

Request for Proposal

Audit Services

Qualified respondents are invited to submit proposals based on the requirements contained herein.



FIRST NATIONS HEALTH COUNCIL

Preface

The sole purpose of the content contained in this document and all resulting responses are intended to assist the FN Health Society identify potential suppliers for a specific project as outlined. The responses will help the Society isolate the party that is most likely to fulfill its requirements.

Specific requirements outlined and selection of the successful respondent does not constitute the final terms or agreement of an engagement. A separate agreement between the two parties will determine the ultimate terms.

First Nations Health Society prides itself on its operating and management principles to be a professional, fair and diverse entity that cherish its privilege to serve British Columbia First Nations communities in the enhancement of health. With this in mind it seeks a fair and unbiased selection process and intends to uphold the qualification requirements outlined without prejudice.

Table of Contents

- Preface 2
- Organization Overview 4
- Project Overview 4
- Project Description..... 5
 - Expected Approach 5
- Deliverables..... 6
- Assumptions and Agreements 7
- Project Schedule 8
- Submission Specifications 8
 - Format..... 8
 - Proposal Content 9
- Submission Schedules 9
 - List of Key Dates 9
 - Questions and Contact of FNHS 10
- Decisions and Terms 10
- APPENDIX A..... 11
 - Response Format 11-13

Organization Overview

The First Nations Health Council (FNHC) works with British Columbia and Canadian Federal agencies, to narrow and close the gap in delivering and maintaining health standards between First Nations individuals and other British Columbians.

The seven member Council is mandated by two agreements, the Transformative Change Accord First Nations Health Plan (2006), and the Tripartite First Nations Health Plan (2007). It is composed of political representatives from the Union of BC Indian Chiefs, the BC Assembly of First Nations, and the First Nations Summit.

In April 2009 the Health Council enacted a business arm, the FN Health Society (FNHS). The FN Health Society is operated by a Board of Directors comprised of public and private health professionals, including community development experts. It is tasked with overseeing and managing Society staff, and assets. Further information about the FNHC can be obtained from the website www.fnhc.ca.

Project Overview

The FN Health Society is requesting proposals from licensed certified public accountant firms to audit its financial statements for the fiscal year ending March 31, 2010. This audit is to be performed in accordance with the provisions included in this request for proposal:

To be considered, the proposal must be received by Tanja Dyck, Vice President Finance & Administration at TDyck@fnhc.ca by 4:00 pm on March 12, 2010. The FN Health Society reserves the right to reject any or all proposals submitted.

The FN Health Society reserves the right, where it may serve the FN Health Society's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the FN Health Society, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Submission of the proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the FN Health Society and the firm selected.

It is anticipated the selection of a firm will be completed by March 29, 2010. Following the notification of the selected firm it is expected a contract will be executed between both parties by April 15, 2010.

Term of Engagement

A three (3) year contract with annual renewals is contemplated, subject to satisfactory negotiation of terms and the concurrence of the First Nations Health Society Board of Directors.

Project Description

Expected Approach

The respondent is expected to conduct a financial audit in accordance with Canadian Generally Accepted Accounting Standards (GAAS) auditing standards. These standards require that the respondent plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. The audit will include both financial and compliance auditing components such as (but not limited to):

- Financial audit of the Society for the fiscal year ending March 31, 2010. The Society's primary source of funding comes from Federal and Provincial resources.
- Financial management audit that evaluate controls over revenues and expenditures.

Our accounting system utilizes the computer software package Sage Accpac. All records are stored on our server and reports generated as they are required. Our payroll is processed through Automated Data Processing.

Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in the request for proposals. Firms are required to provide the following information on their audit approach:

- Proposed segmentation of the engagement
- Level of staff and number of hours to be assigned to each proposed segment of the engagement
- Sample sizes and the extent to which statistical sampling is to be used in the engagement
- Extent of use of Accpac software in the engagement
- Type and extent of analytical procedures to be used in the engagement

- Approach to be taken to gain and document an understanding of the FN Health Society's internal control structure
- Approach to be taken in determining laws and regulations that will be subject to audit test work
- Identification of Anticipated Potential Audit Problems The proposal should identify and describe any anticipated potential Audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the FN Health Society.

Deliverables

A. Scope of Work to be performed:

The auditor will express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles. The financial and compliance audit will involve all the FN Health Society's funds and accounts.

B. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the Canadian Auditing Standards.

C. Reports

The auditor shall submit to the FN Health Society Board the following reports:

1. Independent Auditor's Report on financial statements of the FN Health Society activities
2. Independent Auditor's Report on Compliance and Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Canadian Auditing Standards
3. A management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial statement.

In addition, the following conditions shall be considered reportable:

- Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls
- The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

A minimum of five (5) copies of each audit report is required.

D. Working Paper Retention and access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the FN Health Society of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the FN Health Society.

In addition, the firm shall respond to the reasonable inquiries of an Auditor successor. It is expected that the firm will allow the auditor successor to review working papers relating to matters of continuing accounting significance.

