McMaster Association of Part-time Students
(the Association)

REQUEST FOR PROPOSAL #2013-10-01
EXTERNAL AUDIT SERVICES
For Fiscal YEARS 2013 and 2014

The deadline for RFP submissions is 4:30pm Friday, October 25, 2013.

Proposals may be delivered by sealed envelope (with the contents clearly indicated) or submitted by electronic mail (Subject Line should include RFP proposal number), to the Association as indicated below.

Proposals are subject to the terms and conditions contained in the requirements document and all other attachments provided in the request for proposal package, as posted on MERX.com. MAPS reserves the right to accept or reject all or part of any proposal and to accept the proposal that serves the best interests of the corporation. This may not necessarily be the proposal with the lowest bid.

Please submit your proposal and/or direct inquiries to:

Contact
Kyle Johansen
Executive Director
(905)525-9140 x23884

Proposals by courier
McMaster Association of Part-time Students
MUSC 234
McMaster University
1280 Main Street West
Hamilton ON L8S 4S4

Proposals by email
JohanSKT@McMaster.ca
1 INTRODUCTION

In existence since 1979, and incorporated since 1997, the McMaster Association of Part-time Students (MAPS) represents the interests of the 6,000 plus students studying at McMaster University on a part-time basis. MAPS is in the midst of a governance and operations management transformation in response to a university review of its operations. The new governance and operations framework will be largely in place in our last fiscal quarter of 2013.

As part of our ongoing drive to be leaders in accountability and transparency, MAPS is tendering all significant contracts to ensure the Association has the benefit of knowing the availability of service options. The tender for audit services is anticipated to occur every two years.

The fiscal year of the Association ends on December 31st.

Historical information on the Association’s finances are online at www.McMaster.ca/Maps

2. SCOPE OF AUDIT SERVICES

MAPS is requesting proposals from Chartered Accountancy firms (firms) in Ontario to provide the following services:

- An audit of the financial statements prepared by management and an opinion on those statements
- A management letter addressing significant findings
- Presentation of the Audited Statements to the Board of Directors
- Preparation of all related tax and financial filings necessary for a not-for-profit corporation at fiscal year end
- Periodic clarification of accounting standards

Additionally, the Association would like an opinion from each respondent regarding the appropriateness and value of financial audits once per fiscal quarter, and if recommended:

- Provide an estimated cost for this level of service
- How quarterly audits would affect the timing and costs of the year-end audit.
3. ADDITIONAL SERVICES

The Firm may from time to time be engaged to conduct other services on an ad hoc basis. These services would be considered a separate engagement, the scope of which would be defined separately at that time.

4. TERM OF CONTRACT

The term of the Contract shall be for two years (fiscal 2013 and 2014), with two potential one year extensions.

5. TERMINATION OF CONTRACT

The contract can be terminated by either party with 60 day’s written notice.

6. AMENDMENTS BY RESPONDENTS

No amendments will be accepted to proposals once submitted, unless specifically asked for by the Association.

7. AMENDMENTS TO THE RFP

The official RFP, requirements documents and any amendments will be those that are posted by the Association on MERX.com. Contact information for inquiries is provide page 1 of this document.

8. FIRM’S COST

Any costs or expenses incurred by any Firm in relation to this request for proposal, or the negotiation of services as a result of this request for proposal are the responsibility of the Firm, regardless of circumstance.
9. CAPACITY TO PERFORM

MAPS expects that any Firm that submits a proposal has the ability, experience and necessary resources to provide the services described successfully and on time. Satisfactory evidence, which may include furnishing references from the clients that are similar to MAPS (in terms of size, non-profit status, member-driven, student government and others) may be requested.

Normally, the appointment of auditors is done by the Membership. This year, a one-time delegation of authority will be sought for the Board of Directors to appoint the auditors, subject to the outcome of this RFP process. Firms should be ready to immediately assume the role of Auditor for the Association and be able to conduct the 2013 year in audit in early 2014.

