



Canadian Centre for Accreditation

Excellence in community services

Centre canadien de l'agrément

L'excellence en matière de services communautaires

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Request for Proposals: Financial Auditing Services

A. INTRODUCTION

The Canadian Centre for Accreditation (CCA) invites qualified accounting firms to submit proposals to perform the annual financial audit for the 2023/24 fiscal year. Audits must be planned and executed in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and any provisions of funding agreements held by the CCA.

Annual extensions will be determined through a vote at the CCA's Annual General Meeting.

The Auditor should have experience and expertise in performing audits for non-profit corporations, be free of any obligations or interests that may conflict or affect their ability to perform and act as the Auditor of the Canadian Centre for Accreditation and have the capacity to provide this service in a timely manner.

Definitions

Throughout this request for Proposal the following definitions apply:

"Auditor" means the successful Proponent to this Request for Proposal.

"Audit services" means the financial audit of and resulting opinion on the annual financial statements of Canadian Centre for Accreditation including the separately audited statement of revenue and expenses as well as the preparation and filing of the annual Nonprofit Returns.

"Firm" means the Auditing Firm.

"Organization" refers to the Canadian Centre for Accreditation.

"Proponent" means an accounting firm that submits a proposal in response to this Request for Proposal; "Proposal" means a submission in response to this Request for Proposal; "RFP" means Request for Proposal; "Services" means the works requested to be performed as per this RFP.

B. TERMS AND GENERAL CONDITIONS OF ENGAGEMENT

Term of Engagement

It is the intention of the Canadian Centre for Accreditation to enter into an agreement with the successful firm to provide external audit services beginning with the annual audit for the fiscal year ending March 31, 2024, with an opportunity to renew the engagement for the following fiscal year.

Acceptance of Proposal

The CCA reserves the right to reject all Proposals for any reason or to accept any Proposal based on Proposals received which the CCA, in its sole unrestricted discretion, deems most advantageous to itself. The lowest of any Proposal may not necessarily be accepted.

The Proponent acknowledges CCA's rights under this clause and absolutely waives any right of action against the CCA's failure to accept its Proposal whether such right of action arises in contract, negligence, bad faith, or any other cause of action.

The acceptance of any Proposal is subject to funds being legally available to complete this transaction and/or approval by the Board of Directors of the Canadian Centre for Accreditation.

Awarding of Contract

Notice in writing to the successful Proponent of the approval of its Proposal and the appointment of auditors by the Canadian Centre for Accreditation's Board and the subsequent execution of an engagement letter and contract shall constitute the making of the Contract for Services. The Proponent will not, without written consent of the CCA, assign or transfer this contract or any part thereof.

Insurance

The Auditor shall maintain professional liability insurance with respect to professional liability as required and specifically named for the Services, including errors and omissions, with a limit of not less than \$2,000,000 per occurrence with respect to the Services alone and confirm that the "Firm" carries the required insurance as prescribed by the relevant professional regulatory bodies. The Auditor shall, without limiting its obligations or liabilities and at its own expense, provide and maintain insurance for its own equipment and continuously carry insurance with insurers licensed in Ontario. The Proponent is responsible for all insurance costs (as required by law). The Proponent will provide verified copies of required insurance policies when requested.

Experience and Qualifications

The Proponent must meet the following minimum requirements to be considered for evaluation pursuant to this RFP:

1. The assigned supervisory staff must hold a valid accounting designation and have previous experience in performing a non-profit audit engagement and are licensed to operate in Ontario
2. The accounting firm will have a dedicated group of professionals with expertise with the Accounting Standards for Not-for-Profit Organizations and with working with similar Not-for-Profit Organizations
3. Demonstrated completion of several non-profit audits of similar size, complexity, and scope (or greater) within the last three (3) years

4. Have sufficient staffing, facilities, financial resources, and expertise to address the scope of the audit services
5. Demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel

C. GENERAL INFORMATION

Background Information

The Canadian Centre for Accreditation was incorporated as the CCA (previously known as Community Organizational Health Inc) on April 1, 2012, as a not-for-profit. We do not have charitable status.

