the Municipal Government Act 1998, SNS c.18. As this is a public procurement process any proposals will, following the evaluation and award of contract, be considered public information and subject to disclosure. The Proponent is asked to clearly mark as confidential and seal any part of their bid that they consider to be proprietary and subject to protection from disclosure.

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## **General Information**

### **Background Information**

Villa Saint-Joseph du Lac provides full time nursing care to the elderly at our facility of 79 beds located in Yarmouth, NS.

VSJ currently has an annual operating budget of approximately \$11.0 million and our funding is derived from the Department of Seniors and Long-Term Care and Resident Billings. VSJ's financial activities are accounted for through General Operating Funds, Resident Trust Funds, and Capital Funds. We currently use Sage for our accounting system.

The organization meets the definition of a not-profit organization under paragraph 149(1)(1) of the Income Tax Act (Canada) and is therefore, exempt from income taxes.

### **Scope of Services**

#### **Services**

The auditor will be required to examine the financial records, systems and controls of VSJ in accordance with Canadian Generally Accepted Auditing Standards and to then provide separate written audit reports with an audit opinion on the financial statements as prepared by VSJ staff. The auditor's report should be suitable for printing within the financial statements and be addressed to the members of the Board of Directors of VSJ. The auditor will be required to attend a meeting of the Board of Directors to present and explain as necessary the audit reports. Also, the auditor will be responsible to complete the annual charity return for VSJ.

In addition, a management letter addressed to the Site Administrator and the Finance Director of VSJ is required every year outlining the results of the audit with any noted significant discrepancies or suggestions for improvement.

The auditor will respond to and discuss with VSJ'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 written confirmation. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or that VSJ staff would be advised of any additional charges prior to services being provided.

The auditor will also be required to perform an audit on the financials of the Villa Saint-Joseph du Lac Foundation along with its annual charity return. This will be done separate of the VSJ audit and will also be billed separate.

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## **Annual Audit Schedule**

The following audit schedule would be typical for each year of the agreement:

- Early March - Meeting with Finance Director to discuss audit plan and schedule
- 2<sup>nd</sup> week of May - Reconciliations and working papers completed by VSJ staff
- 3<sup>rd</sup> week of May - Year-end audit work starts
- 3<sup>rd</sup> week of June – audit report, management letter and audited financial statements will be completed
- 3<sup>rd</sup> week of June – presentation of audit report, management letter and audited financial statements to VSJ's Board of Directors

VSJ staff will be responsible for the year-end close and internal financial statement preparation. Staff will assist the external auditors by preparing a full set of working papers, schedules, a trial balance and supporting documentation on a timely basis. The auditor will create the final statements and will take responsibility for the production of the audit report in bound form.

## **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 contact information. The person signing the covering letter must be authorized to bind the proponent.

Proponents must respond to the items 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(s) 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. Identify the number of staff located locally.
2. **Experience with Not-for-Profit 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 Auditing Standards for Not-For-Profit Organizations (ASNPO).

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3. **Audit Staffing:** Name and brief resume of the partner(s), manger 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 audit schedule. This would include the approach to be used to gain an understanding of VSJ’s structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the annual audit.
5. **Other Services:** Description of the methodology to be used for keeping VSJ abreast of any changes in accounting principles or legislation that would impact the annual financial statements.

Description of non-auditing professional services provided to other local not-for-profit 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:

<u>Staff Assigned</u>	<u>Hours</u>	<u>Rate</u>	<u>Fee</u>
Partners	XX	XXX	\$XXX
Managers	XX	XXX	\$XXX
Seniors	XX	XXX	\$XXX
Support Staff	XX	XXX	\$XXX
Total Hours/Fees	XXX		\$XXX
Other Disbursements (identify)			\$XXX
Total Fixed Fee			<u>\$XXX</u>

The fees 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 must be not-for-profit audits within the last three years. Include numbers of years of service and a contact name, telephone number and email address for each reference.

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### **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. Four duly signed copies of the proposal submitted, unless submission is being done by email.
3. Proposal received at the closing location or by email 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 I:

1. Understanding of engagement
2. Not-for-Profit 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 interview at VSJ. At a minimum, the audit partner and audit supervisor shall attend.

