



Request for Audit and Accounting Services
2023, 2024, 2025 Financial Audit of Deer Lake Regional Airport Authority
Inc.

Closing Date and Time

Date: January 15th, 2023

Time: 4:00 pm NST

Contact Person:

Tammy Priddle, President and CEO

Email: info@deerlakeairport.com

A. Intent and Background Information

Deer Lake Regional Airport Authority Inc. (*herein referred to as DLRAA or the organization*) invites proposals from suitable qualified auditing firms for the provision of audit services to the organization for the fiscal period ending November 30th, 2023, November 30th, 2024 and November 30th, 2025 subject to annual appointment by the Board of Directors with possibility of extension.

The audit must be planned and executed in accordance with the Canadian Auditing Standards (CSA) and the provisions of the Canada Not-for-Profit Corporations Act and shall result in an opinion to the DLRAA Board of Directors as to the fairness of the financial statements in respect of the financial position of the organization.

DLRAA is a not-for-profit airport authority with a vision to be a leading regional airport in Canada, maximizing connections, opportunities and travel journeys for people, businesses and the communities we serve. With that vision in mind, we aim to deliver exceptional airport services and facilities, enhance all customer and partner experiences, and generate economic activity for our region.

B. Definitions and Administrative Requirements

I. Definitions

Throughout this Request for Proposal, the following definitions apply:

“Auditor” means the successful Proponent to this Request for Proposal.

“Audit Services” means the financial audit of and resulting opinion on the annual financial statements of DLRAA.

“Board” means DLRAA Board of Directors.

“CAS” means Canadian Auditing Standards.

“NFP” means Canada Not-for-Profit Corporations Act.

“Must”, “shall” or “mandatory” means a requirement that must be met in order for the proposal to receive consideration.

“Proponent” means an individual or a firm that submits, or intends to submit, a proposal in response to this Request for Proposal.

“Proposal” means a submission in response to this Request for Proposal.

“RFP” means Request for Proposal.

“Services” means the works requested to be performed as per this RFP.

“Should” or “may” means a requirement having a significant degree of importance to the objectives of the Request for Proposal.

II. Proposed Schedule

Issue date for RFP	December 1 st , 2022
RFP Closing Date	January 15 th , 2023
Appointment of Auditor at AGM	April 5 th , 2023

The schedule for the Financial Audit will reflect a format similar to above.

III. Term

The term of the proposed engagement will be for audit services for three years, the year ending 2025.

November 30th, 2023, November 30th, 2024 and November 30th, 2025 with possible renewal in subsequent years subject to approval by DLRAA’s Board of Directors at each year’s Annual General Meeting (AGM).

In addition, other accounting services maybe required throughout the term on an as needed basis.

IV. Acceptance of Proposals

DLRAA reserves the right to reject any and all Proposals for any reason or to accept any Proposal in whole or in part on the basis of the Proposals received which DLRAA in its’ sole unrestricted discretion, deems to be the best value for the Organization. The proposal offering the lowest bid may not necessarily be accepted.

Proposals will be assessed in accordance with the evaluation criteria and DLRAA is under no obligation to accept further information, whether written or oral, from any Proponent.

DLRAA reserves the right to enter negotiations with one or more Proponents concerning the terms and conditions of the Services to be provided, and expressly reserves the right through such negotiations to request changes, alterations, additions or deletions from the terms of any Proposals received.

Proponents acknowledge DLRAA’s rights under this clause and absolutely waive any right of action against DLRAA for the Organization’s failure to accept

their Proposals whether such right of action arises in contract, negligence, bad faith or any other cause of action.

The acceptance of any Proposal is subject to approval by the Board of Directors.

V. Proponent's Expenses

Proponents are solely responsible for their own expenses in preparing their proposals. If DLRAA elects to reject all proposals, the Organization will not be liable to any Proponent for any claims for costs or damages incurred by the Proponent in preparing the proposal, loss of anticipated profit in connection with a final engagement, costs for returning unopened proposals, or any matter whatsoever.

VI. Ownership of Proposals

All documents, including Proposals, submitted to DLRAA become the property of the Organization. Each Proposal should clearly identify any information that is considered to be confidential or proprietary information.

DLRAA reserves the right to make extra copies for utilization during the evaluation process only.

VII. Confidentiality of Information

This document, or any portion thereof, may not be used for any purpose other than the submission of Proposals. Information pertaining to DLRAA obtained by the Proponent as a result of participation in this process is confidential and must not be disclosed without written authorization from the Organization.

VIII. Proposal Submission

A Proposal in electronic form must be submitted with the name and address of the Proponent and the title "Proposal - DLRAA Professional Audit Services" clearly marked in the subject line.

Proposals must be received no later than 4:00 p.m. Newfoundland Standard Time on January 15th, 2023 to info@deerlakeairport.com

Proposals that are improperly signed, conditional, illegible, obscure, contain arithmetical errors or irregularities of any kind may, at the discretion of DLRAA, be declared disqualified.

Late proposals will not be accepted and will be destroyed upon receipt.

Proponents shall be solely responsible for the delivery of their Proposals in the manner and time prescribed. All submissions must be delivered according to the instructions herein.