10. REJECTION OF PROPOSAL

MAPS reserves the right to reject any or all of the proposals at its sole discretion for any reason.

11. CONFIDENTIALITY OF INFORMATION SUBMITTED

Proposals and any other information submitted in relation to this request for proposal are the property of MAPS. All proposals will be treated confidentially, subject to law.

12. SUBMISSION FORMAT

Submitted proposals should address:

- The Firm’s understanding of the scope of our audit requirements
- The Firm’s audit approach and how that approach has worked with other organizations similar to ours
- Relevant experience and qualifications of the Engagement Team that will conduct the audit
- Profile and operating philosophy of the Firm.
- Information on the proposed engagement team.
- Overview of the approach to be used
• A proposed work plan for the completion of the Audit
• Reporting mechanisms/outputs
• A firm quotation, for each audit year, of the estimated cost for completion of the audit, including the hourly or per diem rates for each member of the engagement team, expenses, disbursements, taxes or for the completion of work not outlined in the scope of services.
• A summary of related experience in audit, accounting and control review engagements complete with a list of references including corporate name, contact name, phone number, services provided, years of service, and any other relevant information.

13. CONFLICTS OF INTEREST

Proposals should disclose any known, perceived or potential conflicts of interest that may impair the Firm's professional judgment or objectivity, or which, in the view of a reasonable third party may have that effect.

14. NON-ASSIGNMENT

Once appointed as auditor, the Firm may not assign this contract or any part of the work to be done under this contract without written consent from MAPS. If MAPS agrees to any assignment, the Firm is not relieved of its liabilities and obligations as auditor.

15. AMDENDMENTS

The terms of this engagement and any amendments made to it, shall be in writing.

16. NEGOTIATIONS

Once MAPS has reviewed all submissions, it may undertake negotiations with selected respondent(s) to refine the details of the contract for the proposed audit services outlined in this RFP. This may include adding, deleting or modifying the requirements.
Upon agreement of mutually acceptable terms, the Firm shall issue a contract and engagement letter for signature. Should there be no such agreement, or if the Firm fails to provide a contract and engagement letter, MAPS may accept another proposal or seek new proposals.

18. NATURE OF SERVICES REQUIRED

In addition to the services indicated in Section 2, the Association requires the Engagement Team to present a management letter and audit findings, including management feedback, to the Board of Directors. The management letter will address, as necessary, identified issues and concerns related to internal accounting controls, operational controls and/or other matters of material importance with respect to the Association. The Engagement Team will also provide recommendations for corrective action for issues identified.

The Engagement Team may be asked to attend meetings of the Board of Directors, as reasonably required, to discuss their work and reports and provide additional information to the Board to enhance Board members’ understanding of matters relating to the financial statements.

19. REPORTS

For each year-end audit of the financial statements completed, the Engagement Team will issue all necessary reports to fulfil the requirements of Sections 2 and 18.

20. PERFORMANCE EVALUATION

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

a) Timely identification and effective and efficient resolution of audit issues.

b) Timeliness and soundness of advice on accounting and internal control matters.

c) On site performance of staff assigned to the audit.

d) Performance in the manner proposed in the Firm’s Proposal.

e) Adherence to mutually agreed deadlines.
f) Suggestion of best practice models.

21. AUDIT DEADLINES

The Audited Financial Statements are approved by the Membership at their Annual Meeting in late February / early March. The audit must be completed in time for it to receive Board approval and be distributed to the Membership and posted on the Association’s web site.

22. EVALUATION CRITERIA:

Each proposal will be evaluated as follows:

- Firm has no conflicts of interests (pass/fail)
- Firm is licensed to practice in Ontario (pass/fail)
- Experience and qualifications of the Firm. 20%
- Experience of staff to be assigned. 20%
- Audit approach. 20%
- Internal control review approach. 20%
- Fees. 20%

Quoted fees will provide for all work associated with the issue of the audited financial statements, management letter and other reports as required.