

REQUEST FOR TENDER

FINANCIAL AUDIT SERVICES



Re-Issued: October 28, 2016 at 10:00am EST

Deadline: November 4, 2016 at 4:00 pm EST

SECTION 1

1.1 INTRODUCTION

The Toronto Birth Centre invites audit firms to submit a bid for the provision of financial audit services. The TBC is required by its funder to have its financial records audited by an independent third party that will result in an opinion as to the fairness of the annual financial statements of the organization. This audit is due annually to the funder.

1.2 BACKGROUND

The Toronto Birth Centre is a regulated, community-based health care facility that offers clients a safe, comfortable, family-centered place to give birth. It is Indigenous and midwifery led and is designed to support cultural safety for clients, families and support people and provides midwives with all the equipment and supplies they need to support normal birth. The Toronto Birth Centre has been in operations since January 31, 2014. For additional information on the TBC or a virtual tour of our space, please visit our web-site at www.torontobirthcentre.ca

The Toronto Birth Centre is a non-profit organization that receives approximately \$1.3 M in annual core funding through the Ministry of Health and Long-Term Care, Independent Health Facilities Branch. As an Independent Health Facility, TBC goes through a regular inspection and licensing process. The TBC administrative floor also offers rental space (clinic rooms) for regulated health professionals providing services to the maternal and child population. In addition, the TBC rents out the classroom to a range of for profit to non-profit groups. Rental income up to a maximum amount serves to off-set the operating budget of the organization. In addition, the Toronto Birth Centre receives stipends from Midwifery Education Programs for the provision of placements for students from Laurentian, McMaster and Ryerson Universities.

The Toronto Birth Centre (TBC) is a small organization that employs 12 employees in a variety of full and part-time positions. The TBC utilizes Sage 50 Premium Accounting System 2016 to maintain the organization's general ledger and to prepare reports for financial reporting, budget, payroll, accounts receivable, invoicing, cash collection, and accounts payable. TBC began utilizing Inflow Inventory v3.2.1 in the summer of 2015 for inventory management and control and purchase ordering. A Tangible Capital Assets Inventory and Association of Ontario Midwives Benefits Trust (AOMBT) disbursements are maintained in MS Excel Spreadsheets. Payroll is outsourced to a payroll management company.

1.3 SCOPE OF SERVICES

The scope of services includes the annual audit of the corporation and preparation of the Annual Financial Statements. The successful proponent will conduct the examination in accordance with Generally Accepted Accounting Principles (GAAP) and accounting standards for Not-for-Profit Organizations (ASNPO). The proponent will prepare the audited financial statements, make recommendations based on audit findings for improving financial management systems and or controls of the organization, and will issue a Management letter, if required.

The auditor's duties also include the preparation of the Centre's T2 Corporation Income Tax Return and NPO Information Return and any other returns as may be required in the future. The auditor also is required to advise TBC of any and all changes in accounting and reporting requirements. It is expected

that the auditor will review assessment notices and advise on income tax and may provide value added services of advice on other tax related matters.

The financial cycle for the TBC fiscally begins April 1 and ends on March 31. Typically, the fieldwork takes place at the end of April and into May. Draft financial statements will be sent to the Executive Director who will arrange for a presentation to the Finance Committee during the first week of June. Final draft Audited Financial Statements are to be provided by June 21, 2016 to the Executive Director. As the Board normally breaks for the summer season, the final draft Audited Financial Statements will be presented to and received by the Board at its' September meeting.

The auditors are required to attend the following four (4) meetings at the TBC main site each year:

- A Finance Committee meeting to discuss the audit plan in March;
- A Finance Committee meeting to report on the preliminary audit findings in June;
- The Board of Directors meeting to report on the audit findings in early September;
- The Annual General meeting in late September to present the statements and respond to questions and potentially be reappointed by the membership.

The successful proponent will also be expected to serve as a resource and be available for questions on accounting and related issues throughout the fiscal year.

1.4 DEFINITIONS

“Auditor” means the successful Proponent to this Request for Tender.

“Audit services” means the all the auditor services as outlined in section 1.3.

“Board” means the Toronto Birth Centre Board of Directors.

