
REQUEST FOR PROPOSALS EXTERNAL AUDIT SERVICES

Issue Date:

Monday November 6, 2023

Address for Submissions:

Children's Aid Society of London and Middlesex
1680 Oxford Street East
P.O. Box 7010
London, ON
N5Y 5R8

Two (2) Proposal Packages should be submitted and clearly marked:

"Proposal – External Audit Services"

Attention: Karen Jackson, CFO and Director of Corporate Services

Closing Date for Submissions:

Monday December 4, 2023
12:00 pm

Contact:

Karen Jackson
CFO, Director of Corporate Services
Phone: 519-455-9000 ext. 2220
Email: karen.jackson@caslondon.on.ca

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A. GENERAL INSTRUCTIONS

A.1. Invitation:

The Children's Aid Society of London and Middlesex (the Society) is soliciting proposals from qualified firms for the provision of External Audit Services.

The engagement is for the fiscal period beginning April 1st, 2024 and ending March 31st, 2025 and for the subsequent two years, with the option to renew for an additional two years. The successful bidder will be appointed on an annual basis and the Finance Committee of the Society will reserve the right not to recommend/reappointment to the Society's Board of Directors. It is the Society's planned practice to review this type of engagement every three years.

A.2. Proposal Documents, Delivery and Deadline:

Proponents are requested to submit two (2) hard copies of their proposal in a sealed package marked "Proposal – External Audit Services", to the attention of the Chief Financial Officer, to be received at 1680 Oxford Street East, London, Ontario, N5Y 5R8 before 12:00 p.m., Monday, December 4, 2023. Proponents are requested to include in the sealed package one (1) electronic storage media device containing a complete electronic copy of the submission.

The name and address of the Proponent must be clearly indicated on the face of the sealed package containing the proposal.

The total content of the proposal, including any appendices and attachments, should be outlined in a Table of Contents at the front of the proposal.

Proposals sent by fax or e-mail will not be accepted.

Proponents may not make modifications to their proposal after the closing date and time.

Neither the Society's Finance Committee, nor the Society's Board of Directors shall be obligated in any way by any Proponent's response to this Request for Proposals, nor shall the Society be liable for any costs incurred by any Proponent in the preparation of their proposal.

All information provided in the Proponent's proposal will be considered confidential.

A.3. Inquiries:

All inquiries regarding this Request for Proposal shall be directed by e-mail only to karen.jackson@caslondon.on.ca. Inquiries must be received by 12:00 p.m. Wednesday, November 22, 2023. Management's answers to all inquiries shall be provided to all Proponents no later than the end of day Monday, November 27, 2023.



B. BACKGROUND

B.1. Activities & Structure:

The Children's Aid Society of London and Middlesex is a registered Charity, whose principal mandate is to protect the children and youth in our community from all forms of abuse and neglect and to promote the healthy development of children, families and community.

The Society's principal funding is provided by the Province of Ontario as determined by a Funding Framework based on socio-economic factors and service volumes. Under the provisions of the Child and Youth Family Services Act ("CYFSA"), the Ministry of Children and Youth Services of Ontario (the "Ministry") contracts with the Children's Aid Society of London and Middlesex as a transfer payment agency for the delivery of legislated Child Welfare Services in the London and Middlesex area. As a consequence of the contractual relationship between the Society and the Ministry, the Ministry conducts regular reviews and audits of the Society in order to determine funding requirements and to exercise due diligence on behalf of the Government of Ontario.

Under Ontario law, the Society is also subject to audits performed by the Auditor General of Ontario on a schedule determined by the Auditor General.

The Children's Aid Society of London and Middlesex operates at arm's length from the Ministry and are governed by an independent volunteer Board of Directors. This structure allows the Children's Aid Society of London and Middlesex to be accountable to the Ministry, and yet retain a degree of operational autonomy and flexibility.

The Board of Directors is a Policy Governance Board with up to 16 members and possesses the multi-discipline representation necessary for effective governance. The Board of Directors has established a Finance Committee. The Finance Committee and the Board meet monthly with management.

During its fiscal year ended March 31, 2023 the Children's Aid Society of London and Middlesex received \$55,454,694 in transfer payments from the Ministry for the delivery of Child Welfare services. Additional funding is made up of Expenditure Recoveries and Other Revenue/Grants of \$1,192,751 mainly for payments made to the Society while a child is in care (i.e. Children's Special Allowance).

The Society's year-end financial statements are included within its Annual General Report, and are prepared in English and French.

