



LEADERSHIP, ADVOCACY AND SERVICE FOR MANITOBA'S PUBLIC SCHOOL BOARDS

**Request for Proposals
Financial Audit Services
for the
Manitoba School Boards Association**

Issue date: August 24, 2018

Closing date and time: 4:00 pm local time, September 25, 2018

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www.mbschoolboards.ca

Introduction:

The Manitoba School Boards Association (the Association) is inviting proposals for the preparation of its annual audit of financial statements and related tax filings for the initial audit with a fiscal year ending June 30, 2019. The Association is also inviting proposals for audits and related tax filings for the six separate programs and legal entities as listed in Appendix A.

For greater certainty, this would entail proposals for the Association and six separate additional audits. These programs and entities are governed by separate Trust Agreements that allow for independent appointments of auditors, so contracts for the Association and the related programs and entities may not all be awarded to the same firm.

Audits must be planned and executed in accordance with Canadian generally accepted auditing standards. Audits will result in an opinion to the Association Executive as to the fairness of the annual financial statements and related schedules. The Auditor should have experience and expertise in performing not-for-profit audits, be free of any obligations or interest that may conflict with their ability to act as the Auditor for the Association, and have the capacity to provide this service within a schedule agreeable to the Association. Further information regarding company policies and beliefs can be found on the company website at www.mbschoolboards.ca, under: About → Governance

Background information:

The Manitoba School Boards Association is governed by *the Manitoba School Boards Association Act*. Its objectives are to promote and advance the cause of education in the Province of Manitoba.

The Association also administers the following programs requiring audits:

- Manitoba Schools Insurance Program – Property, and
- Manitoba Schools Insurance Program – Liability
 - Both are loss-pool programs to participating school divisions in Manitoba, and are run in coordination with the Western Financial Group Insurance Solutions
- Manitoba School Boards Association Universal Standards Trust Fund, which assists participating school divisions in paying legal costs related to labour relation matters.

The funds of these organizations are held in trust by the Association and are not reflected on the statement of financial position of the Association, however the interest earned on the Manitoba Schools Insurance programs is included in the statement of operations.

The Association manages the following separate legal entities requiring audits and tax filings:

- Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba,
- Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba -Administration Fund, (both governed by a board of Pension Trustees)
- Child Nutrition Council of Manitoba (governed by the Child Nutrition Council)

Awarding of Contract:

Proposals are not accepted on a basis of cost alone. Consideration will be given to audit firms with experience in completing not-for-profit audits of similar size and scope.

Notice in writing to the successful firm(s) of its Proposal and the appointment of auditors shall constitute the making of the Contract for Services.

Services:

The Auditor will be required to examine the financial records, systems and controls of the Association and related programs in accordance with Canadian generally accepted auditing standards, and to provide written audit reports with an audit opinion on the consolidated financial statements as prepared by the Auditor. The firm is required to prepare all related annual tax-filings with the Canada Revenue Agency. The Auditor will be required to attend a meeting with the Audit Committees of the Association and related programs annually to present and explain as necessary the audit report.

Proposal requirements:

A covering letter shall be provided with the proposal clearly stating the accounting firm's understanding of the services to be provided.

Proposals must include the following information:

- **Firm profile:** a brief profile of your firm indicating the scope of its practice, the range of activities performed by your firm. Disclose any possible conflict of interest of the senior auditor and audit firm.
- **Insurance:** proof of Professional Liability Insurance equal to or exceeding the mandatory insurance requirements established by the Chartered Professional Accountants of Manitoba Bylaws.
- **Partner and Audit staff:** Identify the Partner who would be in charge of the audits. Include a brief resume of the partner(s), supervisor(s) and other key staff who would be assigned to this audit.
- **Experience:** Describe your familiarity and experience with not-for-profit association audits.
- **Audit implementation:** Clearly show your firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the annual schedule (Appendix A). This would include the approach to be used to gain an understanding of the Association's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the initial and annual audits.
- **Other services:** Description of non-auditing professional services provided to other not-for-profit firms as well as any specific pricing structure for such services. Could include regular bulletins regarding audit and accounting standards developments, professional development events, etc.
- **Fee proposal:** Include your firm's audit fees. Include hours, rate and net fee for all partners, managers, and support staff as well as other disbursements. List these fees separately for each of our different programs as found in the appendix.
- **References:** Three references in the not-for-profit industry for which you have performed audit services within the last three years. Include the number of years you have provided the services, and a contact name, telephone number and email for each reference.

