

REQUEST FOR PROPOSAL

Grenville Community Futures Development Corporation (Grenville CFDC) is seeking the services of a firm of public accountants to perform an **audit** of its financial statements.

Terms of Reference

1. GRENVILLE CFDC BACKGROUND

The **Grenville Community Futures Development Corporation** (Grenville CFDC) is a community-based nonprofit organization funded primarily by the Federal Economic Development Agency for Southern Ontario (FedDev) to invest in jobs, businesses and community innovation in Grenville County. Grenville CFDC provides business loans (repayable); business advice (at no cost); community economic development services; and funding support (nonrepayable) for community development, community innovation, and business development projects. Grenville CFDC is managed by a team of three business professionals who report to a volunteer Board of Directors comprised of eleven local and regional community and business leaders and entrepreneurs. Decisions are made at the community level by the Board of Directors who are elected by the general membership of the Corporation at an Annual General Meeting.

Business loans are available to start up or expansion firms in the form of term loans, microloans, nonrevolving cash flow loans, loan guarantees or equity investments in amounts ranging from \$500 up to \$250,000 to assist in the creation or maintenance of employment in Grenville County. Grenville CFDC also offers CFDC Partner Loans to other CFDCs, normally in amounts of up to \$500,000, to support their investment fund activities.

Grenville CFDC participates in the Eastern Ontario Investment Pool (EOIP), supporting business projects with customized financing in amounts up to \$500,000; and the Investment in Regional Diversification (IRD) Pool, supporting business innovation and business succession projects in Eastern Ontario with customized financing in amounts up to \$350,000.

The Community Futures Program has been active in Grenville County since 1988. Grenville CFDC serves the Municipality of North Grenville, the Town of Prescott and the Townships of Augusta and Edwardsburgh/Cardinal. The corporate offices are located at 197 Water Street, Suite 405, Prescott, Ontario, K0E 1T0, 613-925-4275, toll free 877-925-4275, fax 613-925-3758, info@grenvillecfdc.com, www.grenvillecfdc.com.

Grenville CFDC's fiscal year end is March 31. Grenville CFDC uses the fund accounting method of accounting for contributions. Grenville CFDC manages and controls assets totaling over \$8.8 million. Loans receivable total more than \$7 million representing 112 active loan files. The primary sources of operating funds are FedDev contributions.

Grenville CFDC operates the General Fund (operating), a project fund (Community Economic Development and Diversification Project), the Investment Fund (loans, loan guarantees, equity investments, EOIP and IRD) and the Board Fund (fund raising revenues – an internally restricted fund).

Grenville CFDC processes 2500 transactions per year and issues 350 cheques per year using Simply Accounting and a custom client contact and loan management database entitled “The Executive Assistant” (TEA). Payroll is processed in-house using Electronic Funds Transfer. Client loan payments are made via pre-authorized debit.

2. AUDIT ENGAGEMENT

The audit engagement will be for the purposes of auditing the financial statements of Grenville CFDC for its fiscal year ending March 31, 2020 (with the possibility of renewal of the engagement for a further 2-4 years), and specifically to:

- Express an opinion on the Corporation’s financial statements
- Express an opinion on compliance with other legislative and related authorities in effect at the time of the audit (such authorities include but not are limited to legislation, regulations, corporate bylaws and other significant agreements)
- Prepare federal and provincial income tax returns.

3. DETAILED DESCRIPTION OF AUDIT WORK

The audit must be conducted in accordance with:

- Canadian generally accepted auditing standards *and*
- FedDev contribution agreements for the Community Futures Program and the Community Economic Development and Diversification Project – copies of which can be accessed by contacting Grenville CFDC offices.

