

ST. ALBERT PUBLIC SCHOOLS

60 Sir Winston Churchill Ave.
St. Albert, AB T8N 0G4



REQUEST FOR PROPOSAL
TO ACT AS
THE DISTRICT'S EXTERNAL AUDITOR

(Please read all documentation carefully)

**Please note that responses to this RFP must be received by 12 noon MST on Friday,
February 22, 2019 at the address below**

St. Albert Public School District No. 5565
Financial Services
60 Sir Winston Churchill Ave.
St. Albert, AB T8N 0G4

OVERVIEW

Preamble

1. Respondents are invited to submit proposals to act as the External Auditor for St. Albert Public School District No. 5565 (hereinafter referred to as the “District”) in accordance with the terms and conditions contained within this document.
2. The District’s fiscal year end is August 31. The term of appointment for the District’s External Auditor will begin with the fiscal year ended August 31, 2019. The appointment is typically for a five year term, in this case from the August 31, 2019 fiscal year end to the August 31, 2024 fiscal year end. However, the District may, at its sole discretion, terminate the appointment upon the provision of four (4) months’ written notice to the Principal Auditor.
3. This competitive procurement will be conducted in accordance with one fundamental principle, the objective of which is to maximize the benefit to the District while offering to members of the Respondent community a fair and equitable opportunity to participate.
4. The purpose for collecting the information for this RFP is to enable the District to ensure the accuracy and reliability of, and to enable the District to evaluate, the Respondent’s proposal to this RFP. Authority for this collection arises under the *School Act* and the *Freedom of Information and Protection of Privacy Act*, as they may be amended, revised or substituted from time to time. The Respondent may contact Michael Brenneis, CPA CA BComm, Associate Superintendent of Finance, Secretary Treasurer regarding any questions about the collection of information pursuant to this RFP.

PART I - GENERAL TERMS AND CONDITIONS AND INSTRUCTIONS FOR RESPONDENTS

Respondents should carefully read the following document prior to submitting a proposal and quotation. All terms and conditions of this RFP are deemed to be accepted by the Respondent and incorporated by reference in its proposal, except such terms and conditions as are expressly excluded in the proposal.

1. RESPONDENT QUESTIONS

- All questions regarding this RFP should be directed by electronic mail or written correspondence to the attention of Michael Brenneis, CPA CA BComm, Associate Superintendent of Finance, Secretary Treasurer, at Michael.Brenneis@spschools.org or at St. Albert Public School District No. 5565, 60 Sir Winston Churchill Avenue, St. Albert, AB T8N 0G4.
- Telephone inquiries may be accepted by the Secretary Treasurer; however, verbal responses to any inquiry are not binding on either party.
- Information obtained from any other source is not official and may be inaccurate.
- Direct contact by a Respondent with any person within the District without prior authorization by the person identified above may result in disqualification of that Respondent.
- Respondent inquiries should be made seven (7) days prior to closing date. Inquiries made after this date may not be given a response.
- An information session will be held at 2:00 p.m. on Monday, January 21, 2019 at District Office, St. Albert Public School District No. 5565 (60 Sir Winston Churchill Avenue, St. Albert, AB).
- The information session will be attended by the Associate Superintendent of Finance, Secretary Treasurer who will be available to answer questions regarding the selection of the District's External Auditor, the selection process and the auditing services required. Verbal questions will be allowed at the proponents' meeting. However, questions of a complex nature should be forwarded in writing to the Secretary Treasurer at least (2) working days prior to the information session.

2. RFP IS NOT AN ORDER TO PURCHASE

- This RFP should not be construed as a contract to order or purchase auditing services. The District shall not be obligated in any manner to any Respondent until or unless a written agreement has been duly executed related to an approved proposal. The issuance of this RFP does not constitute a commitment by the District to award a contract or to pay any costs incurred in the preparation of a response to this RFP.
- The District shall not be liable for any costs incurred by a Respondent in the preparation or presentation of proposals.