“Proponent” means the accounting firm that submits a tender in response to this Request for Tender

“Proposal” means a submission in response to this Request for Tender

“RFT” means Request for Tender

“Services” means the work requested to be performed as per this RFT.

SECTION 2 PROCESS

2.1 Issuing of the RFT

Distribution of the Request for Tender will occur on October 28, 2016 at 10:00 AM EST and will be issued by:

- i) notice to potential proponents as identified by TBC;
- ii) publication on the following websites:
 - o TBC
 - o Charity Village

2.2 Inquiries

All inquiries should be submitted to: aimeecarbonneau@torontobirthcentre.com before October 21, 2016 at 12:00 pm EST.

2.3 Addendum

No Addendum to this RFT will be issued.

2.4 Form of Proposal

All proposals must include:

- A cover letter signed of by a signatory that is authorized by the firm to engage in bids and bind the firm.
- An Overview of the firm: Describe your firm's experience in providing audit services.
- Provide evidence of the firm's qualifications to provide the services described in Section 3.

Scope of Audit

- Indicate your firm's expertise in non-profit legislation, provincial funding and accounting systems, and any other services that you feel would be beneficial to TBC;
- Describe your team's experience in auditing specific funder reports that require Auditor sign-off (i.e. MOHLTC);
- Provide references from at least three (3) current comparable not-for-profit audit clients (of a similar size and audit scope). This should include contact person's full name, name of the company, title, e-mail address, phone number and year that audit services were provided; and
- Provide information related to the size and organizational structure of your firm and a listing of current health system clients.

Audit Team

- Provide names of the partner/ audit manager, and field staff who will be assigned to TBC's audit file and provide biographies; and
- Provide the firm's history regarding staff continuity at the partner and senior staff level and its experience with other clients similar in nature to TBC in this regard.

Audit Approach

- Describe the audit processes and techniques used by your firm;
- Indicate your expectations of TBC before, during and after the audit; and
- Propose a timeline for fieldwork and final reporting that fits within the scope and details of this RFP.

Audit Fees

- The term of engagement begins with respect to the 2016-2017 fiscal audit year (ending March 31, 2017) with an option to extend based on membership approval annually at each AGM.
- Provide proposed fee structure for estimated hours, rates and fees by each of the team members, including any assurances that can be given regarding fees in future years, and the maximum fee that would be charged over the next 5 years.
- Describe your billing rates and procedures for technical questions that may come up during the year, or whether these occasional services are covered in the proposed fee structure.
- Indicate any additional services that the firm can provide that might be beneficial to TBC and the fee schedule that would apply.

2.5 Terms and Conditions

- a) Each proponent shall affirm that the tender submitted meets the stated period of irrevocability for at least 60 days from the closing date.
- b) In the event that more tenders are received than anticipated, the TBC reserves the right to short list proposals.
- c) TBC provides notice that all information collected under this tender will remain on file at TBC and any confidential information supplied to the organization may be disclosed by the organization where it is obliged to do so under the Freedom of Information and Protection of Privacy Act (FIPPA) or otherwise required by law.
- d) Any fees related to the preparation of the RFT by the proponent, including travel, food, and/or other expenses to participate in a meeting with the organization will not be reimbursed by TBC.
- e) All firms are requested to certify that the firm does not currently have any outstanding liability claims that may affect the future health of the firm. Additionally, the firm must maintain and confirm sufficient liability insurance relevant for a client of our size.
- f) Proponents responding to this RFT must not have any personal or business interest that would present an actual, potential or apparent conflict of interest with the performance of the contract to be awarded.
- g) This RFT will be retained according to the records retention policy of the organization as is legislated. If during the next 5-year period, another auditor is required, this tender may be reopened and the second successful proponent in this competition may be called upon to fulfill a vacancy.

2.6. Delivery of Proposal:

All tenders will be required to be delivered in both electronic and hard copy and must be received before or by 4 PM EST November 4, 2016. Proposals are to be delivered electronically to: **aimecarbonneau@torontobirthcentre.com** and 4 hard copies are to be marked "CONFIDENTIAL RFT-Financial Audit Services" and delivered to:

Toronto Birth Centre
525 Dundas Street East
Toronto, ON M5A2B6

Bids received after the closing date and time will be returned unopened.