### **Submission of Proposals and Terms for Acceptance**

Please see first page of this document for proposal submission details.

Proposals received after the deadline will not be considered and will be returned to the sender unopened.

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

- Notwithstanding the above, an accounting firm will be permitted to withdraw its proposal prior to the closing provided that it has first notified VSJ in writing of its intention to do so. A firm that has so withdrawn a proposal may submit a new

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proposal prior to the closing, pursuant to this request, provided that such action is done in compliance herewith.

Unless otherwise authorized in writing by the herein designated VSJ Officer, a proponent must not contact or communicate with any officer, Board member or employee of VSJ other than the designated employee in relation to the proposal prior to the award of such proposal by the VSJ Board of Directors. Any such communication will result in disqualification of the proposal from further consideration.

### **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.

## **VSJ Contact and Disclaimer**

### **Contact**

Any inquiries regarding this request for proposal should be directed to the designated VSJ Officer, Cynthia LeBlanc-Goodwin, Finance Director, at telephone number (902) 742-7128 x223 or email: [cynthia.leblanc-goodwin@eastlink.ca](mailto:cynthia.leblanc-goodwin@eastlink.ca).

### **Disclaimer**

The information contained in this RFP is supplied solely as a guideline for proponents and is not guaranteed or warranted by VSJ 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. VSJ 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, VSJ is not liable for any costs incurred in the preparation of the proposals.

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**Appendix I**  
**Proposals For**  
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**Evaluation Matrix**

**Proponent** \_\_\_\_\_

**Mandatory Criteria**

Cover letter completed and signed by person authorized to bind the proponent to statements made in the submission.

Sealed package containing four copies of the proposal or received by email.

Proposal must be received at the closing location or email by the specified closing date and time.

<b>Criteria</b>	<b>Maximum Score</b>	<b>Firm's Score</b>	<b>Comments</b>
<b>Point-Rated Criteria</b>			
<b>1. Understanding of Engagement/Proposal</b> <ul style="list-style-type: none"> <li>- Demonstration of full understanding of VSJ structure and governance.</li> <li>- Knowledge of information systems used by VSJ.</li> </ul>	6		
<b>2. Experience with Not-For-Profit Audits</b> <ul style="list-style-type: none"> <li>- Not-for-Profit audit experience.</li> <li>- VSJ auditing experience.</li> </ul>	8		
<b>3. Personnel</b> <ul style="list-style-type: none"> <li>- Technical experience of the firm in performing</li> </ul>			

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<p>public sector audits and experience with organizations of a similar size and complexity.</p> <ul style="list-style-type: none"> <li>- Experience and qualifications of audit team proposed for VSJ’s audit.</li> </ul>	<p>10</p>		
<p><b>4. Audit Implementation</b></p> <ul style="list-style-type: none"> <li>- Statement of full understanding of the audit objectives and overall scope of work to be performed.</li> <li>- Audit plan including number of person-hours anticipated to perform the services for each of the five years.</li> <li>- Approach used to gain an understanding of VSJ structure and operations.</li> <li>- Quality of the proposal in terms of methodology and approach to the audit, including substantive and compliance testing and internal control evaluation.</li> <li>- Estimate of VSJ staff time required including a schedule outlining when required.</li> </ul>	<p>20</p>		
<p><b>5. Additional Services</b></p> <ul style="list-style-type: none"> <li>- Accounting firm’s ability to provide additional services to VSJ such as: <ul style="list-style-type: none"> <li>• ASNPO advice</li> <li>• GST/HST advice</li> </ul> </li> </ul>	<p>6</p>		

<ul style="list-style-type: none"> <li>• General income tax advice</li> </ul>			
<p><b>6. References</b></p>	<p>10</p>		
<p><b>7. Audit Fee</b></p> <ul style="list-style-type: none"> <li>- The proposed fees for each entity for each of the five-year term which are to be shown exclusive of HST and include: <ul style="list-style-type: none"> <li>• Professional fees of audit and support staff based on person hours.</li> <li>• Estimated disbursements and administrative fees.</li> <li>• Value added services bundled with the audit service fees.</li> </ul> </li> </ul>	<p>40</p>		

