

# REQUEST FOR PROPOSAL

## Financial Audit Services

**Issue Date:**

May 15th, 2023

**Closing Date and Time:**

4 PM, Tuesday, June 6th, 2023

**Submit to:**

Tammy Oliver  
Senior Director  
[toliver@bccsa.ca](mailto:toliver@bccsa.ca)

## Introduction

The BCCSA invites qualified accounting firms to submit a proposal to perform annual financial audits for three years, 2023, 2024, and 2025. Audits must be planned and executed in accordance with Canadian generally accepted auditing standards and the provisions of the Provincial and Federal Government Acts. Financial audits will be reviewed by BCCSA's Audit Committee and approved by the BCCSA Board of Directors. The Auditor should have experience and expertise in performing audits on Not-for-Profit entities, be free of any obligations or interests that may conflict with or affect their ability to perform and act as the Auditor and have the capacity to provide this service in a timely manner.

## Definitions

Throughout this request for Proposal the following definitions apply:

|                  |  |
|------------------|--|
| "Auditor"        | the successful Proponent to the Request for Proposal   |
| "Audit services" | the financial audit of and resulting opinion on the annual consolidate financial statements of BCCSA |
| "BCCSA"          | BC Construction Safety Alliance  |
| "Proponent"      | the accounting firm that submits a proposal in response to this Request for Proposal                 |
| "Proposal"       | a submission in response to this Request for Proposal  |
| "RFP"            | Request For Proposal   |
| "Services"       | the work requested to be performed as per this RFP   |

## TERM AND GENERAL CONDITIONS OF ENGAGEMENT

### Term of Engagement

It is the intention of the BCCSA to enter into a three-year agreement with the successful firm to provide external audit services beginning with the annual audit for the fiscal year ending December 31, 2023 to the fiscal year ending December 31, 2025 inclusive.

### Acceptance of Proposals

The BCCSA reserves the right to reject any and all Proposals for any reason or to accept any Proposal on the basis of Proposals received which the BCCSA, in its sole unrestricted discretion, deems most advantageous to itself. The lowest cost of any Proposal may not necessarily be accepted. The Proponent acknowledges the BCCSA's rights under this clause and absolutely waives any right of action against the BCCSA'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 BCCSA's Board of Directors.

### Awarding of Contract

Notice in writing to the successful Proponent of the approval of its Proposal, the terms of this RFP and the appointment of auditors by the BCCSA Board of Directors shall constitute the basis of the Contract for Services. The Proponent will not, without written consent of the BCCSA, 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. 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 British Columbia. The Proponent is responsible for all insurance costs (as required by law). The Proponent will provide verified copies of required insurance policies when requested.

## Registration with WorkSafeBC

The Auditor will be registered with WorkSafeBC and maintain WorkSafeBC coverage for the duration of the engagement. The Auditor will abide by all provisions of the Workers Compensation Act of British Columbia and if requested, provide proof to the BCCSA that all assessments have been paid and that they are in good standing. It is a condition of the contract that the Auditor must remain in good standing throughout the term of any contract between the BCCSA and the Auditor.

## 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 not-for-profit audits.
2. Completed a not-for-profit audit of similar size and scope (or greater) within the last two years.
3. Demonstrate an understanding of legislation relevant to a not-for-profit environment.
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.

## Background

The BC Construction Safety Alliance is a not-for-profit association that provides services to over 40,000 construction companies employing over 220,000 workers. We are funded by the construction industry, plus select aggregate and ready-mixed employers who pay for us through a portion of their WorkSafeBC annual assessments.

The BCCSA is governed by a Board of Directors whose members are representative of all areas of the industry: residential, road building, aggregate, ready-mixed, industrial commercial, institutional, and heavy construction. Worker safety is our number one priority. To that end, we offer a range of services that (a) focus on injury prevention and creating or enhancing a culture of safety on construction sites; and (b) meet a diversity of needs among owners, managers, supervisors, and workers.

As a safety association recognized by WorkSafeBC, we promote and develop workplace health and safety in compliance with WorkSafeBC's regulations and guidelines. The BCCSA also acts as the construction industry's apolitical voice on construction health and safety issues.

BCCSA's is funded through six contracts with WorkSafeBC as well as revenue generated from various products and training. The total funding amount for the six contracts with WorkSafeBC is \$8,213,948, the contracts are for the following programs:

1. Health & Safety Association (HSA)
2. Certificate of Recognition (COR) Program
3. Traffic Control Program (TCP)
4. Technical High Angle Rope Rescue Program (THARRP)
5. Fire, Flood Restoration Program (FFRP)
6. New Contract for 2023 - Asbestos Certification (ACT)

In addition, the BCCSA Board of Directors maintains a special operating fund from the revenue generated by products and training services to be responsive to emerging issues not allocated in the annual WorkSafeBC budget. The fund maximum is set at \$1,350,000.

The current chart of accounts contains approximately 77 active accounts. The BCCSA issued approximately 1,160 (2021) and 1,219 accounts payable cheques in 2021 and 2022 respectively.