3. SUBMISSION OF PROPOSAL

- Proposals shall be accepted until 12 noon on Friday, February 22, 2019 (hereinafter the “Closing Date”). Proposals will be date stamped, and the time of receipt will be noted on the proposals. The time of receipt shall be determined by the person receiving the proposals, and a notation as to the time of receipt made by that person shall be deemed correct for all purposes and may not be challenged by any Respondent.
- Proposals received after the Closing Date will be date and time stamped but will not be considered as valid proposals, and they will be placed in a folder marked “Rejected”. Any tender received after the closing date and time shall be returned unopened to the originator. This includes any tender delayed by mail or courier.
- Proposals must be submitted in a sealed envelope clearly marked
“PROPOSAL TO ACT AS DISTRICT EXTERNAL AUDITOR” to:
ST. ALBERT PUBLIC SCHOOL DISTRICT NO. 5565
FINANCIAL SERVICES
60 SIR WINSTON CHURCHILL AVENUE
ST. ALBERT, AB T8N 0G4
- Oral, telephone, or electronically transmitted proposals will not be considered and will be placed in a folder marked “Rejected.”

4. ACCEPTANCE/REJECTION OF PROPOSAL

- The District is not under any obligation to award a contract and reserves the right to terminate the RFP process at any time with all or any of the responding Respondents.

- The District reserves the right to cancel this RFP in its entirety after the advertised Closing Date if all qualified bids exceed the District's allocated budget for the appointment of the District's External Auditor.
- A single response (i.e. a proposal from only one Respondent to the RFP) may also be deemed to be a failure of competition, and at the sole option of the District, the RFP may be cancelled.
- A proposal may be rejected if references are found to be unsatisfactory.
- The District reserves the right to reject the lowest cost proposal or any and all proposals.
- The proposals or quotations that are not compliant with the general terms and conditions of this bid document may be rejected.
- The District's discretion may be exercised by Michael Brenneis, CPA CA BComm, Associate Superintendent of Finance, Secretary Treasurer.

5. WITHDRAWALS

- Any application by a Respondent to alter, amend or withdraw its entire proposal or any part or parts thereof shall be delivered to the District at 60 Sir Winston Churchill Ave. St. Albert, AB T8N 0G4 to the attention of Michael Brenneis, CPA CA BComm, Associate Superintendent of Finance, Secretary Treasurer prior to the stipulated Closing Date and time and shall be labelled as a "Request to Withdraw or Alter a Proposal."

6. PROPOSAL COMMITMENT

- The Respondent agrees that by submitting a response that the response shall remain open for acceptance by the District for at least a period of sixty (60) calendar days from the Closing Date.

7. CONTRACTS

- Upon acceptance of a response, a Respondent will be required to execute a written contract based upon the general terms and conditions set out in this RFP. The District may, at its sole discretion, negotiate the terms of the contract with the successful Respondent.

8. CONFIDENTIALITY OF THE RFP AND DISTRICT BUSINESS ACTIVITIES

- This RFP remains the property of the District and is provided to Respondents for the exclusive purpose of preparing and submitting a proposal and quotation.
- Reproductions of the RFP are not permitted other than for the purposes of responding to the RFP. All information of the District and any third parties acquired by the Respondents as a result of participating in this RFP must be kept in strict confidence by participating Respondents.
- The proposals and accompanying documentation submitted by the Respondents will not be returned.

9. CONFIDENTIALITY

- The Respondent acknowledges that the Freedom of Information and Protection of Privacy Act (“the FOIP Act”) applies to all information and records relating to, or obtained, generated, collected, or provided under or pursuant to the terms of this RFP or any contract generated as a result thereof.
- The Respondent shall protect the confidentiality of information and the privacy of any personal information accessible to the Respondent or collected by the Respondent from the District pursuant to this RFP process and any subsequent contract, in accordance with the FOIP Act.
- The Respondent consents, and has obtained the appropriate consent of any individuals identified in the proposal, to the use of their information in the proposal by the District, District employees, and any individuals or organizations chosen by the District to assist in the evaluation of Respondent’s proposal.
- All documents submitted by the Respondent to the District are subject to the protection and disclosure provisions of the FOIP Act. While the FOIP Act provides for the right of access to records in the District’s custody or control, it also prohibits the District from disclosing personal or business information where such disclosure would be harmful to the business interests or would be an unreasonable invasion of personal privacy in accordance with sections 16 and 17 of the FOIP Act, as may be amended from time to time. Respondents are encouraged to identify what portions of their submissions are confidential and what harm could reasonably be expected from its disclosure.
- Any records stipulated in this RFP as being required to be maintained or submitted by the Respondent may be subject to the protection and access

