

## Request for proposals: Audit services

### 1. Background

[*insert name of co-op*] is requesting proposals from qualified independent firms for its annual audit services. This process is being undertaken at the request of the Board of Directors, as a standard procedure to ensure the Co-op continues to receive the best value it can for its audit services.

Note: The background section should include information on the following:

- size of co-op (number of units)
- operating under operating agreement or HSA with [*name of regulator*]
- incorporation information including date and legislation eg. *Co-operative Corporations Act*
- amount of the annual operating budget, total assets of the co-op (from balance sheet) including a specific reference to the size of the restricted capital reserve. A statement that almost all of the co-op's revenue comes from housing charges (rent) and government subsidies
- the accounting software the co-op is using and who does the bookkeeping (staff, contracted bookkeeper) and any accounting designations they hold.

A copy of the audited financial statements for the year ended [*insert date of most recent audit*] is enclosed for your information.

### 2. Services to be provided

Services to be provided in the annual audit of [*name of co-op*] financial statements include providing an audit opinion on the Co-op's financial statements through:

- an internal control audit, completed during the course of the year-end audit, consisting of studying and reviewing the accounting system and internal controls
- substantive year-end audit, specifically targeted at the balance sheet, statement of changes in financial position, the income statement and reserve funds.

**The audit will include:**

- preparation and submission of an annual audit plan to management by [*insert date one month before the co-op's fiscal year end*]. During the audit planning you will also undertake discussions with management about any changes that have occurred through the course of the year that may have an impact on the audit or your audit approach
- identification of any changes to disclosure requirements by the CICA that would have an impact on the financial statements presentation, if not already identified earlier in the year
- year-end field audit, normally held in [*insert date one month after year end*] conducted according to Canadian generally accepted auditing standards and the requirements of [*insert name of regulator or legislation eg. HSA*]
- confirmation of member accounts
- provision of a management letter, making any recommendations on improvements to existing internal controls or financial and reporting practices based on any weaknesses found during the course of the year-end audit
- presentation of audited statements to the Board of Directors (normally completed by [*insert date when board normally reviews audit*] of each year). Presentation at the Co-op's Annual General Meeting (normally held [*insert normal date of AGM*])
- preparation and submission of all required tax and other information returns and reports.

**3. Required information****Items to be covered by the proposal include the following:**

1. a description of your firm and its areas of expertise
2. a description of your relevant work with other housing co-operatives, or non-profit housing providers
3. a proposed fee structure for the annual audit, including start-up costs, if any. Any hourly rates proposed should indicate if the rates apply to audit and/or other services your organization may be able to provide
4. a summary description of the personnel that you would assign to the Co-op and their position within your firm
5. a description of the scope of the audit to be undertaken

6. an indication of whether your firm has received a positive peer review within the last three years. Please also indicate whether your firm has been the object of any disciplinary action during the past three years. Provide results of any relevant external quality control reviews
7. a list of names and contact person(s) for up to three references for financial audit work most similar to the Co-op's.

#### **4. Organizational conflicts of interest**

The responder must warrant that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances which could give rise to organizational conflicts of interest.

#### **5. Proposal contents and form**

Proposals may be submitted in writing by mail, or electronically.

If submitted by mail, send the proposal in a sealed package, clearly marked on the outside of the package "Proposal for [*name of co-op*] Audit Services", along with the respondent firm's name.

If the proposal is submitted electronically, put "Proposal for [*name of co-op*] audit services" in the subject line.

Proposals must include a statement that the information provided is true, correct and reliable for purposes of evaluation for potential contract award.

Please submit your proposal by [*insert time and date*] to:

[*name of co-op and mailing address*]

Attention: [*name of manager*]

E-mail: [*e-mail address*]

Proposals received late, by mail or electronically, will not be considered.

#### **6. Proposal evaluation review and selection process**

Qualified proposals will be evaluated on the basis of "best value" as determined by the Co-op's management and Board of Directors. A firm will be selected by the Board for recommendation to the members at the Co-op's annual meeting in [*date of AGM*].

**All of the following criteria will be considered in evaluating the proposals:**

1. qualifications and expertise of the firm and proposed staff
2. relevant prior experience
3. feedback obtained from references
4. proposed fees
5. responsiveness to this RFP
6. evaluation of capabilities and quality of work product.

[insert name of co-op] will not be obliged in any manner to any proposer whatsoever. At its sole discretion, it may choose to terminate the Request for Proposal process and not enter into a contract with any of the proposers.

**7. Disposition of responses**

All materials submitted in response to this RFP will become the property of [name of co-op].

**8. [name of co-op] contacts and inquiries**

Please contact [name of manager], Manager at [phone number] with any questions or request for additional information.

As of the date of this RFP, there shall be no communications concerning the selection process between any proposer and any Board or staff member of [name of co-op] concerning the selection process, other than with the contacts noted above. Other personnel are not authorized to discuss this request for proposal with responders. Contact regarding this RFP with any personnel not listed above could result in disqualification.