Our mission is to assure quality and continuous improvement through the provision of excellence and leadership in accreditation services. We work with over 200 participating organizations and 200 volunteer reviewers. Additionally, we host training courses in quality improvement. Audit firms who are considering a Proposal pursuant to this request are encouraged to visit the CCA's website at www.canadiancentreforaccreditation.ca for more details.

The CCA Executive Director reports to the Board of Directors and provides financial reporting updates to the Board on a quarterly basis. The CCA Finance and Audit Committee consists of the Treasurer and three additional Board members.

The CCA office is located at 970 Lawrence Ave W, Suite 206, Toronto, ON M6A 3B6.

The organization has:

- 6 full-time employees,
- 1 part-time employee,
- 1 location

The CCA's financial operations is as follows:

- 2022-23 Revenue: \$1.03 million
- Revenue Sources: membership fees, program fees, grant funding
- Types of Expenses: salaries and benefits, conference, administration, vendor services, project specific expenses
- Types of Assets: cash, short-term investments, accounts receivable, prepaid expenses
- Types of Liabilities: accounts payable, accrued liabilities, deferred revenue
- Location: financial records are located electronically on the corporate network.
- Payroll: semi-monthly, each payroll is approximately \$18,500 for 7 employees
- Staff: Finance personnel consists of the Bookkeeping consulting firm, Executive Director and Executive Assistant.
- Current auditor services: annual audit and general advice.

Financial Systems and Accounting Standards

The Canadian Centre for Accreditation utilizes the following accounting systems:

System or Method	List System or Method Used
Accounting system	<ul style="list-style-type: none">• Quickbooks Online
Payroll system (ex. Ceridian, ADP)	<ul style="list-style-type: none">• Wagepoint
Timesheets and Attendance method	<ul style="list-style-type: none">• Spreadsheets
Electronic Payables System	<ul style="list-style-type: none">• Plooto
Electronic Receivables	Yes

D. SCOPE OF SERVICES

Services: The Auditor will be expected to

1. Complete the audit of the annual financial statements and provide written audit reports with an audit opinion on the financial statements.
2. Conduct the examination in accordance with the Canadian Auditing Standards and in compliance with the Canadian Accounting Standards for Not-for-Profit Organizations.
3. Examine the financial records, systems, and controls of the CCA.
4. Prepare the financial statements and prepare and file the annual returns.
5. Give biweekly progress reports to the Treasurer and Executive Director during the audit process. There shall be immediate notification if fraud is found. Instances of fraud, waste, illegal acts, or indications of such, including all questioned costs, must be covered by a separate written report to the Chair, Treasurer and Executive Director of the CCA, unless contraindicated.
6. Advise the Executive Director and the Board of Directors of any weaknesses in key areas of risk pertaining to the internal controls noted during the audit or other areas of concern, prior to the issue of the Management Letter.
 - a. The Auditor shall provide appropriate beneficial recommendations based on audit findings to improve areas of concern.
 - b. The Auditor shall communicate in a post-audit report and in the form of a Management Letter, if required, to the Board any reportable conditions, as determined by the Auditor, found during the audit.
7. Ensure all new or changed reporting requirements and accounting and auditing standards are communicated to the CCA, in writing in a timely manner to ensure that financial statements and notes are in compliance with current reporting requirements and auditing standards.
8. Review and complete and any legislatively required returns (such as to the Canada Revenue Agency)
9. Respond to and discuss with the CCA's Executive Director on any accounting, auditing, tax and other issues arising throughout the year.

Inquiries, if any, are infrequent, usually brief, and specific in nature, and may require a written confirmation. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or that CCA staff would be advised of any additional charges prior to services

being provided.

10. Immediately upon discovery of information or conditions which would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the CCA Executive Director.

In addition, the Auditor shall as far as possible, allow a reasonable period for CCA staff to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

11. Provide the CCA with electronic and printed copies (2) of the finalized financial statements bound with the audit report.
12. Attend organizational meetings: The auditors are required to attend the **following 3 (three) meetings** as part of the requirements:
 - the Finance/Audit Committee to discuss the audit plan in February 2024 (virtual)
 - the Finance/Audit Committee to report on the audit findings in May 2024 (in person)
 - the Annual General meeting in July 2024 to respond to questions as well as for the appointment of the auditors. (in person)

Annual Audit Schedule

Before March 31st of each year, the Auditor shall correspond with CCA staff to discuss and agree upon a schedule of activities that will lead to the completion of the annual audit. The schedule of activities shall be finalized by February of each year and shall set out the key dates by which necessary information is to be assembled by both parties.