BCCSA had 23 employees in 2022, and the semi-monthly payroll is approximately \$90,587 (Gross). Employees are paid by direct deposit. BCCSA may increase the number of staff to 26 in 2024.

BCCSA's 2021-2023 strategic & operational Plan, 2023 workplans, budgets, and prior years' annual reports (including audited financial statements) can be found on our website. Audit firms considering a Proposal according to this request are encouraged to visit the BCCSA's website at [www.bccsa.ca](http://www.bccsa.ca) for a more detailed overview of BCCSA's programs and services.

The BCCSA uses Sage 50 Quantum Accounting Canadian Edition (Release 2023.1) for their electronic accounting system.

## SCOPE OF SERVICES

### Services

The Auditor will be required to examine the financial records, systems and controls of the BCCSA in accordance with Canadian generally accepted auditing standards and the provisions of the Canada Not-for-Profit Corporations Act, and to then provide written audit reports with an audit opinion on the consolidated financial statement as prepared by the Auditor. The Auditor's report should be suitable for printing within the financial statement and be addressed to the Executive Director, Mike McKenna, BCCSA. The Auditor will be required to attend a meeting of the Audit Committee to present and explain as necessary the audit reports.

The BCCSA wishes to be advised of any weaknesses in internal controls noted during the audit or other areas of concern, prior to the issue of the Management Letter. The Auditor shall provide appropriate beneficial suggestions to improve areas of concern. The Auditor shall communicate in a post-audit report and in the form of a Management Letter to the BCCSA any reportable conditions, as determined by the Auditor, found during the audit.

The Auditor will ensure all new or changed reporting requirements and auditing standards are communicated to the BCCSA, in writing, to ensure that financial statements and notes prepared by management are in compliance with current reporting requirements and auditing standards.

The Auditor will respond to and discuss with the BCCSA's staff accounting, auditing, tax and other issues arising throughout the year. Inquiries, if any, are infrequent, usually brief and specific in nature, and may require written confirmation. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or that BCCSA staff would be advised of any additional charges prior to services being provided.

### **Qualified Statement**

The Auditor shall 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 appropriate BCCSA staff. In addition, the Auditor shall as far as possible, allow a reasonable period of time for BCCSA staff to conduct an investigation, analyze, report and take such corrective action as to avoid the inclusion of a qualified opinion.

### **Annual Audit Schedule**

Before September 30th of each year, the Auditor shall correspond with BCCSA staff to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit. The schedule of activities shall be finalized by September 30th 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:

- Interim audit mid-October to mid-November of each year
- Year-end trial balance, provided by BCCSA staff to the Auditor approximately 1 week prior to year-end audit
- Year-end audit, during February of each year
- Audit report and presentation to BCCSA Audit Committee, early to mid-March of each year

BCCSA staff will be responsible for the year-end close. BCCSA staff will assist the Auditor by preparing a full set of working papers, schedules, a trial balance and supporting documentation on a timely basis.

## **AUDIT PROPOSALS**

### **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. 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:** A brief profile of your 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. Home office address as well as the address and phone number of any local office that will manage or assist in managing this audit.



2. **Experience with Not-for-Profit Audits:** List current and past audit clients and indicate the number of years your firm has been the auditor for each client.
3. **Audit Staffing:** Name and brief resume of the partner(s), manager(s) and other key staff who would be assigned to this audit.
4. **Audit Implementation:** Proposals must clearly show the firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the annual schedule. This would include the approach to be used to gain an understanding of the BCCSA's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the interim audit and annual audit.
5. **Other Services:** Description of the methodology to be used for keeping the BCCSA abreast of any changes in accounting principles or legislation that would impact the annual financial statements. Description of non-auditing professional services provided, and innovative products offered by your firm as well as any specific pricing structure for such services.
6. **Fee Proposal:** Your firm's audit fee in the following format individually for the BCCSA:

| STAFF ASSIGNED                        | HOURS | RATE | FEE   |
|---------------------------------------|-------|------|-------|
| Partners                              | xx    | xxx  | \$xxx |
| Managers                              | xx    | xxx  | \$xxx |
| Seniors                               | xx    | xxx  | \$xxx |
| Staff Support                         | xx    | xxx  | \$xxx |
| Total Hours / Fees                    | xxxx  |      | \$xxx |
| Other Disbursements (please identify) |       |      | \$xxx |
| Total Fixed Fee                       |       |      | \$xxx |

7. **Billing Dates:** The proposed schedule of billing dates.
8. **References:** Three references, at least two of which must be from not-for-profits audits within the last three years. Include numbers of years of service and a contact name, telephone number and email address for each reference.

### Proposal Evaluation Criteria

Proponents must meet the following mandatory requirements to be considered for further evaluation:

1. Proposal completed and signed by a person authorized to bind the Proponent to statements made in the submission.
2. Proposal received by the specified Closing date and time.