provisions of the FOIP Act. Should the District receive a request for any of these records, it would be the Respondent's responsibility to provide the records, at the Respondent's expense, to the District within three (3) calendar days from official notification by a representative of the District.

- The Respondent agrees to retain all records related to this RFP for at least one year after the closing date of the RFP.

10. BID INELIGIBILITY

- Proposals which are incomplete, conditional or obscure, or which in any way fail to conform to the requirements of the RFP document, or which contain alterations, erasures or irregularities of any kind may be rejected as non-compliant.

11. LIABILITY FOR ERRORS

- The representations by the District in the RFP document are provided mainly for general information of Respondents and are not in any way warranted or guaranteed by or on behalf of the District. All prospective Respondents are urged to conduct their own investigations into material facts, and the District shall not be held liable or accountable for any error or omission in any part of this RFP.

12. ACCEPTANCE OF TERMS

- All terms and conditions of this RFP are assumed to be accepted by the Respondent and incorporated in the Respondent's proposal, except those conditions and provisions that are expressly excluded in the Respondent's proposal wording.

13. LEGISLATIVE COMPLIANCE

- The Respondent shall comply with all legislation applicable to the performance of the terms and conditions of this RFP.
- The Respondent must be registered with the Workers' Compensation Board (the "WCB") and have satisfied all assessment requirements as of the date the proposal was submitted. If successful, the Respondent's registration number and evidence of compliance and good standing with

all WCB requirements must be provided forthwith, to the Secretary Treasurer, prior to the effective date of commencement of the contract.

14. BID OPENING

- Opening of the proposals **will not** occur in a public setting.

PART II - PROPOSAL EVALUATION

1. SELECTION METHODS

Screening

- Upon receipt of Respondent proposals, an evaluation team will screen each proposal to ensure the Respondent's compliance with the requirements of this RFP.
- The acceptability of any deviation will be determined by the evaluation team. After the proposal has passed the initial screening, the evaluation team will then analyze the details of the Respondent proposal.

Rating

- The evaluation team will utilize specific evaluation criteria to rate various requirements for evaluation purposes. Subject to the requirements of the *Freedom of Information and Protection of Privacy Act*, such rating shall be confidential, and no totals of scores of such rating shall be released to any party.

Evaluation Criteria

- The evaluation criteria will be distributed within the following major categories; approximate weighting percentages are included:
 - The total audit fee for the quoted term, itemized by year: 40%
 - The expertise and qualifications of the firm and principals in auditing school boards and/or municipal governments and organizations of comparable size and complexity: 15%
 - The strength, knowledge, and experience of the personnel assigned by the Respondent to the District's audit. Type of experience, education, position and years with the firm will be considered. This will be determined from resumes submitted: 15%
 - Ability to meet proposed deadlines: 10%
 - The firm's methodology/audit approach: 10%
 - The firm's ability to provide services from its St. Albert or Edmonton and area office: 5%
 - The firm's ability to provide additional services that may be required and hourly rates to be charged for such services: 5%

- For the purpose of selecting the external audit firm, the fee quotes will be deemed to include only audit services. Any gratuitous non-audit services will not be considered for selection purposes.

2. RECOMMENDATION

- Following completion of the evaluation, a recommendation will be made to the Board of Trustees of the District regarding the approval of the successful proposal and the appointment of an External Auditor for the District.

3. APPOINTMENT

- The appointment of the District's External Auditor is expected to be completed by March 13, 2019.
- All Respondents who submit proposals in response to this RFP will be notified as to whether their proposal was successful or not.

