



MUNICIPALITY OF
ARRAN-ELDERSLIE

REQUEST FOR PROPOSAL FOR THE PROVISION OF
Financial Auditing Services

RFP-FIN-01-2025

Issue Date: May 8, 2025

Closing Date: July 24, 2025 Time: 12:00 pm Local Time

Submission: David Munro, Treasurer dmunro@arran-elderslie.ca

***Late Submissions will not be accepted.
The lowest or any Submission may not necessarily be accepted.***

Instructions to Respondents

Background Information

Arran-Elderslie is located in Bruce County and is home to approximately 7,000 residents and includes communities of Tara, Chesley and Paisley. Arran-Elderslie Council is made up of 7 members representing Arran, Tara, Elderslie, Paisley and Chesley as well as a Deputy Mayor and Mayor. Members of Council are elected for a 4 year term

The Administration Office is located at 1925 Bruce Road 10, Chesley, Ontario.

The Municipality utilizes Keystone software for their financial functions, including general ledger, accounts payable, accounts receivable, cash receipts, and taxes for approximately 2,783 properties. FMW is used for budgeting and some reporting.

Intent of Proposal

This Request for Proposal is a call for external audit services for The Corporation of the Municipality of Arran-Elderslie. The Municipality is requesting proposals from firms that are both interested and capable of undertaking the project and reporting its findings. The onus is on the proponent to show its knowledge, understanding and capacity to conduct the work outlined in the Request for Proposal.

Required Elements

The *Municipal Act, 2001*, Section 296, allows for the appointment of external auditors for a term of five years or less. The intent of the Municipality is to appoint external auditors annually, for the five-year term, subject to satisfactory performance.

Audit Process

Current procedures for the Municipality audit include a late fall meeting to perform the audit of internal control procedures and some pre-audit for year end. From the Municipality's perspective the best time for this is the month of November.

Specifically included will be all related audit and certification work required by the Ministry of Municipal Affairs (including preparation of the Financial Information Returns and the Financial Report).

With respect to the various operations of the Municipality the responsibilities of the auditors will generally be limited to the expressions of an opinion on the financial statement, physical preparation of financial statements or schedules, including the Cemetery Trusts, but will not generally include accounting work.

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The auditors will attend meetings which are called to discuss their work and reports and shall provide information as requested which will enhance the understanding of members of the Council concerning matters pertaining to the annual financial statements.

No later than 30 days following completion of the audit reports the auditors shall prepare and deliver to the Treasurer draft letters conveying their concerns relative to the internal accounting, operating controls and/or other matters of material importance with respect to the Municipality's operations, which may have been discovered in the course of the audit. The auditors shall also provide recommendations for corrective actions required and be prepared to provide advice and assistance for implementation. Copies of the draft letters are also to be delivered to the CAO.

The auditors shall meet with the Treasurer to discuss the comments. Following agreement of content, revised copies (if necessary) shall then be provided by the auditors for inclusion in the Treasurer's reports to council, together with the appropriate staff response.

Annual Schedule

On or before October 31st of each year, the Municipality's auditor shall meet with the Treasurer to discuss and agree upon a schedule for the completion and audit of the various financial statements of the Municipality for the current year.

Term of Engagement

It is expected that the successful firm will be the Municipality's auditors for a period of five years commencing for the 2025 audit. The appointment, however, will be on an annual basis for a term of one year, and council reserves the right to not reappoint if dissatisfied in any way with performance, the fees charged, or any other elements of the service provided. Council also reserves the right to change its policy on Audit Review.

During the term of the engagement, the auditor's performance will be evaluated based on the following criteria:

- Persons assigned to the audit:

For the initial year of the engagement, the persons assigned to the audit should be those originally proposed. Any subsequent changes to audit personnel must be acceptable to the Municipality Treasurer.

- On-site participation of the audit senior:

It is expected that the audit senior will be present for the financial audit.

- Performance in the manner proposed:

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It is expected that the financial audit will be carried out in the manner proposed. Any changes in the financial audit program which impact staff and other resources of the Municipality shall be discussed with, and agreed to, by the Municipality Treasurer.

- Adherence to Financial Audit Deadlines:

It is expected that the financial audit will be completed within the time frames agreed to in the annual schedule. This includes both the Municipality of Arran-Elderslie, the Chesley and Area Fire Board, and Trust Funds. Also required are the proportionate consolidating entries for Chesley and District Fire Board, Saugeen Mobility and Regional Transit (SMART), and Bruce Area Solid Waste Recycling (BASWR).

Significant dates include:

1. Completion of all the financial statements by late April;
2. Management letter and Municipality Council presentation in May;
3. Submission of the Financial Information Return to the Province by May 31st or such other date as stipulated by the Province;
4. Corporate Income Tax returns by June 30.