The audit work involved includes:

- An evaluation of internal controls
- Preparation of adjusting entries
- Year-end audit of the statement of financial position, the statement of operations and changes in fund balances, and the statement of cash flows
- Preparation of the Independent Auditor’s Report
- Preparation of the Audit Findings Letter
- Preparation of a Report on Compliance with legislative and related authorities
- Presentation of draft year-end audited financial statements, Independent Auditor’s Report, Audit Findings Letter, and Report on Compliance to the Corporation’s management, the Board of Directors, and possibly FedDev representatives, in advance of the Corporation’s Annual General Meeting

- Presentation of year-end audited financial statements and Independent Auditor's Report to the general membership of the Corporation at the Corporation's Annual General Meeting
- Completion of federal and provincial income tax returns
- Provision of related financial advisory services from time to time, as may be required.

The auditor will be required to:

- Perform procedures to obtain audit evidence about the amounts and disclosures in the financial statements
- Perform procedures to evaluate internal controls
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Corporation's management
- Evaluate the overall presentation of financial statements
- Report significant weaknesses to the Corporation's management and the Board of Directors
- Report the discovery of any irregularities resulting from the audit to the Corporation's management and the Board of Directors.

4. MANAGEMENT OF THE AUDIT ENGAGEMENT

Ms. Heather Lawless, Grenville CFDC Executive Director, will provide direction, clarification and review of matters pertaining to this request for proposal. Communications with Ms. Lawless can be directed to 197 Water Street, Suite 405, Box 309, Prescott, ON, K0E 1T0, tel. 877-925-4275 ext. 21 or 613-925-4275 ext. 21, fax 613-925-3758, email: hlawless@grenvillecfdc.com.

5. TIMING OF DELIVERABLES

Fifteen (15) copies of the draft audited financial statements, Independent Auditor's Report, Audit Findings Letter, and Report on Compliance are to be provided to the Corporation's management by mid-May 2020 for management distribution to members of the Board of Directors.

A presentation of the draft year-end audited financial statements, Independent Auditor's Report, Audit Findings Letter, and Report on Compliance to the Corporation's management, the Board of Directors, and possibly FedDev representatives, is to be made by the auditor at the regularly scheduled meeting of the Board of Directors at the end of May 2020.

Fifteen (15) copies of final of year-end audited financial statements, Independent Auditor's Report, Audit Findings Letter, and Report on Compliance are to be made available to the Corporation's management and the Board of Directors in early June 2020 prior to the Corporation's Annual General Meeting. Year-end audited financial statements and

Independent Auditor's Report are to be presented by the auditor to the general membership of the Corporation at the Corporation's Annual General Meeting in mid-June 2020.

Federal and provincial income tax returns are to be completed in advance of the deadline for filing.

6. MANDATORY REQUIREMENTS OF PROPOSAL

In order to receive consideration by Grenville CFDC, proposals must respond to the following mandatory requirements and must include the referenced Section/Page in the Bidder's proposal.

RFP Ref.	Requirement (Bidder's proposal must contain the following information)	Referenced Section/Page in Bidder's Proposal
6.1	Audit Team and Firm Experience: Overview of relevant experience auditing "without share capital corporations". Identification of staff assigned to the audit, their curricula vitae, and an outline of their responsibilities related to the audit. (Weighted Value: 25%)	
6.2	Client References: List of names and contact information for three of the firm's present audits who have agreed to serve as references. (Weighted Value: 5%)	
6.3	Audit Approach: Approach and methodology for the completion of Section 3 above. Communication process used to discuss issues with management and Board of Directors. (Weighted Value: 25%)	
6.4	Audit Fees: Full cost breakdown as per Section 7 below. (Weighted Value: 40%)	
6.5	Acceptance of Terms: Acceptance of terms as outlined in Section 3 to 5. (Weighted Value: 5%)	

7. BUDGET AND COST BREAKDOWN

Proposals are to include the total cost of completing the 2019-2020 audit engagement and a detailed breakdown of all costs associated with the completion of the audit engagement, all related work, and all deliverables. The cost breakdown must specifically include:

- Schedule of hourly rates for each category of professional staff on the audit team
- Estimate of hours anticipated to be required for the annual audit broken down between the required responsibilities, identifying the category of staff assigned to each responsibility, and calculating the annual audit fee
- Schedule of hourly rates for each category of professional staff should additional work be requested of the firm

and must identify other expenses separately such as:

- Travel costs
- Shipping/delivery charges
- Applicable taxes.