The basic timeline will be as follows:

1. Schedule of client assistance, provided by the Auditor to the CCA staff by mid-February 2024
2. Year-end trial balance, provided by CCA staff to the Auditor approximately two (2) weeks after year-end
3. Year-end audit, within the last week of May 2024
4. Draft audit report and presentation to the Executive Director and Finance and Audit Committee, no later than the second week June 2024
5. Audit report and presentation to the Board and membership, no later than the second week of July 2024
6. Preparation and filing of the nonprofit returns, no later than the end of July 2024

The CCA staff will assist the Auditor by preparing a trial balance and supporting documentation on a timely basis.

Both the CCA staff and the Auditor will be jointly responsible for the preparation and processing of all confirmation letters.

The CCA Executive Director will provide annually a representation letter as required by the Auditing Standards Committee.

The CCA will appoint an Auditor (or Audit Firm) for audit services; however, other firms may be used for other services if it is deemed more advantageous or appropriate to do so.

The CCA, therefore, expressly reserves the right, at its sole discretion, to use other financial services and financial firms.

E. AUDIT PROPOSAL

Proposal Requirements

A covering letter shall be provided with the proposal clearly stating the accounting firm's understanding of the services to be provided.

The letter must include the name(s) of the person(s) who will be authorized to make representations for the firm, their title(s) and telephone number(s).

The person signing the covering letter must be authorized to bind the Proponent.

Proponents must respond to the items listed below in the order they are presented.

Note: If the proposal is more than 10 pages in length, the proposal should include a table of contents identifying the topics by page number.

Proposals, as a minimum, should include:

1. **Company Profile and Contact Information:** A brief profile of the firm (1 to 2 pages) indicating the scope of its practice, the range of activities performed by the firm such as auditing, tax service, accounting or management services.

Identify the Proponent's contact person, phone number and email address.

Provide information on the size and organizational structure of the auditing firm.

2. **How the organization is keeping up with changes to the Accounting Standards for Not-for-Profit Organizations**
3. **Number of clients and experience with similar not-for-profit audits:** List current and past not-for-profit audit clients and indicate the number of years your firm has been the auditor for each client.
4. **How many staff members are dedicated to working on NPO clients?**
5. **Audit Team:** Name and brief resume of the partner(s), manager(s) and other key staff who would be assigned to this audit and their experience, formal education, professional designations and certifications.
6. **Audit Implementation Approach:** Proposals must include
 - a) the firm's understanding of the work to be performed, audit approach to be used to gain an understanding of the organization's structure and systems, as well as a proposed schedule and any specific techniques or processes to be used for the annual audit.

- b) the firm's commitment to perform the work within the time period specified in the annual schedule.
- c) your expectations of the CCA both before and during the audit
- d) a timeline for the work and final reporting.

7. **Other Services:**

- a) Description of the methodology to be used for keeping the organization abreast of any changes in accounting principles or legislation that would impact the annual financial statements.
- b) Description of non-auditing professional services provided to other not-for-profit and public sector clients and innovative products offered by your firm as well as any specific pricing structure for such services.

8. **Fee Proposal:** The firm's fixed fee quote for audit services as described herein.

- a) The proponent will include a breakdown of fees for the actual preparation of the audit as well as for the preparation of the financial statements, the preparation and filing of the nonprofit returns.
- b) A detailed proposed budget should be included. Costs shall be stated as an hourly rate and identify audit managers and/or supervisors and other staff who will work on the audit, including staff from other than the local office, should this situation apply.

Please be specific about any additional expected costs such as travel, administration fees, conference calls, long-distance fees, photocopying, courier, communications, expendable supplies, etc.

- c) Indicate any additional services that the firm can provide that might be beneficial to the CCA and an associated fee schedule.

9. **Billing Dates:** The proposed schedule of billing dates.

10. **References:** Three references of not-for-profit audits within the last three (3) years.