Please find included with this Request for Proposal a copy of our Financial Statements for the year ended March 31, 2023. Other useful information may be obtained from our website at www.caslondon.on.ca.



B.2. Finance Department:

The Society's Finance department is led by the Comptroller, reporting to the CFO/ Director of Corporate Services.

The Society's financial system is Oracle. The Payroll Department is under the Director of Human Resources and is performed in-house using Avanti Software.

C. SCOPE OF SERVICES TO BE PROVIDED

Commencing with the fiscal year beginning April 1, 2024 and ending March 31, 2025, and for two (2) subsequent years, the Auditor shall perform an examination of the records and financial statements of the Society in accordance with Canadian Auditing Standards to express an opinion on the financial statements.

In March, the Auditors will be required to provide a comprehensive risk-based audit plan for the Society which will be presented to and approved by the Finance Committee and the Board.

In addition to interim work which will be scheduled at a mutually convenient time, the Auditors should be prepared to commence year-end audit work starting the first week of May. Draft financial statements and a management letter shall be ready for presentation to the Finance Committee in mid-May.

The Auditors shall prepare and deliver to the CFO/Director of Corporate Services a draft management letter and provide management with an opportunity to discuss the issues before final content of the management letter is determined. This letter will include recommendations that may result from findings during the course of the annual audit.

At a meeting in May, the Auditor shall meet with the Finance Committee to discuss the audit and contents of the management letter, and also be prepared to attend if necessary the Annual General Meeting of the Society held each June.

D. SUBMISSION REQUIREMENTS

D.1 General

Proponents are requested to submit a written proposal that describes how the services as outlined in Section C will be provided. In order to facilitate the evaluation of proposals, Proponents are requested to organize their proposal as per the Submission Framework below.

Proponents will be evaluated based on the following criteria:

- Capability and experience of the audit team
- Proposed audit approach and scheduling
- Audit price
- Overall quality

D.2 Submission Framework, Proposal Content & Evaluation Criteria

Capability and Experience of the Audit Team: 25 points

- Information as to the location of the office which would be responsible for the audit, the names of the partner(s), and senior staff who will be assigned;
- Ability to meet independence requirements;
- Capacity to staff for the size of this engagement;
- Industry experience;
- Experience with similar not-for-profit organizations (please include references);
- Please provide specific examples of audits performed within the public sector of similar scope and complexity completed within the last two years, including references;
- Details of team skills or experience (i.e. with fund accounting) which are directly relevant to the team's capacity to conduct the audit;
- Experience, qualifications and continuity of audit personnel; and,
- Capacity to provide assistance in other areas, e.g. commodity tax specialist.

Proposed Audit Approach and Scheduling: 25 points

- Your audit approach i.e. organization of the audit team, use of specialists;
- Availability and timely response to discuss complex accounting, tax and reporting issues;
- Approach to resolution of accounting and disclosure issues;
- Approach to post-audit/management letters;
- Ability to meet our deadlines and confirmation of understanding of and ability to meet all other elements of the scope of services to be provided as outlined in section C herein;
- Clearly articulated expectations of the Society's finance staff with respect to interim and year-end preparation work;
- Scope, timing and nature and percentage of work you plan to perform on an interim basis; and,
- What, if any special services differentiate your firm from your competitors.

Audit Price: 40 points

- A firm quotation for fees charged in the first year (excluding out-of-pocket expenses and taxes) and estimated fees for the two subsequent years;
- The firm's "Out-of-Pocket Expense" policy (i.e. actual expenses incurred based on receipts, a flat fee, percentage, other);
- An estimate of hours and rates per hour broken down between various staff required to carry out the audit;
- Periodically, it may be necessary for management to discuss accounting and reporting matters with your firm. Please provide your policy on billing for routine telephone consultations and inquiries;
- Please provide a detailed schedule of your hourly rates by position level for advisory work outside the scope of the audit;
- Information regarding any advisory services that may be available to the organization free of charge on routine matters. These services may include staff assistance, seminars, and/or publications relating to sales tax, goods and services tax, employee remuneration and benefits, accounting changes, etc; and,
- A focus on reducing overall cost of external audit services to the Society while at the same time maintaining /enhancing value.

Overall Quality of Submission: 10 points

Total criteria: 100 points

E. EVALUATION PROCESS

The Finance Committee shall evaluate the proposals. A matrix will be used to compare the scores given to each Proponent by each member of the Committee, and a consensus will then be reached through discussion internal to the Committee. An initial evaluation conducted during the period from January 2, 2024 to January 26, 2024, will result in a 'short list' of the highest scoring Proponents.