Proposals are to state whatever guarantees can be given regarding the total cost of completing audit engagements for the subsequent 2-4 years.

8. SELECTION PROCESS AND TIMING

An evaluation team of Grenville CFDC will review all proposals and evaluate them in relation to the mandatory requirements outlined in Section 6. Details of proposals will be disclosed to Grenville CFDC staff members and members of the Board of Directors during the selection process and therefore shall not be treated as confidential.

Bidders may be contacted and/or invited for interview with the evaluation team to provide clarification on their proposal. It is anticipated that the selection process will be completed on or before June 21, 2019. Evaluation and selection shall be solely at the discretion of Grenville CFDC.

Grenville CFDC reserves the right to:

- Decline any or all proposals
- Enter into negotiations with Bidders on any or all aspects of their proposal
- Cancel and/or reissue this request for proposals at any time *and*
- Retain all proposals submitted in response to this request for proposal.

The lowest or any proposal shall not necessarily be accepted.

9. CONFLICT OF INTEREST

By submitting a bid, the Bidder represents that there is no conflict of interest such that the firm has met all of the following conditions:

- No owner or employee of the firm is in receipt of a loan, loan guarantee or equity investment from Grenville CFDC
- No direct family member of an owner or employee of the firm is in receipt of a loan, loan guarantee or equity investment from Grenville CFDC
- No owner or employee of the firm is a guarantor for a loan client of Grenville CFDC
- No direct family member of an owner or employee of the firm is a guarantor for a loan client of Grenville CFDC
- No owner or employee of the firm is involved in a business partnership that is in receipt of a loan, loan guarantee or equity investment from Grenville CFDC

- No direct family member of an owner or employee of the firm is involved in a business partnership that is in receipt of a loan, loan guarantee or equity investment from Grenville CFDC
- No owner or employee of the firm has a significant business interest in an incorporated business that is in receipt of a loan, loan guarantee or equity investment from Grenville CFDC
- No direct family member of an owner or employee has a significant business interest in an incorporated business that is in receipt of a loan, loan guarantee or equity investment from Grenville CFDC
- No current or former public servant or public office holder, to whom the *Values and Ethics Code for the Public Service*, the *Values and Ethics Code for the Public Sector*, the *Policy on Conflict of Interest and Post-Employment* or the *Conflict of Interest Act* applies, would derive direct benefit from acceptance of the bidder's proposal, including any employment, payments or gifts, unless the provision or receipt of such benefits is in compliance with such codes and the legislation. Where an employee of the Bidder is either a current or former [in the last twelve (12) months] public office holder or public servant in the federal government, the Bidder shall disclose this in their bid and must demonstrate compliance with these codes and the legislation, if their proposal is selected.

Direct family member is defined as one or more of the following: parents, children, siblings, spouse. Spouse is defined as a partner, legal or otherwise who resides with an owner or employee of the firm.

Significant business interest is defined as the ownership, whether directly, indirectly or beneficially, of more than 10 per cent of the capital stock of the incorporated body, or shares or debentures to which are attached more than 10 per cent of the voting rights in the incorporated body.

10. PROPOSAL SUBMISSION REQUIREMENTS AND DEADLINE

The proposal is to be signed and submitted by regular mail, electronic mail or by hand delivery. The proposal submitted electronically to **hlawless@grenvillecfdc.com** is to clearly identify its contents in the subject line and is to request a read receipt. The proposal submitted by regular mail or hand delivery is to be enclosed in a sealed envelope clearly identifying the contents, and addressed and delivered to:

**Ms. Heather Lawless, Executive Director
Grenville Community Futures Development Corporation
197 Water Street, Suite 405, Box 309, Prescott, ON, K0E 1T0**

Proposals must be received by Grenville CFDC by **4:00 p.m. on Friday, May 17, 2019.**

All proposals submitted become the property of Grenville CFDC.