The dates are approximate and may require adjustment from year to year depending on issues facing the Municipality.

The auditors will at least acknowledge, if not answer, all emails from Arran-Elderslie within two (2) business days.

PROPOSAL STRUCTURE AND CONTENT REQUIREMENTS

Structure

The proposal document should be structured in sections that refer to the headings addressed in the Proposal Content Requirements of this section and should be numbered and tabbed accordingly.

Applicable Expertise and Resources

- Name, address and telephone number of the firm and its principal contact person;
- Satisfactory evidence that the partner(s) is(are) licensed under the *Public Accounting Act*;
- Indicate compliance with Section 296 of the *Municipal Act, 2001*.

Technical Requirements and Related Experience

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- Provide a list of the firm's current and prior municipal clients indicating the type(s) of service performed and the number of years served for each client. Please provide the names and phone numbers of senior staff of these municipalities that may be contacted as references.
- Indicate the firm's experience in providing auxiliary services to include tax services, technology and audit expertise to municipal clients by listing the name of each client, the type(s) of services performed, and the local office which provided the service.
- Show evidence of well-developed professional auditing techniques to evaluate systems of internal control and review for audit work performed.
- Provide evidence that the firm has experience in auditing comparable municipalities.
- Firms must show evidence they have substantial expertise, resources and support services available to perform the audits consistently from one year to the next, in an expeditious manner and within the required time frames.

Personnel Technical Requirements

Include resume(s) and experience profile of the proponent's principal contact person(s) who will be responsible for this contract.

Describe the experience in municipal audits of the partner, manager/supervisor, and senior staff assigned to the audit including years on each job and their position on each audit. Describe the role of each member of the audit team assigned to the audit including staff in specialized areas such as computer auditing or commodity tax specialists.

Indicate the local office(s) where the staff will be located, which office will be assigned.

Methodology/Understanding of the Requirements

Describe the firm's approach to the Financial Audit. This should include at least the following points:

- Demonstrate an understanding of legislation relevant to the municipal environment.
- Type of audit program used.
- Use of statistical sampling (techniques and automated tools).
- Use of computer audit specialists
- Organization of the Financial Audit team and approximate percentage of time spent on the financial audit by each team member.

Budget

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A listing of proposed fees for each of the five years must be included with your proposal. Also included should be an indication as to how fees for special audit work would be billed.

All fees quoted will be kept confidential until they are released for purposes of approval by council, just prior to the appointment of the successful auditors.

Other Considerations

Please include any other items, not covered in the previous sections, which will identify why your firm should be selected by the Municipality. Information should be included in the proposal regarding any advisory services which may be available to the municipality free of charge on routine matters. These may include staff assistance and/or publications relating to the economy, income tax, payroll tax, commodity and excise tax, employment benefit plans, cash management, etc.

Validity

Proposals shall be irrevocable and open for acceptance by the Municipality at any time within ninety (90) days from the closing date.

Inquiries, Discrepancies and Interpretations

Should a Respondent find omissions from or discrepancies in any of the RFP documents, or should the Respondent be in doubt as to the meaning of any part of such documents, the Respondent shall notify the designated person and office without delay. If the designated person considers that a correction, explanation or interpretation is necessary or desirable, an addendum will be issued to all who have received RFP documents.

No oral explanation or interpretation will modify any of the requirements or provisions of the Proposal documents.

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PROPOSAL PROCESS

Timeline

The following timeline has been established for the Proposal selection process:

Request for Proposal Issue Date	May 8, 2025
Deadline for Proposal Submission	12:00 p.m. July 24, 2025
Proposal Considered by Council	September 2025

Date & Place for Receiving Proposals

- Proposals will be received by 12:00 p.m. local time on July 24, 2025.

Proposals received after 12:00 p.m., local time on July 24, 2025 will not be considered.

Proposals must be, submitted in a sealed envelope, addressed to:

Municipality of Arran-Elderslie

Attn: David Munro, Treasurer

1925 Bruce Road 10, Chesley, ON N0G 1L0

And clearly marked:

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The name and address of the proponent MUST also be included on the outside of the envelope.

Electronic submissions are also acceptable.

Acceptance or Rejection of Proposals

Arran-Elderslie will not be obligated to enter negotiations with any respondent after the closing date and subsequent review of submissions;

The Corporation shall not be responsible for any liabilities, costs, expenses, loss or damage incurred, sustained or suffered by any Respondent by reason of the acceptance or the non-acceptance by the Corporation of any Proposal or by reason of any delay in the acceptance of a Proposal, except as provided in the Proposal document.

