



DRUMHELLER

REQUEST FOR PROPOSAL



RFP AUDIT SERVICES 2011



DRUMHELLER



REQUEST FOR PROPOSAL

PROFESSIONAL AUDIT SERVICES REQUIREMENTS

SCOPE

A. Purpose

The Town of Drumheller and its associated societies are presently accepting Requests for Proposals for professional financial auditing services for the years ending December 31, 2011 to 2013 (3 years).

The deadline for proposal of proposals is Thursday July 14, 2011 at 2:00 pm local time. **Proposals must be received by the Town of Drumheller by the specified time. Any proposals received after this deadline will not be considered.**

Proposals will cover all professional financial auditing needs for the Town as specified in this document. Any further services offered as “optional” or “in addition to” the services required in this proposal may be included in the proposals. However, only the services required under this proposal will be given consideration during the review 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 CAN NOT BE PROVIDED AS DESCRIBED SHOULD BE NOTED IN THE PROPOSAL.**

Proposals should be marked “Proposal for Professional Auditing Services” and addressed to:

Raymond Romanetz
Chief Administrative Officer
Town of Drumheller
703 2nd Avenue West
DRUMHELLER, ALBERTA
T0J 0Y3

Fax: (403) 823-7739
Phone: (403) 823-1339
E-mail: rmroman@dinosaurvalley.com

Town of Drumheller – Audit RFP

Proposals for this Request for Proposal will be accepted by facsimile, e-mail, regular mail or delivered in person. However, it is the responsibility of the Proponent to ensure delivery of their proposal to the above mentioned individual. The Town assumes no responsibility for misdirected or improperly addressed proposals.

The Proponent is requested to submit a name and telephone number of a contact that the Town may contact regarding any questions or clarifications relating to Proponent's response on the Request for Proposal.

Proposals received by the proposal 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 proposal received. No awarding or announcing of the successful proposal will take place at this time.

The Town of Drumheller may accept or reject any or all proposal as maybe in the best interest of the Town. The final decision rests with Town Council who will select the successful proposal.

B. Restrictions & Conditions

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

All proposal responses, questions or inquiries shall be written in English.

All rates/pricing are to be quoted in Canadian dollars and are to be Goods and Services Tax extra.

The Town of Drumheller shall not be responsible for any costs incurred by the proponent in the preparation of their response.

Town of Drumheller – Audit RFP

Any questions regarding the details of the specifications or the submission and review process should be directed to:

Michael Roy
Director of Corporate Services
Town Hall

Phone: (403) 823-1311
Fax: (403) 823-7739
E-mail: mroy@dinosaurvalley.com

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.

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.

Proponents may be individuals, partnership, and or limited corporations. Proponents must be professional designated accountants (i.e. Chartered Accountant, Certified Management Accountant or Certified General Accountant) and the individual in direct supervision of audit activities must be at all times be a member in good standing with their respective professional accounting society. Preference will also be given to proposals where a senior partner or principal of the successful audit firm is in direct supervision of the various audits.

C. 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 delineated below, should be attached and be organized in separate sections. Proponents are urged to be concise in providing information. Each page should clearly delineate the name of the respondent. Information should be in the following order:

1. An overview of your firm and the individual who would be in charge of the audits including any historical information which delineates your professional capabilities and capability that your firms has in providing management advisory services to governmental entities.
2. A description of your firm's governmental auditing experience during the past five (5) years.
3. A list of firms (preferably governmental entities) for whom your firm has provided professional auditing services during the past five (5) years. These references shall include the entity name, a contact person,

Town of Drumheller – Audit RFP

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

D. 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 provisions 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.

Town of Drumheller – Audit RFP

Schedule “A” - Audit Program	6
Timing of Engagement	6
Assistance from Accounting Staff.....	6
Information Provided by Accounting Staff	6
Facilities Available.....	6
Items Included in the Audit Fee.....	7
Additional Audits Required (quoted individually)	7
Schedule “B” - Finance System	8
Finance Software	8
Platform	8
Modules Installed.....	8
Schedule “C” - Control Issues.....	9
Preparation and Printing of Invoices.....	9
Collection of Cash	9
Where and How Purchases are Made.....	9
Where and How Payroll is Approved.....	9
Other Payroll Services.....	10
Issue and Signing of Cheques.....	10
General Account.....	10
Payroll Account.....	10
Signing Officers	10
Tax Levy.....	10
General.....	10
Supplementary.....	10
Utility (Water and Sewer)	10

Schedule “A” - Audit Program

Timing of Engagement

- Interim Audit
 First portion of December
- Final Audit
 Third week of February
 Please note that originals cannot leave the premises,
- Issuance of Draft Financial Statements
 End of March
- Presentation to Council
 Mid April

Assistance from Accounting Staff

- Inquires and Interviews with clerical staff during office hours
- Inquires and Interviews with Accountant 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
- Financial Information Return (with budget values) and associated schedules
- 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

- Certification of the Financial Information Return
- Preparation of the Audited Financial Statement
- 13 copies of the Financial Statement
- 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
- 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 \$225,000
 - Asset value approximately \$130,000
 - 3 original copies plus 1 unbound signed
 - Location of Audit: Library
- Drumheller and District Solid Waste Management Association
 - Annual Revenue approximately \$1,500,000
 - Asset value approximately \$12,200,000
 - 5 original copies plus 1 unbound signed
 - Location of Audit: Town Hall
- Badlands Ambulance Services Society
 - 5 original copies plus 1 unbound signed
 - Location of Audit: Town Hall

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
 - All modules are written by VADIM: there are no outside vendors
 - All modules are written with the same “personality”

Modules Installed

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

Schedule “C” - Control Issues

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 nightly
 - Deposit slips and cash register summaries are delivered to the Community Services Department on a weekly basis, and processed by the Corporate Services Department monthly
- Bulk Water Sales
 - Bulk water is available through key-lock as well as cash vending systems
 - Keylock and cash are delivered to the Corporate Services Department monthly Utility and Tax payments are available through electronic debit
- 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 and fax

Where and How Purchases are Made

- Invoices may be supported by a Purchase Order, and are approved with spending and authorization limits
- Payment is made by statement, supported by invoice

Where and How Payroll is Approved

- 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
- Inside and Outside union employees are paid by contracted pay schedules
- Management pay schedules are approved by Council

Other Payroll Services

- Drumheller and District Solid Waste Management Association (2+ employees)

Issue and Signing of Cheques

General Account

- Cheques are prepared and printed by the Corporate Services Department
- Approximately 250 cheques issued per month
- Two signatures are required: Administration and Council

Payroll Account

- Separate bank account, funded by cheque from General Account
- Approximately 200 cheques issued per month
- Full-time employees: 40
- Seasonal and/or part-time employees: 30
- Volunteer Fire Force: 50
- Cheques are prepared and printed by the Corporate Services Department
- One signature is required: Administration

Signing Officers

- Administration
 - Chief Administrative Officer
 - Director of Corporate Services
- 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 Sewer)

- Approximately 3,200 water and sewer customers
- Drumheller, Nacmine and Rosedale receive water and sewer services

Town of Drumheller – Audit RFP

- East Coulee customers receive sewer services
- Invoices are sent monthly.
- Invoices are calculated after consumption, due in 3 weeks. Eg: January is billed on February 10, due on March 5, revenue credited in January.