

# Northern Gateway School Division

## REQUEST FOR PROPOSAL

### AUDIT SERVICES



March 19, 2021

Table of Contents

1.	CLOSING DATE AND TIME.....	3
2.	ELIGIBILITY .....	3
3.	SCOPE OF AUDIT .....	3
4.	TERM .....	4
5.	REQUIREMENTS .....	4
6.	QUALIFIED STATEMENTS .....	5
7.	DELIVERY OF ANNUAL FINANCIAL STATEMENTS .....	5
8.	POST-AUDIT “MANAGEMENT” LETTER .....	5
9.	ANNUAL ENGAGEMENT LETTERS .....	5
10.	BASIC PROPOSAL INFORMATION .....	6
11.	ADDITIONAL PROFESSIONAL SERVICES .....	6
12.	AUDIT OF SCHOOL GENERATED FUNDS .....	7
13.	SUPPLEMENTAL INFORMATION .....	7
14.	EVALUATION CRITERIA FOR PROPOSALS .....	8

NORTHERN GATEWAY SCHOOL DIVISION  
REQUESTION FOR PROPOSAL  
AUDIT SERVICES

The Board of Northern Gateway invites qualified applicants to submit a proposal for furnishing independent audit services to the Northern Gateway School Division in accordance with the requirements of the Education Act, Sections 137 – 142.

1. CLOSING DATE & TIME

- 1.1. Proposals are to be received by the Secretary-Treasurer **no later than 4:00 p.m. on Friday, April 23, 2021.**
- 1.2. The lowest cost proposal or any proposal may not necessarily be accepted. Northern Gateway Regional Division No. 10 reserves the right to request additional information from companies and to decline any or all proposals made.
- 1.3. The envelopes should be sealed and clearly marked **Proposal for External Audit** and should be addressed to:

Secretary-Treasurer  
Northern Gateway School Division  
Box 840,  
4816 – 49 Ave.,  
Whitecourt, Alberta T7S 1N8

2. ELIGIBILITY

- 2.1. The firm must meet the eligibility requirements included in Section 137 of the Education Act. In particular, the Auditor must be a Chartered Professional Accountant, engaged in public practice in the Province of Alberta.
- 2.2. The firm must demonstrate an ability to carry out the audit to full professional standards, in conformity with provincial requirements and Board expectations.
- 2.3. Preference will be given to those firms which are currently auditing School Boards and are familiar with Public Sector Accounting Standards (PSAS) and recently implemented provincial changes and guidelines.

3. SCOPE OF AUDIT

- 3.1. The audits shall include the examination of all relevant records, audit financial statements of the Board and all necessary schedules, evaluate internal controls and prepare the management letter.

- 3.2. All related audit and certification work required by the Education Act and various provincial and federal ministries and agencies will be specifically included. In addition, the audit will include the Board's compliance with the Local Authorities Pension Plan Annual Statement. Other responsibilities include:
  - 3.2.1. Audit the Financial Statements and Supporting Schedules for Northern Gateway School Division in compliance with Generally Accepted Accounting Principles, Generally Accepted Auditing Standards and the requirements of the Minister of Education.
  - 3.2.2. Conduct "on site" independent audits of individual schools (approx. 6-7 schools each year) on a rotational basis to review both divisional and school generated revenue and expenditures.
  - 3.2.3. Assist, advise and provide professional counsel to Division staff as it may relate to internal controls and related procedures.
  - 3.2.4. Discuss with and advise Division staff of any accounting, auditing and tax issues that may arise during the year.
- 3.3. The responsibilities of the auditors will generally be limited to the expression of an opinion on the financial statements and discussions with respect to presentation and disclosure. Assistance in the preparation of the Financial Statement may be required from time to time. They will not generally include accounting work, schedules, working papers, or any other non-audit responsibilities. Should these activities be required, they will be discussed separately from the formal audit of the Board's activities.

#### 4. TERM

- 4.1. The term of appointment is for a 3 or 5 year term, but may also be extended beyond the term by mutual agreement between the Auditor and the Board of Trustees. The first year of appointment will be for the fiscal year ending August 31<sup>st</sup>, 2021. The appointment of the Auditor is subject to the approval of the Board of Trustees.

#### 5. REQUIREMENTS

- 5.1. Before June 30<sup>th</sup> of each year, the Board's auditors (hereinafter referred to as the auditor) and the Secretary-Treasurer shall meet for the purpose of defining a schedule of joint activities which will lead to the assembly, audit and submission of the Annual Financial Statements of the Board for the year concerned by November 30<sup>th</sup> or such deadline as set by Alberta Education.
- 5.2. The above mentioned schedule shall set out a timetable and list all the necessary schedules, working papers, analyses and other information relevant to statement preparation.

## 6. QUALIFIED STATEMENTS

- 6.1. The auditor shall immediately upon discovery of information or conditions which would otherwise lead to the inclusion of a statement of qualification with respect to the Board's financial statements, inform and fully discuss such matters with the Secretary-Treasurer. In addition, the auditor shall, allow a reasonable period of time for investigation, analysis, reporting to correct the problem to avoid the inclusion of such qualifications.

## 7. DELIVERY OF ANNUAL FINANCIAL STATEMENTS

- 7.1. Audited Annual Financial Statements, Notes and Management letter shall be delivered to the attention of the Secretary-Treasurer by the deadlines set out in the annual schedule. The auditor shall meet with the Secretary-Treasurer and Superintendent of Schools to discuss the Annual Audited Financial Statements.
- 7.2. The auditor will attend an Audit Committee meeting to present the Annual Audited Financial Statements and Auditors Report and shall provide such information as required that will enhance Board members' understanding of matters pertaining to the statements.