Errors and/or Omissions

The Corporation shall not be held liable for any errors and/or omissions in any part of this RFP. While the Corporation has used considerable efforts to ensure an accurate representation of information in this RFP, the information contained in the RFP is supplied solely as a guideline for Respondents. The information is not guaranteed or warranted to be accurate by the Corporation, nor is it necessarily comprehensive or exhaustive. Nothing in the RFP is intended to relieve the Respondents from forming their own opinions and conclusions with respect to the matters addressed in the RFP.

Ability and Experience of Respondent

The Corporation of the Municipality of Arran-Elderslie will not enter into negotiations with any Respondent who does not furnish satisfactory evidence of possessing the ability and experience in this class of work and sufficient capital and equipment / manpower to ensure acceptable performance and completion of the Proposal.

Negotiations

In the event that a prepared proposal does not precisely and entirely meet the requirements of the Municipality, the Municipality reserves the right to enter into negotiations with the selected Proponent(s) to arrive at a mutually satisfactory arrangement with respect to any modifications to a proposal.

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Communications

All requests for information and/or clarification as well as questions regarding the interpretation of the terms set out in this document should be referred to David Munro, Treasurer at dmunro@arran-elderslie.ca or 519-363-3039

The Municipality reserves the right to distribute any or all questions and answers to the other proponents.

Withdrawal or Substitution of Submission

A proponent may withdraw or substitute all or part of his/her proposal at any time up to the official closing time. The last proposal received shall supersede and invalidate all proposals previously submitted by that proponent for this proposal.

A proponent may withdraw or qualify his/her proposal at any time up to the official closing time by submitting a letter bearing the signatures in his/her proposal to the Treasurer, who will mark thereon the time and date of receipt and will place with the received proposals. **No telephone calls or transmissions by facsimile copies will be considered.**

Alterations or Variations

No alterations or variations of this document shall be valid or binding upon the Municipality unless authorized in writing.

PROPOSAL EVALUATION

Qualification Evaluations

The submissions will be assessed on the merits of the information provided. Proposals should address the categories listed above to enable the reviewer to undertake adequate assessment.

LOWEST BID OR ANY PROPOSAL NOT NECESSARILY ACCEPTED

Acceptance of this Proposal and Contract

It is expected that one proponent will be selected to conduct this audit work. Upon selection, the successful proponent will be required to enter into a contract with the Municipality.

The contract will be based on the specifications, terms and conditions expressed in this document, the successful proponent's proposal and documented negotiations and will include the requirements of proof of professional liability insurance.

Incurred Costs

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The Municipality shall not be responsible for any liabilities, costs, expenses, loss or damage incurred, sustained or suffered by any proponent(s) prior or subsequent to or by reason of the acceptance or non-acceptance by the Municipality of any proposal or by reason of any delay in the acceptance of a proposal.

Errors and Omissions

The Municipality shall not be held liable for any errors or omissions in any part of this RFP. While the Municipality has used considerable effort to ensure an accurate representation of information in this RFP, the information contained in the RFP is supplied solely as a guideline for proponents. The information is not guaranteed or warranted to be accurate by the Municipality, nor is it necessarily comprehensive or exhaustive.

Cancellation

The Municipality reserves the right to cancel this Request for Proposals at any time up to the Award of a Contract.

Confidentiality

The successful auditor shall not at any time before, during or after the completion of the engagement, divulge any confidential information communicated to or acquired by the auditor or disclosed by any of the entities being audited in the course of carrying out the engagement. No such information shall be used by the auditor on any other project without prior written approval.

Invoicing and Payment

All invoices shall show the actual hours, responsibilities, staff and hourly rates. All payments will be in response to invoices itemized in accordance with the final signed contract, provided the invoices are based on work described in the scope of the project, consistent with the negotiated deliverables and completed to the Township's satisfaction.

For further certainty, in the event that invoices are rendered that are in excess of the fees quoted in the final signed contract, payment will not be made unless the additional deliverables have been negotiated with and accepted by the relevant entity in advance of the conduct of the work.

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Freedom of Information

All correspondence, documentation and information provided shall become the property of Arran-Elderslie. Any personal information required on the documentation presented is received under the authority of the Municipal Freedom of Information and Protection of Privacy Act, 1989, RSO, 1990. This information will be an integral component of the quote submission.

All written Proposals received by Arran-Elderslie become a public record, once a Proposal is accepted by the Municipality of Arran-Elderslie, and a contract is signed, all information contained in them is available to the public, including personal information.

Questions about collection of personal information and the Municipal Freedom of Information and Protection of Privacy Act, 1989, R.S.O. 1990, Chapter M.56, as amended, should be directed to:

Clerk, Municipality of Arran-Elderslie
P.O. Box 70, 1925 Bruce Road 10, Chesley, Ontario
N0G 1L0 Telephone 519-363-3039

The Clerk has been designated by the Corporation of the Municipality of Arran-Elderslie Council to carry out the responsibilities of the Act.