

REQUEST FOR PROPOSAL FOR EXTERNAL AUDIT SERVICES

1.0 BACKGROUND

1.1 Entity Requiring External Audit Services

This Request for Proposal is a call for external audit services for Community Living Hamilton (“CLH”).

1.2 General

Founded in 1953, CLH is a non-profit, charitable organization which provides support to individuals who have an intellectual disability. CLH IS governed by a volunteer Board of Directors consisting of family members and concerned members of the community.

Community Living Hamilton supports over 1,400 people with developmental disabilities such as Down Syndrome and Autism. We are the largest service provider in Hamilton for these individuals and their families, and we are one of the largest not-for-profits and registered charities in our community.

With over 250 staff members, 100 volunteers and valued community partners, we empower people with developmental disabilities to fully participate and contribute to their community. Together, we help build great lives. We encourage full inclusion through person-directed planning and promote independence and personal choice, so our clients can lead the lives they want.

Whether it’s living independently or in a group setting, working in competitive employment, or sharing in community activities, we are here to help people achieve their full potential and dreams.

Funders: Our main funders are MCCSS – Ministry of Children, Community and Social Services, FEDCAP, City of Hamilton and Ontario Health at Home.

Annual Budget- \$16.7 million

Number of Employees – Estimated at 250 (full time, part time and casual staff).

Location – Our head office is located at 191 York Boulevard, Hamilton Ontario

Our current auditors – HGK Partners LLP

The Finance Department reports directly to the Executive Director and is comprised of the following staff:

Director of Finance

Payroll Coordinator

Finance Coordinator

The financial and accounting records are maintained using Sage 300 accounting system and use ComVida for payroll.

1.3 Reporting Structure

The appointment of the auditor is done by the Board of CLH at the Annual General Meeting held in June, with a recommendation from the Finance Committee.

The auditor will deal directly with the Finance and Management staff of CLH regarding inquiries and to gain access to financial information. The audited financial statements will be reviewed by the representatives from the audit firm, management representatives, and the Finance Committee or designated representative (usually the Treasurer) before they are presented to the members at the Annual General Meeting.

2.0 REQUEST FOR PROPOSAL PROCESS

2.1 Proposal Submission

Proposals should be submitted electronically to:

Kemi Okwelum
Director of Finance
procurement@clham.com
905-975-3063

Or by mail:

Please include one (1) original signed proposal and six (6) copies of the proposal to the following address:

“PROPOSAL FOR EXTERNAL AUDIT SERVICES”
Community Living Hamilton
c/o Kemi Okwelum, Director of Finance
191 York Boulevard
Hamilton, Ontario
L8R 1Y6

Proposals must be received no later than February 15, 2025

Each copy is to include a cover that clearly identifies the audit firm responding. The table of contents must clearly cross reference the information contained in the submission to the RFP requirements in Section 4.

To be eligible to qualify as our external auditor, the following minimum requirements must be met:

1. The firm must have audit experience in the non-profit sector.
2. The firm must be a member of the Canadian Institute of Chartered Accountants and the Ontario Institute of Chartered Accountants.
3. The firm must have the capacity to conduct and manage an audit for a business our size as described on page 1.
4. The staff assigned to the Audit Team must be free from conflict of interest through business or personal relationship with members of CLH’s administration and/or Board of Directors.

A review panel consisting of the Finance Committee will participate in the process of selecting the external audit firm to which the engagement will be appointed (the “Firm”). The following criteria will be used to assess the applications and rank and evaluate the proposals:

1. Relevant experience and qualifications.
2. Audit approach and timeline.
3. Fee structure.
4. Understanding of the non-profit and MCCSS requirements.
5. References from similar engagements.

It should be noted that monetary consideration is not the primary criterion considered and the lowest priced proponent may not necessarily be selected.

After preliminary review of the proposals, a “short-list” of three (3) audit firms will be created. Representatives from those firms **may** be requested to make an oral presentation to the Finance Committee.

If requested to make an oral presentation, it is expected that the partner(s) and manager(s) who will be involved with the audit will be present to meet with the Finance Committee and make the presentation on behalf of the firm.

The most recent audited financial statements as at March 31st, 2024 can be found on posted on our website at: <https://communitylivinghamilton.com/wp-content/uploads/CLH-Financial-Statements-year-ended-March-31-2024-signed-1.pdf>.

2.2 Rights Reserved by CLH

Submission of a proposal indicates acceptance by the proposing firm of the conditions contained in this Request for Proposal (“RFP”) unless clearly and specifically noted in the proposal.

CLH reserves the right, without prejudice, to reject any, or all, proposals, and to determine in its own judgment the firm best qualified to undertake the external audit services.

CLH is not liable for any costs incurred by the proposing firms in the preparation of their responses to this proposal or attendance at any pre-submission or selection interviews.

CLH reserves the right to retain all proposals submitted.

2.3 Indemnification

The Firm awarded the work shall indemnify and hold harmless CLH, its officers, board members, partners, agents and employees from and against all actions, claims, demands, losses, costs, damages, suits or proceedings whatsoever which may be brought against or made upon CLH and against all loss, liability, judgments, claims, suits, demands or expenses which CLH may sustain, suffer or be put to resulting from or arising out of the Firm’s failure to exercise reasonable care, skill or diligence or omissions in the performance or rendering of any work or service required hereunder to be performed or rendered by the Firm, its agents, officials and employees.

2.4 Conflicts of Interest

Prior to accepting the assignment, all firms are required to disclose any potential conflict of interest to CLH.