Assumptions and Agreements

The Auditor will be responsible for the preparation of the society's audited financial statements. This responsibility includes presenting the society's financial statements in accordance with Canadian generally accepted accounting principles.

The FN Health Society will have closed and balanced all accounts and have prepared financial statements to be examined by the auditor.

The Society maintains a system of internal controls that ensures that all material agreements and transactions of the society are properly recorded.

Respondent will have full cooperation of Society staff and access to Society financial information throughout the preparation of the Society's financial statements.

The records of the FN Health Society will not be removed from its' office without the expressed written permission of the Vice President, Finance & Administration.

Any report, its content and all information described in the final product will be considered confidential, proprietary, intellectual property of FN Health Society.

Project Schedule

Timing, Location, and Conduct of Audit Work

In addition to time requirements established by the FN Health Society, the following conditions shall apply:

1. The FN Health Society expects to receive prior to January 1st of each year, a list of schedules to be prepared and other items required for the audit.
2. The final onsite audit will be scheduled for the (first three weeks of June). The audit will be conducted on FN Health Society premises. The FN Health Society will provide space deemed adequate by the auditor to efficiently conduct the audit.
3. Adjusted trial balance figures are required by (June 21). Prior to completion of the onsite audit, the auditor will meet with the FN Health Society's VP, Finance & Administration to review adjusting journal entries, certify data entry, and review any adjustments or concerns that might affect the FN Health Society completion of the Audit.
4. Audit of the activity fund shall be conducted within four (4) weeks of receipt of the year-ending bank statement.
5. Report completion and an exit conference are required by July 5 of each year.
6. Prior to submission of the completed report, the auditor will be required to review a draft of the proposed report and management letter with the (VP Finance & Administration, Chief Executive Officer and Board Treasurer). The management letter will be sent to the (Chief Executive Officer)
7. The financial audit reports must be submitted to the FN Health Society no later than July 5th of each year.
8. The auditor will present the financial statements and management letter at a FN Health Society Board of Directors meeting and/or FN Health Society Annual General Meeting, as requested.

Submission Specifications

Format

Qualifying proposals must:

- Use the response template outlined in Appendix A
- Submit in (PC) Microsoft Word or PDF file formats.

Proposal Content

Please refer to Appendix A for the format and a list of required content.

At a minimum, proposals must include:

- Description of the services to be provided, including the approaches and methods to be used, audit procedures, estimated hours and fees, and other pertinent information. The respondent should include the type of assistance that will be required from the Society's staff as well as the anticipated hours of assistance;
- Description of similar auditing engagements in the past 5 years with other non-profits or associations, including the scope of work, date, engagement partners, total hours and the name and telephone number of the principal client contact. Experience should include the following categories: (a) prior experience auditing programs funded by the provincial and federal government; (b) prior experience auditing similar programs funded by the provincial and federal government; and (c) prior experience auditing non-profit organizations;
- Description of the respondent's organization, size and structure. Indicate, if appropriate, if the firm is a small or minority-owned business;
- Description of the qualifications of principal staff to be assigned to the audit, including (a) audit team makeup; (b) overall supervision to be exercised; and (c) prior experience of the individual audit team members, such as education, position in firm, years and types of experience, continuing professional education, etc.;
- Statement of the availability and proposed schedule;
- Statement of fees for producing the audit reports, including how the fees were determined, estimated number of hours by staff level, hourly rates by staff level and total cost. The total all inclusive maximum price is to include all direct and indirect out of pocket expenses.

Submission Schedules

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are required to be submitted:

| | |
|-------------------------------|-------------------------------|
| Requests for proposals issued | February 19, 2010 |
| Due Date for proposals | March 12, 2010 4:00 PM |

(Proposals received after this time and date will be automatically disqualified)

B. Notification and Contract Dates

Selected firm notified **March 29, 2010**

Contract date **April 15, 2010**

C. Date Audit May Commence

The FN Health Society will have all records, posted statements, bank reconciliations, and other necessary reports ready for audit and all management personnel available to meet with the firm's personnel as of June 1, 2010.

D. Questions and Contact of the FN Health Society

All questions and interaction with the FN Health Society over the course of this proposal selection must be through Ms. Tanja Dyck.

Questions must be submitted in writing to tdyck@fnhc.ca by **4:00 PM, March 1, 2010**.

Questions from all respondents will be consolidated and responses will be generated and shared with all participants by **March 5, 2010**.

Any attempts to contact any member of the First Nations Health Council or FN Health Society with questions or comments about this project by a submitting participant or (individual(s) with business or personal links to the submitting participant), will be construed as an attempt to seek preferential or biased treatment. Immediate disqualification of the related submission will result.

Decisions and Terms

The successful proposal will be announced **March 29, 2010**. The Society will contact all other respondents following this. The Society's decision will be final and is not required to explain or justify its decision to any respondent.

The Society will entertain follow-up discussions (on request) with respondents who were not selected at separate session's in-person or by phone at a time and date that is mutually convenient. The purpose is to obtain feedback about the FN Health Society procurement process and input to the respondent's submission.