## 8. POST-AUDIT "MANAGEMENT" LETTER

- 8.1. No later than thirty 30 days following completion of the audit, the auditors shall prepare and deliver to the Secretary-Treasurer a letter conveying the concerns relative to the internal accounting and operating controls and/or other matters of material importance with respect to their operations, which may have been discovered in the course of the audit.

## 9. ANNUAL ENGAGEMENT LETTERS

- 9.1. The Board and Auditors shall prepare and exchange annual engagement letters that will specify the responsibilities to be discharged by each of the parties.
- 9.2. Included in these annual engagement letters will be the specific responsibilities to be discharged by each of the parties, and a requirement that the Secretary-Treasurer be notified of any changes in the partner, manager of senior staff assigned to the audit. Such a change must receive the prior approval of the Secretary-Treasurer and may make the contract null and void.

## 10. BASIC PROPOSAL INFORMATION

- 10.1. The Proposals should include as a minimum, the following basic information:
- 1) Firm name, address and contact person. State whether firm is local, national or international,
  - 2) Experience in School Board auditing (a list of clients would be helpful including particular strengths relevant to this audit),
  - 3) a) Proposed audit fee(s) for each year of the term and any other identified qualifiers or disbursements with a breakdown for:
    - i) Northern Gateway School Division
    - ii) School Generated Funds for schools on a rotational basis.b) An all-inclusive maximum cost for the requested work should be clearly laid out for each of the years and for each the entities.
  - 4) An estimate of the hours that are anticipated to be required for the annual audit, broken down between planned staffing levels.
  - 5) A profile/resume of the senior staff to be assigned to the audit, including the client partner and names of client officials responsible for three of the firm's present audits who could act as contact references. Please indicate in your proposal the anticipated time of the partner's involvement.
  - 6) Proposed audit approach that would be used, sharing the annual schedule for interim and year end visits, together with an overall timetable for the engagement.
  - 7) Information as to the location of the office which would be responsible for the audit.
  - 8) Provide any other information you may wish to present in support of your proposal.

## 11. ADDITIONAL PROFESSIONAL SERVICES

- 11.1. If it should become necessary for the Auditor to render any additional services to supplement the Services set out in the Contract or to perform additional work as a result of the engagement or to perform additional and unforeseen special services not included in the scope of the Contract, such work shall only be performed if pre-approved by and authorized in writing by the Secretary-Treasurer.
- 11.2. Any additional work agreed to between the Auditor and the Secretary-Treasurer shall be performed and billed at the rates set forth in the Contract.
- 11.3. Additional and unforeseen professional special services not included in the scope of the audit engagement, if requested, would only be undertaken with specific authorization in writing.

## 12. AUDIT OF SCHOOL GENERATED FUNDS

- 12.1. The annual audit for Northern Gateway School Division will also include an audit of the School Generated Funds.
- 12.2. Each year, approximately 6 schools are selected for review at the discretion of the Secretary-Treasurer.
- 12.3. Monthly reports are required to be submitted to the Division office. The Assistant Secretary-Treasurer/delegate reviews these reports.

## 13. SUPPLEMENTAL INFORMATION

### Northern Gateway School Division

- 13.1. The Division derives its authority from the Province of Alberta, mainly through the Education Act.
- 13.2. Northern Gateway School Division provides public education services (Pre-ECS to grade 12) to approximately 4700 students in twenty schools located in the following communities:

Whitecourt (4)	Mayerthorpe (2)
Darwell	Fox Creek
Sangudo	Grasmere
Onoway (2)	Valleyview (3)
Rich Valley	Colony Schools (4 – Valleyview/Twilight/ Homeland/Rochfort Bridge)

Northern Gateway's administrative office is located in the Town of Whitecourt.

- 13.3. The 2020 -2021 approved expenditure budget summary is as follows:

Instruction	\$51,487,434
Board & System Administration	\$ 2,772,906
Plant Operation & Maintenance	\$ 9,604,672
Transportation	\$ 5,476,778
External Services	<u>\$ 592,964</u>
Total	\$69,884,754

- 13.4. The Division's accounting systems are currently being maintained on PowerSchool Software.
- 13.5. i) Annual Accounts Payable payments are about \$36 million per year or approximately 2,268 cheques & 2,031 EFT or online payments per year.  
i) Payroll processes approximately 500 payroll payments per month. Employees are paid monthly. The annual payroll is approximately \$36 million.

- ii) School generated funds amount to approximately \$1 million in revenue per year. These funds are collected and accounted for on-site at sixteen schools by Kev Software.

#### 14. EVALUATION CRITERIA FOR PROPOSALS

##### Proposals Public

- 14.1. The Division is bound by the provisions of the Freedom of Information and Protection of Privacy Act and may be required to disclose the contents of a proposal to 3<sup>rd</sup> parties upon written request. Applicants are advised to notify the Division of any confidential or sensitive information contained in the proposal that may be protected under the Act.

Any questions or requests for additional information regarding Northern Gateway School Division may be addressed to Mrs. Tamara Spong, Secretary-Treasurer at (780) 778-2800 or email: [tamara.spong@ngps.ca](mailto:tamara.spong@ngps.ca)