2.5 Errors and Omissions

CLH shall not be held liable for any errors or omissions in any part of this RFP. While CLH has used considerable effort to ensure an accurate representation of information in this RFP, the information contained in the RFP is supplied solely as a guideline.

3.0 AUDIT SCOPE AND REQUIREMENTS

3.1 General

CLH intends to appoint external auditors for a 1-year term with the ability to extend the contract annually up to seven (7) years, subject to satisfactory performance.

3.2 Required Services

Required services are as follows:

- a) Express an audit opinion in accordance with Canadian generally accepted auditing standards on CLH's annual financial statements, as well as any required program-specific financial statements as requested from funding agencies. Draft financial statements are to be available before May 29th.
- b) Conduct a review of the segmented information of the Agency to be completed before May 29th.
- c) Complete special audit report required for the completion of the Annual Information Return to be submitted to the Ministry of Community and Social Services related specifically to Dedicated Supportive Housing funding. This is to be completed before August 1st.
- d) Conduct a review of the internal controls and processes and provide a Management Letter outlining improvements to internal controls and procedures of the Agency. To be completed before May 29th.
- e) Present the annual results to the Finance Committee or designated representative.
- f) Express an audit opinion in accordance with Canadian generally accepted auditing standards on the Annual Financial Statements of the Pension Plan of the Employees of CLH. Financial Statements are to be available before August 1st.
- g) Optional services – from time to time the Firm may be called on to give professional advice and provide additional services.

3.3 Annual Schedule

Before February 1st of each year, the Firm will contact the Director of Finance to discuss and agree upon:

- (a) A schedule for completion and audit of the financial statements for the current year;
- (b) A list of the necessary schedules, working papers analysis and other information to be prepared by CLH staff.

3.4 Qualified Statements

The Firm shall, immediately upon discovery of information or conditions which would otherwise lead to the inclusion of a qualified opinion with respect to CLH's financial statements, inform and fully discuss such matters with the Treasurer.

3.5 Confidentiality

No proposing firm shall have the right to review or receive any information with respect to a proposal, documentation or information submitted by any other proposing firm. The content of the proposal and all documentation and information shall be held in confidence by CLH subject only to the provisions of freedom of information and privacy legislation. All proposing firms will be notified, in writing, of the successful Firm's name and address only, after the award has been made.

The Firm shall not at any time before, during or after the completion of the engagement divulge any confidential information.

3.6 Evaluating the Firm's Performance

During the term of engagement, the Firm's performance will be evaluated based on the following criteria:

- (a) Persons assigned to the audit and on-site participation of the audit senior and/or manager. It is expected that the audit senior and/or manager will be present or available for consultation throughout the audit.
- (b) Performance in the manner proposed. It is expected that the audit will be carried out in the manner proposed.
- (c) Audit deadlines. It is expected that the audit will be completed within the time frames agreed to in the annual schedule.

4.0 PROPOSAL CONTENT

4.1 General

The proposal must, as a minimum, provide the information outlined below as well as any other information you judge relevant.

- a) A brief (not to exceed 2 pages) outline of services and activities that may be relevant to your proposal.
- b) Indicate the firm's experience in providing assurance services to not-for-profit clients. Provide the following information:
 - Number and type of current not-for-profit clients
 - Service(s) performed for each client
 - Number of years performed services for each client
- c) Audit Team Profile. Information should include the names of each staff member who would be assigned to the audit and their experience with similar audit engagements. Describe any specialized skills, training, and background in not-for-profit entities by assigned individuals.
- d) Audit Planning. Information should include the audit approach and ability to meet significant deadlines
- e) Audit Fee. The estimate for the annual audit fee should specifically address the following:
 - Audit of CLH's annual financial statements as at March 31
 - Audit planning, consultations with staff, and Management Letter
 - Audit of the Pension Plan of the Employees of CLH annual financial statements as at May 31
 - Presentation to the CLH Finance Committee
 - Incidental advice and assistance in accounting matters.

The above audit fee shall be submitted on the basis of the 2025/26 audit, together with an estimate of any adjustments that would apply in the subsequent years. Also to be included is the hourly rate and estimate of time spent on the audit by each staff level assigned and the hourly rates applicable to special projects requested by CLH. Out of pocket expenses (if any) should be stated separately from the audit fee.

4.2 Advisory Services and Publications

Information should be included in the proposal regarding any advisory services that may be available to CLH free of charge on "routine" matters. These may include staff assistance and/or publications relating to the economy, payroll tax, commodity and excise taxes, employee benefit plans, management, etc.

4.3 Other

Provide a brief explanation of why your firm should be selected (specific, detailed, verifiable information). Also, include comments on any ideas respecting the audit function that your firm believes CLH should consider.

APPENDIX A: SIGNING PAGE (TO BE RETURNED WITH PROPOSAL)

**COMMUNITY LIVING HAMILTON
AUDIT CONSULTING SERVICES REQUEST FOR PROPOSAL**

I/we declare that the undersigned is empowered by the proposing firm to negotiate all matters with representatives of Community Living Hamilton, relative to this proposal.

I/we the undersigned authorized signing officer of the proposing firm, hereby further declare that the proposal is made without connection, knowledge, comparison of figures or arrangement with any other company, firm or persons making a proposal and is in all respects fair and without collusion for fraud.

Company name:

Name of person completing this form:

Address:

Phone:

Fax:

Email:

Signature:

Title:

Date:

Note: Failure to sign and return this page will result in non-acceptance of this proposal.