Include numbers of years of service and a contact name, telephone number and email address for each reference.

The references will only be called should your proposal be short-listed.

Proposal Evaluation Criteria

Proponents must meet the following mandatory requirements to be considered for further evaluation. Please note that while proposals must meet the following criteria, the process for assessing proposals may not be limited to the following criteria.

- 1. Proposal completed and authorized by a person authorized to bind the Proponent to statements made in the submission.
- 2. Proposal submitted to the appropriate contact by the closing date and time.

Evaluation Criteria

Proposals that comply with the mandatory requirements will be evaluated on a qualitative basis using inter alia the following criteria:

Criteria	Maximum Value
1. Understanding of Engagement	5 points
2. Not-for-Profit Audit Experience	20
3. Audit Firm Personnel Qualifications	10
4. Audit Implementation Approach	10
5. Additional Services	5
6. References	10
7. Audit Fee	20

Shortlisted firms may be required to attend a brief virtual interview. At a minimum, the proposed audit partner and audit manager shall attend.

The Proponent must provide an affirmative statement that it is independent of the Canadian Centre for Accreditation.

Evaluation Process

1. All proposals will be reviewed and scored against the evaluation criteria as described above by the CCA Executive Director.
2. The scoring summary and recommendations will be reviewed by the CCA Finance and Audit Committee.
3. The Finance and Audit Committee will forward their recommendation to the CCA Board of Directors for approval and adoption, as delegated by the CCA membership at the 2023 Annual General Meeting.

Submission of Proposals and Terms for Acceptance

Proposals must be sent to Damilola Araoye, Executive Assistant, by email at ea@canadiancentreforaccreditation.ca.

Submissions will be received until January 3, 2024.

Proposals received after the deadline will not be considered.

All proposals submitted will be irrevocable for ninety (90) days following the closing, subject only to the following:

- Notwithstanding the above, a Proponent will be permitted to withdraw their proposal prior to the closing provided that it has first notified the CCA in writing of its intention to do so.
- A firm that has so withdrawn a proposal may submit a new proposal prior to the closing, pursuant to this request, provided that such action is done in compliance herewith.

Unless otherwise authorized in writing by the herein designated person, a Proponent must not contact or communicate with any Board Member or employee of the CCA other than the designated contractor listed below in relation to the proposal prior to the award of such proposal by the CCA Board. Any such communication will result in disqualification of the proposal from further consideration.

Key Dates

Item	Deadline
1. Deadline for proposals	January 3, 2024
2. Interview selection/ notification	January 9, 2024
3. Interviews	January 22 – 26, 2024
4. Notification of award	February 4, 2024

Default / Termination

The CCA may, by Notice of Default to the successful Proponent, immediately terminate in whole or in part of the contract if the Proponent fails to perform the services required. In the event the CCA does terminate the contract in whole or in part as specified above, the organization may purchase services so terminated and the Proponent shall be liable to the CCA for any excess costs for such services and for reasonable liquidated damages.

The CCA (at its sole discretion) may withdraw this RFP and/or immediately terminate any contract awarded through this RFP process without penalty if there is a violation of agreed conditions.

Addenda

Addenda may be issued during the Proposal period in response to queries received. Addenda will be sent in electronic format to all Proponents who have received RFP packages. All addenda must be considered and acknowledged when responding to this RFP. Verbal answers are binding only when confirmed by written addenda.

CANADIAN CENTRE FOR ACCREDITATION CONTACT AND DISCLAIMER

Contact

Any inquiries regarding this request for proposal should be directed to Damilola Araoye, Executive Assistant, by email at ea@canadiancentreforaccreditation.ca.

Disclaimer

The information contained in this RFP is supplied solely as a guideline for Proponents and is not guaranteed or warranted by the CCA to be accurate, nor is it necessarily comprehensive or exhaustive.

Each Proponent is responsible to review and understand the terms and conditions of this RFP, and the Scope of Services being requested. The CCA will not be responsible for any loss, damage or expense incurred by a Proponent as a result of any inaccuracy or incompleteness in this RFP, or as a result of any misunderstanding or misinterpretation of the terms of this RFP on the part of the Proponent.

Further, the CCA is not liable for any costs incurred in the preparation of the proposals.