2.7 Key Dates:

Issue Date:	October 28, 2016 10 am EST
Deadline for Proposals:	November 4, 2016 @ 4:00 p.m. EST
Interview selected candidates (if needed):	TBD
Board Approval of Recommended Proponent:	November 17, 2016
Notification of Successful Proponent	November 18, 2016

2.8 Evaluation Criteria

Proponents proposals will be screened to ensure mandatory criteria is met. If not, proposals will be disqualified and will not be reviewed. All proposals that meet mandatory requirements will proceed to the second stage where proposals will be reviewed by the finance committee against specific criteria. Both mandatory and specific criteria are outlined in Appendix A.

2.9 Selection Process

TBC will review all tenders submitted by the deadline that meets the mandatory requirements. In the event of a tie, an in-person interview with selected proponents may be arranged. The award will be based on a review of the proposals against all evaluation criteria (see APPENDIX A) and will not necessarily be awarded based on the lowest price offered. Each firm will be provided with fair access to information, as requested by e-mail to aimeecarbonneau@torontobirthcentre.com and per timeline noted in 2.7..

SECTION 3 EXECUTION

3.1 Awarding of Contract

The successful proponent will be required to enter into a Service Agreement with TBC.

Notice in writing to the successful Proponent of the approval of its' Proposal and the appointment of the auditors by the Board of Directors and the subsequent execution of an engagement letter shall constitute the making of the Contract for Services.

Please be advised that the successful Proponent will be required to:

- i) Provide the services for a defined period of time;
- ii) Provide invoices to TBC that account of their services, accordingly;
- v) Sign a confidentiality agreement.
- vi) Maintain sufficient professional liability insurance.

Appendix A- EVALUATION OF RFT-FINANCIAL AUDIT SERVICES

PROPONENT _____

MANDATORY CRITERIA		MET	
RECEIVED BY DATE AND CLOSE OF RFT			
SEALED PACKAGE WITH 4 COPIES OF THE PROPOSAL			
COVER LETTER AND COMPLETED PROPOSAL SIGNED BY AUTHORIZED SIGNATORY			
ELECTRONIC COPY RECEIVED			
SPECIFIC CRITERIA	MAX SCORE	PROPONENT'S SCORE	COMMENTS
Understanding of Engagement <ul style="list-style-type: none"> • Demonstrates an understanding of legislation relevant to the provincial government environment. • The proponent's understanding of the scope of the proposed professional services is evidenced in the proposal submitted. • The proponent demonstrated understanding of the nature of TBC business, governance and operations. 	5		
Non-Profit Audit Experience <ul style="list-style-type: none"> • Is knowledgeable with respect to legislation related to the operation of not for profit and health sector organizations. • Completed an audit of similar size and scope within the last three years. • Experience with health related non-profits. 	5		
Audit Firm Personnel Qualifications and Experience <ul style="list-style-type: none"> • The assigned staff must hold a valid accounting designation and have previous experience in performing a non-profit/health sector audit engagement. • Demonstrate a commitment to providing reasonable annual continuity of experienced, qualified and professional personnel. 	15		
Audit Implementation <ul style="list-style-type: none"> • Have sufficient staffing, facilities, financial resources and expertise to address the scope of the audit services. • Audit engagement plan is detailed and maps out person hours required at each of the 	30		

<p>stages and maps out the impact/work required of TBC staff</p> <ul style="list-style-type: none"> • Degree of fit between the parties and understanding of the environment • 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 			
<p>Additional Services</p> <ul style="list-style-type: none"> • Addition of value added services included within the pricing of the RFT. <ul style="list-style-type: none"> ○ GST/HST advice ○ General Income Tax Act Advice ○ BPS advice 	10		
<p>References</p> <ul style="list-style-type: none"> • References indicate desire to continue with the proponent • References highlight strengths of proponent • Reference indicates audit completed within proposed timelines and within cost agreed upon • Degree of fit between reference and auditing firm 	10		
<p>Audit Fee</p> <ul style="list-style-type: none"> • Proposed fees for the various components of the services professional fees of audit and support staff based on person hours estimated disbursements and administrative fees • Additional services provided as part of the value added services bundled with the audit service fees 	25		
FINAL SCORE	100		