PART III – SCOPE AND SERVICE REQUIRED

1. CONTRACT PERIOD

- The contract will be for a five (5) year term commencing with the fiscal year ended August 31, 2019. However, the District may, at its sole discretion, terminate the appointment upon the provision of four (4) months' written notice to the Principal Auditor.

DISTRICT BACKGROUND INFORMATION

General

- St. Albert Public School District No. 5565 is responsible for the education of approximately 8,600 students in 15 schools, one of which is an Outreach School. The District also partners with Greater St. Albert Catholic Regional Division No. 29 in a Storefront School, currently operated by the Catholic Division. The District is governed by a board of five trustees elected every four years by the school electors of St. Albert. Each year the Board elects a Chair and a Vice-Chair from its members. The Superintendent of Schools, the District's Chief Executive Officer, is hired by the trustees. The District employs approximately 600 teachers and 360 support personnel. The operating budget for the 2018-19 school year is \$101.5 million. Approximately ninety percent of the District's operating revenue comes from the provincial government. The remaining revenue comes from fees, rentals and other sources. Approximately seventy-five percent of the District's expenditures are salaries and benefits.
- Capital projects are funded partly by the Government of Alberta. Capital requirements vary from year to year based on changes in building requirements and the availability of funding.
- The District, through an Alberta Infrastructure managed project is building an ECS-Grade 9 900 student new school, which is expected to be completed by September 1, 2019.
- The District has also been awarded a new 1500 student replacement Paul Kane High School.

Operations

- District operations are decentralized, with each school operating as a separate unit. Each unit has its own budget allocation and is responsible for the control of its expenditures.
- District Services are divided into the following decision units by operation:
 - Board of Trustees
 - Superintendent of Schools
 - Human Resources
 - Financial Services
 - Planning & Instruction
 - Curricular Services
 - Student Services
 - Communications Services
 - Information Services
 - Educational Information Technology
 - District French Immersion
 - Transportation Services
 - Facilities Services

Budgeting

- Each year the District determines the “Basis of Allocation”, which is the basis for allocating funds to the schools for the delivery of programs. The schools receive their approved resource allocation and proceed with their budget planning process, which includes the involvement of students, staff, parents and the community. The school budgets are then developed. These budgets are then reviewed and approved by the Board of Trustees of the District (the “Board”).
- District Services decision units also submit a budget based on the anticipated level of service that each decision unit is to provide. These budgets are also reviewed and approved by the Board.
- The District’s operating budget is the sum of the individual budgets for each school and District Services decision unit. Once the individual budgets are approved, the Board approves the District budget.
- Allocations to schools and, therefore the school budgets, are revised on the basis of the September 30th student count (the number of students registered in the District as of September 30th of each school year). This ensures that the District budget and the school budgets are in line with the actual enrolments and the anticipated level of provincial funding, which is calculated primarily on the September 30th student count.

Financial Services

- Structure and Staffing

Financial Services consists of financial service administration, accounts payable, payroll, general accounting, revenue accounting, accounts receivable, purchasing services, internal audit, and assigned duties. The department is staffed as follows: Associate Superintendent of Finance/Secretary Treasurer, Assistant Secretary Treasurer, Manager of Financial Reporting, Executive Assistant, Payroll Administrator, Payroll Clerk, Accountant, Accounts Payable Clerk, Receptionist and Print Services Clerk.
- Accounting Records

Current year accounting records are maintained centrally at the district office.
- Computer Hardware and Software

The District's general ledger, payroll, purchasing, accounts payable and accounts receivable are currently maintained on PowerSchool software.

Inventory records and other minor financial systems are maintained on microcomputers including but not limited to MyBudgetFile.com software and in Excel spreadsheets.
- Receipting Program

Schools use Acorn software that is integrated with PowerSchool to create receipts at the school level. These receipts are the supporting documentation for tracking payments at the schools as well as a reference for the deposits created by the schools.
- Online Store

Parents can pay fees and purchase products online through PowerSchool. All other fee payments are manually updated within the Acorn program by the schools. Transactions between the District's bank accounts are reviewed at the district level.
- Internal Audits

Internal audits are completed on each school's accounting records by the Accountant every three years, with a follow-up audit done the following year.