Proposals that comply with the mandatory requirements will be evaluated on the basis of the following criteria using the scoring matrix outlined in Appendix I:

1. Understanding of Engagement
2. Not-for-Profit Audit Experience
3. Audit Firm Personnel Qualifications and Experience
4. Audit Implementation and Fee Structure
5. References
6. Audit Fee Shortlisted firms may be required to attend a brief phone interview with the BCCSA's Executive Director and the Board Treasurer.

### **Submission of Proposals and Terms for Acceptance**

A copy of the proposal must be submitted electronically to:

Tammy Oliver  
Senior Director  
toliver@bccsa.ca

Submissions will be received until 4:00 p.m. on Tuesday, June 6, 2023.

Proposals received after the deadline will not be considered and will not be opened.

All proposals submitted will be irrevocable for ninety (90) days following the closing.

### **Default / Termination**

The BCCSA 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 BCCSA does terminate the contract in whole or in part as specified above, the BCCSA may purchase services so terminated and the Proponent shall be liable to the BCCSA for any excess costs for such services and for reasonable liquidated damages. The BCCSA (at its sole discretion) may immediately terminate any contract awarded through this RFP process if there is a major violation of agreed conditions or where the Proponent has taken an action against the BCCSA.

### **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 the RFP package. Verbal answers are binding only when confirmed by written addenda.

## **BCCSA CONTACT AND DISCLAIMER**

### **Contact**

Any inquiries regarding this request for proposal should be directed to the designated Senior Director, Tammy Oliver at telephone number (604) 636-3684 or email: [toliver@bccsa.ca](mailto:toliver@bccsa.ca).

### **Disclaimer**

The information contained in this RFP is supplied solely as a guideline for Proponents and is not guaranteed or warranted by the BCCSA 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 BCCSA 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 BCCSA is not liable for any costs incurred in the preparation of the proposals.

The BCCSA is subject to the provisions of the Freedom of Information and Protection of Privacy Act. As a result, while Section 20 of the Act does offer some protection for third party business interests, the BCCSA cannot guarantee that any information provided to the BCCSA can or will be held in confidence.



## APPENDIX I PROPOSALS FOR EXTERNAL AUDIT SERVICES EVALUATION MATRIX

| PROPONENT  |   |              |          |  |
|--|---|--------------|----------|--|
| CRITERIA   | MAX SCORE   | FIRM'S SCORE | COMMENTS |  |
| <b>Mandatory Criteria</b>  |   |              |          |  |
| <ul style="list-style-type: none"> <li>Cover Letter completed and signed by persons authorized to bind the Proponent to statements made in the submission.</li> <li>Electronic copy of the proposal in PDF format</li> <li>Proposal must be received by the specified closing date and time</li> </ul> |   |              |          |  |
| <b>Point-Rated Criteria</b>  |   |              |          |  |
| 1  | <b>Understanding of Engagement/Proposal</b> <ul style="list-style-type: none"> <li>Demonstration of full understanding of BCCSA structure and governance</li> <li>Knowledge of information systems used by BCCSA</li> </ul>   | 5            |          |  |
| 2  | <b>Experience with Not-for-Profit Audits</b>  | 15           |          |  |
| 3  | <b>Personnel</b> <ul style="list-style-type: none"> <li>Technical experience of the firm in performing not-for-profit audits and experience with organizations of a similar size and complexity</li> <li>Experience and qualifications of audit team for proposed BCCSA audit</li> </ul>  | 10           |          |  |
| 4  | <b>Audit Implementation</b> <ul style="list-style-type: none"> <li>Statement of full understanding of the audit objectives and overall scope of work to be performed</li> <li>Audit plan including number of person-hours anticipated to perform the services, broken down between interim and final audits for the entity for the three years</li> </ul> | 15           |          |  |

| CRITERIA   | MAX SCORE | FIRM'S SCORE | COMMENTS |
|--|-----------|--------------|----------|
| <ul style="list-style-type: none"> <li>• Approach used to gain an understanding of the BCCSA structure and operations</li> <li>• Quality of the proposal in terms of methodology and approach to the audit, including a description of substantive and compliance testing, and internal control evaluation</li> <li>• Estimate of BCCSA staff time required including a schedule outlining when required</li> </ul>  |           |              |          |
| <p>5 <b>Additional Services</b></p> <ul style="list-style-type: none"> <li>• Accounting firm's ability to provide additional services to BCCSA such as: <ul style="list-style-type: none"> <li>- Accounting advice</li> <li>- Taxation</li> <li>- Corporate finance</li> <li>- Technology services</li> </ul> </li> </ul>  | 5         |              |          |
| <p>6 <b>References</b></p>   | 10        |              |          |
| <p>7 <b>Audit Fee</b></p> <ul style="list-style-type: none"> <li>• The proposed fees for the entity for the three-year term which are to be shown exclusive of taxes and include:</li> <li>• Professional fees of audit and support staff based on person hours</li> <li>• Estimated disbursements and administrative fees</li> <li>• Value added services bundled with the audit service fees</li> <li>• Estimate hours required and levels of staff to be assigned and hourly billing rates</li> </ul> | 40        |              |          |