



Town of Killam  
REQUEST FOR PROPOSAL

PROFESSIONAL AUDIT SERVICES

1. SCOPE

(a) Purpose

The Town of Killam is presently accepting Request for Proposals for professional financial auditing services for the years ending December 31, 2016, 2017 and 2018.

The deadline for proposals is Monday, October 31, 2016 at 12 noon.

**Proposals must be received by the Town of Killam 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 proposal. 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 CANNOT BE PROVIDED AS DESCRIBED SHOULD BE NOTED IN THE PROPOSAL.**

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

Town of Killam  
Attn: Kimberly Borgel, CLGM  
Chief Administrative Officer  
Box 189  
Killam, AB T0B 2L0

(780) 385-3977 Phone  
(780) 385-2120 Fax  
Email: [cao@town.killam.ab.ca](mailto:cao@town.killam.ab.ca)

Proposals for the 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 the Proponent's response on the Request for Proposal.

Proposals received by the proposed 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 Killam may accept or reject any or all proposal as may be in the best interest of the Town. The final decision rests with Town Council who will select the successful proposal at a regular meeting of Council.

**(b) Restrictions and 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 rates/pricing are to be quoted in Canadian dollars and are to be Goods and Services Tax extra.

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

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

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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 Killam. 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 Killam and requires 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 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 requirements 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 firm 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, contact information, and the number of years in which service was provided and synopsis of the services provided.

**(d) Disclosure of Information**

The bidder acknowledges that any information or documents provided by it to the Town of Killam 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.

## SCHEDULE "A"

### AUDIT OVERVIEW

#### Audit Program

##### Timing of Engagement

Interim Audit

- Middle portion of November

Final Audit

- Last portion of February

Issuance of Draft Financial Statements

- First portion of April

Presentation to Council

- Mid Portion of April

##### Assistance from Staff

Inquiries and Interviews with Assistant Administrator during office hours

Inquiries and Interviews with CAO when available during office hours

##### Working Papers Provided by Chief Administrative Officer and Assistant Administrator

Detailed Transaction Report Year to Date – General Ledger

Analysis of Balance Sheet with supporting documentation

General Ledger Trial Balance

Bank Reconciliations

Reconciled Aging Reports for Subsidiary Ledgers

Analysis of Reserve Activity

Analysis of Investment Portfolio

Analysis of Capital Project Funding

Budget Values

Various Schedules for the Financial Statement

Other Schedules as detailed by the auditor

##### Facilities Available

Secured conference room (Council Chambers)

Computer access

Telephone

Photocopying

Office Hours Monday to Friday - 8:30 AM to 4:00 PM

### **Items included in the Audit Fee**

- Preparation & certification of the Financial Information Return for municipal operations
- Preparation of the Audited Financial Statement
- Presentation of the Financial Statements to Council at a regular meeting
- 6 copies of the Financial Statement with original signatures
- 1 unbound set of Financial Statements on plain paper for duplication and publication purposes
- Travel, Accommodations, Meals, etc., as applicable
- Preparation of a management report addressing any opportunities to improve effectiveness and efficiency that were noted during the audit. The management report to be reviewed with CAO and then presented to entire Council at a regular meeting of Council along with the Audited Financial Statements.
- Be available to provide ongoing advice and counsel related to new requirements, interpretations of rules, and regulations and ensure the Village is informed as to new developments and trends pertinent to finance and accounting

### **Responsibility for Accounting Functions**

#### **Chief Administrative Officer**

Develops financial strategies and policies  
Responsible for internal control functions  
Manages investment portfolio  
Completes year end analysis for operating and capital accounts  
Capital and Operating Grant applications  
Statutory Treasurer and Financial Administration duties  
Supervisor of accounting operations and staff  
Property Assessment maintenance and Tax bill calculations, penalty calculations  
Manages the Tax Roll sub-ledger adjustments  
Normal Payables function – coding of invoices  
Property Tax record maintenance include title changes

#### **Assistant Administrator**

Assist with investment portfolio  
Manages Computer System hardware and software requirements  
Reconciling Bank accounts, preparation of GST Returns  
Normal Payroll functions from time sheet management to cheque writing  
Administers payroll, pension, and benefits

#### **Municipal Clerk**

Manages the Utility Accounts, bill calculation, printing, collections

Manages the Utility sub-ledger adjustments  
Normal Payables cheque writing  
Normal receivable functions with invoice creations and statement preparation  
Manages Municipal Gas Utility balancing  
Deposit Preparation

**All Administration Staff**

Assist in the preparation of the Annual Budgets  
Assist CAO with special projects  
Cashier duties  
Sale of licenses

**Computer System and Software**

**Finance Software**

Muniware

**Modules Installed**

Accounts Payable  
Accounts Receivable  
Cash Receipting  
General Ledger  
Physical Asset and Equipment Costing  
Property Taxes  
Utilities (Water, Sewer, and Garbage)

**Control Issues**

**Preparation and Printing of Invoices & Bills**

All invoices, utility and tax bills are prepared and printed by the Accounting Department.

**Collection of Cash**

Cashier's Counter, Accounting Department

Utility and Tax payments are available through various banking services. Notification of payment is by fax or email. Some utility and tax payments are made on a monthly plan through Electronic File Transfer. Some utility and tax payments are paid by submission of post-dated cheques.

**Where and how purchases are made**

Payment is made by statement and supported by invoice and/or invoice alone

**Payroll**

Employees are paid mid month advances and at month end payroll. There are six full-time and two part-time and up to three seasonal employees. Council honorariums are paid annually in October and remuneration is paid monthly upon submission of a claim form. Cheques are prepared and printed by the accounting department. Payroll payments are a combination of issuance of a pay cheque and by the Direct Deposit process.

**Issue and Signing of Cheques****General Account**

Cheques are prepared and printed by the accounting department. Two signatures are required: one Administration and one elected official.

**Signing Officers**

Administration – one of:

- Chief Administrative Officer
- Assistant Administrator

And,

Council – one of

- Mayor
- Deputy Mayor

**Tax Levy**

Assessment/Tax Notices are issued in May of each year  
Approximately 650 notices issued

**Utility Levies (Water, Sewer, Garbage and Gas)**

Approximately 500 utility customers  
Bills are sent out every month based on actual readings of water and gas meters