

Request for Proposal

Audit Services



May 20, 2021

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Purpose

The College of Physicians & Surgeons of Alberta (CPSA) is seeking proposals for Annual Audit Services.

The contract term for Audit Services is for CPSA's 2021 fiscal audit year, which runs from **January 1 – December 31**. There is the option to extend the contract for up to six additional years at CPSA's discretion.

This document contains background information on CPSA and specific requirements for proposal submissions.

Deadline for proposal submissions is **4:00 PM, Tuesday, June 14, 2021**. Please send your submission to:

College of Physicians & Surgeons of Alberta
2700, 10120 – 100 St NW
Edmonton, AB
T5J 0N3
Attn: Gladys Smecko, CPA, CGA
Senior Accountant

College of Physicians & Surgeons of Alberta

Our Organization

CPSA is responsible for the regulation of the medical profession in Alberta. The main lines of business include:

- Register physicians and physician assistants
- Support continuing competence
- Investigate and resolve physician and physician assistant-related complaints
- Contribute to public policy affecting health care delivery
- Accredite health facilities
- Guide professional conduct and ethical behavior

CPSA's web site is cpsa.ca

CPSA currently operates under the authority of the *Health Professions Act* and applicable regulations and bylaws.

CPSA's governing Council includes physician members, public members and representatives from Alberta's medical schools. Physician members are elected annually by Alberta doctors, while public members and medical school representatives are appointed. CPSA staff, the majority are located in Edmonton, number approximately 155. The Chief Executive Officer, who carries the title Registrar, is Dr. Scott McLeod.

Our Vision

The highest quality medical care for Albertans through regulatory excellence.

Our Mission

To protect the public and ensure trust by guiding the medical profession.

Project Definition

Introduction

The College of Physicians & Surgeons of Alberta (“CPSA”) is soliciting proposals for Annual Audit Services.

The contract term for Audit Services is for CPSA’s 2021 fiscal audit year, which runs from **January 1 – December 31**. There is the option to extend the contract for up to six additional years at the CPSA’s discretion.

This document contains background information on the CPSA and specific requirements for proposal submissions.

Project Sponsor

The Finance and Audit Committee of the College of Physicians & Surgeons of Alberta (FAC)

Business Sponsor

Tracy Simons, CPA, CA
Chief Financial Officer
College of Physicians & Surgeons of Alberta

Deliverables

The selected audit firm is responsible for, but not limited to:

- Audit CPSA’s annual financial statements in compliance with Canadian Accounting Standards for Not-for-Profit Organizations and the expression of an audit opinion upon completion.
- Audit CPSA’s annual summarized financial statements, included in the CPSA’s annual report.
- Report audit findings to the Chief Financial Officer and/or Senior Accountant/Financial Analyst throughout the audit engagement.
- Attend meetings with the Chief Financial Officer as required.
- Provide a management letter every year outlining the audit results noting any significant discrepancies or suggestions for improvement.
- Audit CPSA’s registered defined benefit pension fund in accordance with *EPPA* Update 14-04 which allows the preparation of financial statements in accordance with Canadian generally accepted accounting principles for pension plans, excluding recognition and disclosures of pension obligations.
- Assist with the financial statements which may include preparing adjusting journal entries (in consultation with management) and drafting and formatting financial statement notes.
- Present the audit plan and final audit findings to CPSA’s Finance & Audit Committee (FAC) each fiscal year.
- Provide additional audit and accounting services as required.

Major Phases and Activities of the Project

The following audit schedule is required for each year of the agreement, except as agreed by the CPSA:

CPSA financial and pension fund audit schedule

Planning meeting with the Chief Financial Officer	October
Present audit plan to FAC committee	1 st week in November
Interim audit field work	2nd week of December
Year-end audit field work	First three weeks of March
Draft Audit Report, Financial Statements and Management letter	Due March 31
Present audit reports and management letter to FAC	Mid-April
Final approval of audited financial statements by CPSA Council (presentation may be required)	End of May

Other Resources

CPSA is responsible for the year end close and will assist the auditor by preparing a full set of working papers, schedules, a trial balance and supporting documents in a timely manner.

Computer Systems

- Microsoft Dynamics GP 2016 accounting software
- CoreIntegrator for vendor invoice approval and document storage
- Database of the College (DOC) SQL database for customer database
- Criterion (time management, human resource, and payroll)

Statistics based on 2020 activity

- Total revenues of \$36 million and total assets of \$81.8 million
- Approximately 1300 active ledger accounts
- Defined benefit pension plan (soft close as of Dec 31, 2020), and defined contribution plan as of Jan. 1, 2021. Total defined benefit pension assets of \$49.7 million
- Approximately 155 active employee records with semi-monthly payroll.

Proposals

The following information must be included in your firm's proposal to CPSA:

Firm Expertise

Describe your firm's expertise, qualifications and experience including:

- Number of clients;
- Type of clientele (defined by industry and size of portfolio);
- Number of staff in the Edmonton office;
- Audit team turnover rate;
- Discussion of your customer service philosophy; and,
- Relevant experience with similar not-for-profit organizations including a list of not-for-profit clients.