Proposal Evaluation Criteria:

Proponents must meet the following requirements to be considered for further evaluation:

- 1) Proposal completed and signed by a person authorized to bind the firm to statements made in the submission.
- 2) Proposal is received at the closing location by the specified closing date and time.
- 3) The following criteria will be used to review all proposals:
 - a. Understanding of engagement, audit implementation
 - b. Experience with Not-for-Profit industry audits
 - c. Audit firm personnel qualifications and experience
 - d. Other services
 - e. References
 - f. Audit fee

Financial statements for the Association and programs will be provided on request. Please contact Kelly Henderson at 204-594-5165 or khenderson@mbschoolboards.ca to obtain a pdf copy of each financial statement.

Submission of Proposals:

Please submit your proposal in a sealed envelope, clearly marked "Proposal for Audit Services" by courier, in person, or by email to:

Kelly Henderson, Manager Finance and Administration,
Manitoba School Boards Association,
191 Provencher Blvd,
Winnipeg, Manitoba, R2H 0G4
khenderson@mbschoolboards.ca

Submissions must be received prior to 4:00 pm on September 25, 2018.
All proposals received after the deadline will not be considered.

Should you have any questions, please contact Kelly Henderson at 204-594-5165.

Appendix A:

Annual schedule of year-end dates, audit schedules and tax filings for the Association and related programs and entities:

Manitoba School Boards Association (www.mbschoolboards.ca)

- Annual Budget between \$3M-\$5M.
- Year end is June 30th
- SAGE300 accounting system is used for all programs.
- Preferred audit dates are in early-August annually
- Senior Audit Partner's attendance is required at September Executive meeting to present audit findings report and for an independent meeting with the audit committee.

Manitoba Schools Insurance–Property and Liability

(http://www.mbschoolboards.ca/documents/exManualFOR_WEB.pdf -Executive Manual, Section D, pg 4)

- Annual Revenue between \$3M-\$5M
- Two separate programs, year-end of June 30, requiring their own audited financial statement.
- Programs are run in coordination with Western Financial Group Insurance Services.
- Audit is performed at the same time as Association audit in early-August.
- Annual meeting attendance by Audit representative is required in October to present audit findings report to the committee.

Manitoba School Boards Association Universal Standards Trust

(http://www.mbschoolboards.ca/documents/exManualFOR_WEB.pdf - Executive Manual, Section D, pg 5)

- Annual Revenue \$100-200K
- A fund to assist participating school boards in paying the legal costs related to Labour relation matters, which may affect other school boards.
- Year-end is December 31.
- Preferred audit dates are mid-January
- Auditor attendance is required at February meeting to present audit findings report.

Manitoba School Boards Association Pension Plan and Pension Administration Fund.

(www.mbschoolpension.ca)

- Two separate programs, year-end of December 31, each require their own audited financial statement
- Administration fund has an annual budget of \$3-\$5M annually
- Pension plan is a defined contribution plan
- Plan has assets of over \$590M with 33 participating employers
- The Pension Plan and Administration fund are governed by a board of Pension Trustees
- Preferred audit dates are late-March or early-April annually
- Audit Partner attendance is required at an annual meeting in May to present audit findings report.

Child Nutrition Council of Manitoba (www.childnutritioncouncil.com)

- A not-for-profit charitable organization providing nutritional funding to school age children in Manitoba, with a March 31 year end date
- Financial statement audit and Charitable Return completion are required
- Annual budget \$1M-\$2M
- Preferred audit dates are early May annually
- Financial statements are provided to the Manager of Finance & Administration to present to committee members.