Final selection is subject to the approval of the Society's Board of Directors. It is expected that approval from the Board of Directors will occur no later than March 29, 2024.

Unsuccessful Proponents will be notified in writing by April 5, 2024. Unsuccessful Proponents will have the opportunity to request a debriefing meeting with members of the evaluation team to discuss their submission.

F. PRELIMINARY TIMELINES SUMMARY

<u>Activity</u>	<u>End Date</u>
RFP Issue Date	Monday November 6, 2023
Final Date for Inquiries	Wednesday November 22, 2023
Inquiry answers provided to all Proponents	Monday November 27, 2023
Proponent Submission Due Date	Monday December 4, 2023
Short List Developed/Proponents Contacted	Friday March 1, 2024
Interviews Arranged (if required)	Monday March 4, 2024
Final Selection/Board Approval	Wednesday March 27, 2024
Notification of Unsuccessful Proponents	Friday April 5, 2024

G. GENERAL CONDITIONS

- 1) The proposal is to be prepared in accordance with the conditions outlined in this and any associated documents.
- 2) The Society is not responsible for any expenses incurred by Proponents in preparing and submitting a response to this Request for Proposals.
- 3) The completed response, terms, instructions, specifications and any attachments shall become part of any agreement entered into between the Society and the successful Proponent.
- 4) It is understood that the proposals submitted by Proponents will remain open for acceptance for a period of not less than 60 days from the closing date of this Request for Proposals.
- 5) Proposal pricing must include all charges excluding taxes (HST).
- 6) It is understood that certain elements of the successful proponent's submission, including information as to fees, could potentially be publicly disclosed as a result of the public nature and governance structures of the Society.
- 7) The successful Proponent agrees to:
 - a. Supply trained and well-qualified personnel to the Society with the required skills who can work on the audit consistently;
 - b. Ensure personnel assigned to the Society are well informed on the business processes of the Society prior to field work being conducted;
 - c. Communicate effectively and in a timely manner with Society personnel;
 - d. Meet no less than once per annum to review current services requirements, quality of service and procedures related to the agreement between the Society and the successful Proponent;
 - e. It is expected that the audit will be completed within the time frames set out herein for the first effective year of the agreement with the successful Proponent and within similar time frames for successive years of the agreement term.
- 8) The Proponent's response to this proposal must be signed by an authorized representative of the Proponent.

- 9) The Society shall:
- Designate a contact person(s) for the purposes of audit coordination and special or accounting services;
 - Pay all invoices for services within the payment terms specified on the invoice;
 - Provide the successful Proponent with a suitable place to work on Society premises in the performance of the services to be rendered;
 - Provide adequate instruction, assistance, and time for the employees of the successful Proponent to perform the audit services required in an efficient and effective manner.
- 10) Either the Society or the successful Proponent may, without cause, effect cancellation of any agreement between the parties at any time prior to the expiry date thereof by giving at least thirty (30) days prior written notice to the other and no financial compensation will be exercised by either party as a result of such cancellation.
- 11) The Society reserves the right to:
- alter specified dates or to cancel this Request for Proposals for any reason without incurring any liability, cost or penalty to the Society, at any time prior to the execution of any written contract;
 - modify the terms of this Request for Proposals at any time and at its sole discretion;
 - not accept the lowest price or any proposal;
 - conduct negotiations with more than one bidder;
 - disqualify any quotation that is incomplete or is otherwise not submitted in accordance with the terms, conditions, and provisions of this Request for Proposals. Submissions received after the specified due date and time will be automatically disqualified; and,
 - retain all submissions and use any ideas contained in a submission regardless of whether the submitter is selected as the successful Proponent.
- 12) The Society shall not be held liable for any error or omission in any part of this Request for Proposals. The information contained in the Request for Proposals is supplied solely as a guideline for Proponents and is not guaranteed or warranted to be accurate, nor is it necessarily comprehensive or exhaustive. Nothing in this Request for Proposals is intended to relieve Proponents from forming their own opinions and conclusions with respect to matters addressed in this Request for Proposals.
- 13) The Society is obliged to comply with the **Broader Public Sector Accountability Act, 2010** and as such, we must comply with the requirements of the **BPS Procurement Directive** and the **BPS Expense Directive**. The Directives impose additional accountabilities and requirements specifically related to consulting services. Please visit <https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/EN/bps-procurementdirective> for further information on these Directives.