2. AUDIT OBJECTIVES AND SCOPE OF AUDIT

- As mandated by the *School Act*, auditors are required to submit audited financial statements for the Board to Alberta Education for the year ended

August 31 by November 30 of that year. The format of the audited financial statements is prescribed by Alberta Education and requires signatures of the Board Chairman, Superintendent and Secretary Treasurer prior to submission. In addition, there are other specific reports required by provincial and federal authorities which require audit certification. Specifically, audit certification is currently required for the Local Authorities Pension Plan (LAPP) and may also be required for some provincial education grants.

- The scope of the audit will include work necessary to meet the requirements of the School Act and other applicable statutes and Alberta government and Board policies, regulations and requirements. The audit will include operating, and to the extent applicable, capital funds.
- The responsibilities of the auditors will generally be limited to work required to express an opinion on the financial statements and for the audit certification for other reports by statutes, federal and provincial agencies and other regulatory bodies.
- It will not include accounting work, physical preparation of financial statements or supporting schedules or any other non-audit responsibilities. Should such services be required, they will be discussed separately from the audit of the Board's activities.

3. ASSISTANCE AVAILABLE TO SUCCESSFUL FIRM

- While a certain number of schedules and working papers are prepared by district staff in the normal sequence of events in support of the year end, general ledger account balances, any special requests by the auditor for assistance in the area of preparation of additional schedules, reproducing or pulling of documents, etc. will be considered on an as requested basis.
- The District's computer equipment and generalized user software as well as a reasonable amount of data processing staff time will be made available for auditing purposes.

4. REPORTING

- The auditors will attend an audit plan meeting with the board of trustees / audit committee.
- The auditor will be responsible for providing the Auditor's Report for each of the financial statements audited.

- The auditors will be responsible to be in attendance at the Board meeting for the consideration of the District's financial statements.
- The District will be responsible for the printing and preparation of the various financial reports.

5. **TIMELINES**

- The following deadlines have been set by the District as the deadline for the audit and audit certifications to be completed:
 - Audit of District's Financial Statements October 31st
 - Local Authorities Pension Plan (LAPP) May 31st
 - Provincial Grant Audit Certification As required

6. **PROPOSAL REQUIREMENTS**

Two (2) copies of each proposal are required.

In order to simplify the review process and to obtain the maximum degree of comparability, interested auditing firms are asked to organize their proposals in a manner similar to the following outline:

- a) **Title Page**
Show the request for proposal subject, the name of the Respondent's auditing firm, address, telephone number, name of contact person and the date.
- b) **Table of Contents**
Include a clear specification of the material by section and by page number.
- c) **Letter of Transmittal**
Briefly state the Respondent's understanding of the work to be done and make a positive commitment to perform the work within a specific time period.

Provide a history of the firm's involvement in providing auditing services to organizations similar to the District.

Give the names of the person(s) who will be authorized to make representations for the Respondent, their title(s), address(es) and telephone number(s).

d) Details of the Firms Plans to Service the District, Including the Following:

Provide the names of the partners, managers and supervisors who will work on the audits. Resumes for each person are to be submitted and include:

- i) Formal education
- ii) Experience in public accounting in general, auditing public organizations in particular and in computer audit techniques in conjunction with aforementioned experience.

Provide the firm's audit plan and philosophy related specifically to the District. This should include:

- i) Timing of interim and final audits to meet the deadlines set by the District.
- ii) An indication of the approach the firm will take regarding the audit of the District's financial statements, including interim work.
- iii) Plans for the use of District equipment to facilitate the audit plan.
- iv) Plan for dealing with start up and familiarization time, if appointed.
- v) Plans for keeping management informed of the audit, of internal control weaknesses and other considerations in the financial, organizational and operational areas.

e) Costs of Services to be Provided

This section should include:

- i) Estimated audit hours per year (i.e. partners, managers, supervisors, other staff).
- ii) Hourly rates to be charged for the audit.
- iii) Any additional charges or discounts to be applied.
- iv) Estimated total annual fee.
- v) Any adjustments that would apply during the quoted term.
- vi) Hourly rates to be charged by category for any additional services that may be required.