Firm Resources

Describe the proposed audit team and the audit approach including:

- Expertise, qualifications and experience of each person who would be providing services to CPSA, including the proposed role of each individual;
- Frequency of reporting to clients (e.g.: monthly, quarterly);
- Confirmation of availability of appropriate staff during the audit period required;
- Continuity of team performing the audit from year to year;
- Commitment to the terms of the request for proposal; and
- Technology used in your audit.

Describe any management or administrative support that would be part of the firm's services to CPSA.

Other Services

Describe any additional services that may be of benefit to CPSA. Include experience in providing these services and any additional cost.

Pricing Information

The proposals must include a detailed description of the basis for the charging of fees and expenses associated with the audit including:

- Estimate of the total hours of work required to complete the audits and a proposed schedule of billing dates;
- Provide budgeted hours for audits and rates for the fiscal year 2021 audit services, with whatever guarantees can be given regarding increases for the following two years;
- Furnish standard billing rates for classes of professional personnel for the last three years;
- Fixed fee quotes for CPSA's financial audit (including summarized audited financial statements) and the Pension Fund audit;
- Value added services bundled with the audit service fees;
- Strategies to familiarize the audit team with CPSA's operations;
- Strategies to minimize audit team staff costs while maintaining audit team continuity and providing an appropriate level of partner/senior management involvement in the audit; and,
- Extra billing practices.

Conflicts of Interest

The proposals must identify any potential conflicts of interest known to the firm that may affect the provision of services to CPSA.

References

Please include three references. References for similar audits and/or organizations similar to CPSA are preferred.

Proposal Process

Schedule

May 20, 2021	RFP will be made available to firms.
June 1, 2021	Firms to submit questions for CPSA regarding the RFP.
June 14, 2021	All proposals must be submitted to CPSA by 4:00 p.m.
June 15 – 30, 2021	Internal screening of proposals. CPSA will develop a short list of at least two firms whose references will then be contacted.
August 4, 2021	Short-listed firms will present their proposal in a virtual session to the Finance & Audit Committee
August 18, 2021	Selection of the successful firm will be made and negotiation of terms of engagement undertaken. Other short listed firms will be notified.
Fall 2021	The successful firm will start the project.

Proposal Requirements

Proposals must not exceed 15 pages in length, including all attachments and appendices.

Proposals are to be submitted in PDF format directly to CPSA via email, addressed to Gladys Smecko at Gladys.Smecko@cpsa.ab.ca.

Selection Criteria

Proposals will be evaluated against the following criteria:

Criteria	Weighting
Proposed fees and costs	1/3
Firm's understanding of the scope of the proposed professional services as evidenced by the proposal submitted, including the firm's standards and audit approach, technology used in the audit, and the firm's ability to provide additional services to CPSA such as GST advice	1/3
Background and experience of the firm in providing similar services as well as specific background, education, qualifications and relevant experience of key personnel assigned to the account	1/3

Those firms whose proposals are selected for further consideration will be asked to present their proposal and/or answer questions in advance of our final selection.

CPSA will not necessarily select the lowest cost proposal.

Proposal Conditions

Contingencies

This Request for Proposals (RFP) does not commit CPSA to award a contract. CPSA reserves the right to accept or reject any or all proposals or waive irregularities if CPSA determines it is in the best interest of CPSA to do so.

Acceptance or Rejection of Proposals

Proposals shall remain open, valid and subject to acceptance anytime up to three months after the proposal opening date and time. CPSA realizes that conditions other than lowest cost are important and will award contract(s) based on the proposal(s) that best meet the needs of CPSA.

Modifications

CPSA reserves the right to issue addenda or amendments to this RFP.

Proposal Submission

To be considered, all proposals must be submitted in the manner set forth in this proposal. It is the Proposer's responsibility to ensure that its proposal arrives on or before the specified time.

Incurring costs

This RFP does not commit CPSA to pay any costs incurred in the preparation of a proposal in response to this request and Proposer agrees that all costs incurred in developing its proposal are the Proposer’s responsibility.

Negotiations

CPSA may require the firms selected to participate in negotiations, and to submit cost, technical, or other revisions of their proposals as may result from negotiations.

Final Authority

The final authority to award contracts as a result of this RFP rests solely with CPSA.

Contact Information

All inquiries should be directed to the following individual:

Gladys Smecko, CPA, CGA
Senior Accountant
College of Physicians & Surgeons of Alberta
2700, 10120 – 100 St NW
Edmonton, AB
T5J 0N3

Email: Gladys.Smecko@cpsa.ab.ca
Phone: 780-969-4902

Appendix 1

Available upon request:

- CPSA Audited Financial Statements December 31, 2019
- CPSA Audited Summarized Financial Statements December 31, 2019
- CPSA Pension Fund Audited Financial Statements December 31, 2019