Respondents should also detail specific areas of support that are contemplated in their proposal.

PERMITS AND LICENSES

The successful Respondent shall comply with and maintain valid permits and licenses as required by law for the execution of services pursuant to the contract to be entered into between the District and the Respondent.

7. CONTRACT

The successful Respondent will be required to enter into an External Auditor contract with the District. The District reserves the right to negotiate the contract terms and conditions with the successful Respondent. Provisions of this RFP and representations made by the Respondent in its response are deemed to be incorporated into the contract.

8. FORMS

The Respondent will be required to complete the enclosed Receipt Confirmation Form and return it to Financial Services, Attention Michael Brenneis, CPA CA BComm, Associate Superintendent of Finance, Secretary Treasurer. All subsequent information regarding this RFP will be directed only to those who return the enclosed form with the indication they intend to submit a proposal.

9. QUALIFICATIONS

Respondents must be licensed to conduct business in the Province of Alberta and as otherwise required by all relevant legislation governing the provision and supply of auditing and related services.

There is no prequalification process; however, Respondents not having a previous working relationship with the District are required to supply a minimum of three references.

One reference must be a publicly funded Canadian learning institution; i.e. school jurisdiction or post-secondary institution for whom the Respondent has supplied services of a similar nature.

References must include the institution name, contact name, telephone and fax numbers and a brief description of the services provided.

The District has the right to check the reference of any or all Respondents, at its sole discretion.

The District reserves the right to reject any proposal if any references are found to be unsatisfactory.

10. DOCUMENTATION

The RFP and quotation should not be construed as a contract or commitment to purchase goods and services.

The following shall form the sole documentation defining the nature of the contract between the parties:

- the Receipt Confirmation Form;
- the RFP; and
- the proposal.

11. PRICING

The Respondent agrees to supply the services for the costs set out within the proposal during the length of the contract.

The prices quoted shall be in Canadian dollars, exclusive of the Goods and Services Tax.

12. CONTRACT DESIGNATE

The Respondent will assign one manager to the District's account to ensure consistency of communications.

13. CONTRACTUAL WARRANTIES

Claims made in the proposal shall constitute contractual warranties. Any provisions in the proposal may be included in the contract as a direct provision thereof.

RECEIPT CONFIRMATION FORM

**ST. ALBERT PUBLIC SCHOOL DISTRICT NO. 5565
RE: REQUEST FOR PROPOSAL**

Interested vendors are required to complete this form and return it no later than 12:00 noon, Thursday, January 17, 2019 to:

Michael Brenneis, CPA CA BComm
Associate Superintendent of Finance, Secretary Treasurer
St. Albert Public School District No. 5565
60 Sir Winston Churchill Avenue
St. Albert, AB T8N 0G4
Fax number: (780) 460-7686

Failure to return this form may result in no further communication regarding this Request for Proposal.

NOTICE OF PROPONENTS' MEETING

Vendors are invited to attend a proponents meeting scheduled for:

Date: Monday, January 21, 2019
Time: 2:00 p.m. – 3:00 p.m.
Location: Heritage Centre, District Office
60 Sir Winston Churchill Avenue, St. Albert, AB

The purpose of the meeting is to provide an equal opportunity for all vendors to discuss details and present questions relating to this proposal. Attendance is **not mandatory**.

COMPANY: _____

ADDRESS: _____

CITY: _____ POSTAL CODE: _____

CONTACT PERSON: _____ TITLE: _____

PHONE NO: _____ FAX NO: _____

I have received a copy of the above noted Request for Proposal (RFP).

- A. We will be attending the proponents meeting.
_____ Number of people attending.
- We will not be attending the meeting but will be submitting a proposal.
- We will not be attending the meeting and will not be submitting a proposal.

I authorize Financial Services to send any further correspondence concerning this RFP by the following method: COURIER COLLECT: MAIL:

SIGNATURE: _____ NAME: _____

(Please print)

TITLE: _____ DATE: _____