IX. Inquiries

All inquiries related to this RFP are to be received by 2:00 p.m. three days before the stated Closing date and are to be directed to:

Tammy Priddle, President and CEO

Email: info@deerlakeairport.com

Tel.: 709-635-3601

Information obtained from any other source is not official and should not be relied upon. Prior to closing, Proponents must not establish contact with anyone inside DLRAA regarding this Request for Proposal, other than the representative identified above, without that representative's permission.

X. Addenda

Addenda may be issued during the Proposal period in response to queries received. DLRAA reserves the right to share, at its sole discretion, with all Proponents, all questions and answers related to this proposal.

Addenda, if issued, will be in electronic format to all Proponents who have received RFP packages.

All addenda must be considered and acknowledged when responding to this RFP. Verbal answers are binding only when confirmed by written addenda.

C. Scope of Services and General Information

I. Services

The Services required include performing an annual audit in accordance with generally accepted auditing standards and the provisions of the Canada Not-for-profit Corporations Act which includes advice on internal controls and related procedures.

The Auditor will be required to produce Financial Statements and Notes based on the Trial Balance, as prepared by DLRAA that are addressed to the members of the Board. The Auditor may be required to attend a meeting with the Board to present and explain as necessary the Financial Statements and Notes.

In addition, the Auditor is required to provide a management letter addressed to the Board of DLRAA outlining the results of the audit with any noted significant discrepancies or suggestions for improvement.

Communication will be held with the Board, or designated representatives of the board, which may include attendance at meetings with respect to the audit planning, audit outcomes and financial statement interpretation, as requested by the Organization or as required by CAS guidelines.

All works required by the auditors in preparing the Auditor's reports will be compliant with CAS.

Draft Auditors' Financial Statements and report(s) are to be issued no later than 90 days from year end. The final Financial Statements and Management letter provided no later than 14 days prior to the AGM. The AGM is held as per the Bylaw's no later than 135 days from year end.

The Auditor will ensure all new reporting requirements and auditing standards are communicated to DLRAA, in writing, with specifics on what is required of DLRAA to ensure that financial statements and notes prepared by management prior to the audit are in compliance with current reporting requirements and auditing standards.

The Auditor will engage with DLRAA's management team and designates regarding auditing, tax and other issues arising throughout the year. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing or that the Organization's staff would be advised of any additional charges prior to such services being provided.

An audit schedule will be required for each year of the agreement outlining the key deliverables including, but not limited to: pre audit meeting with staff, audit plan and schedule, completion of draft Financial Statements and draft Management Letter, and submission of final Financial Statements, Management Report and Auditor's Report.

II. Qualifications

The successful Proponent will:

- a. Meet the requirements as laid out in s. 180(1) of the Canada Not-for-profit Corporations Act.
- b. Be registered with the Association of Certified Public Accountants.

- c. Have experience in non-profit association audits and demonstrate comprehensive knowledge of the Canada Not-for-profit Corporations Act financial reporting requirements and guidelines.
- d. Have well developed, professional auditing techniques and processes and a sound system of control and review of audit performed.

III. Proposal Content and Cost of Services

The Proposal must include:

- a) A covering letter stating the Proponent's understanding of the services to be provided, signed by a person authorized to bind the Proponent.
- b) A brief profile of the Proponent's firm indicating the scope of its practice and range of activities performed as well as identifying key personnel assigned to complete the audit.
- c) An estimate of the total hours of work required to complete the audit, and a proposed schedule of billing dates.
- d) Other identified additional costs or disbursements, and how these will be charged.
- e) An all-inclusive maximum cost for the requested work outlined for audit services.
- f) A pricing structure for extra services.

In addition, DLRAA welcomes Proponent's comments on:

- a) Innovative ways to reduce audit fees and streamline the audit process.
- b) An approach to fee negotiation for additional or unplanned audit work.
- c) Strategies to familiarize the audit team with the operations of DLRAA.
- d) Strategies to maintain continuity of the audit team and provide an appropriate level of partner/senior management involvement in the audit, while minimizing audit team staff costs.

IV. Software and Statistics

- a) Financial Software: Quick books Desktop
- b) Payroll: 20 full-time employees, 1 part-time employee and up to 6 part-time seasonal employees.
- c) Income: primary streams include: aeronautical, non-aeronautical, revenue from federal and provincial government grants/programs and tenant agreements.
- d) Expenses: generally comprised of operational/administrative costs, capital expenditures, consulting fees, staffing fees, marketing activities, partnership fees and travel costs.
- e) Annual Budget: ranges from \$4,000,000-\$5,000,000 per year on average.

V. Disclaimer

The information contained in this RFP is supplied solely as a guideline for Proponents and is not guaranteed or warranted by DLRAA to be accurate, nor is it necessarily comprehensive or exhaustive.

Each Proponent is responsible to review and understand the terms and conditions of this RFP, and the Scope of Services being requested.

DLRAA will not be responsible for any loss, damage or expense incurred by a Proponent as a result of the inaccuracy or incompleteness in this RFP, or as a result of any misunderstanding or misinterpretation of the terms of this RFP on the part of the Proponent.

This RFP, any Proposal, the resultant Agreement and any related contracts shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the applicable federal laws of Canada. Each party irrevocably and unconditionally accepts the exclusive jurisdiction of the Provincial or Federal Courts located in the Province of Newfoundland and Labrador for the purpose of any action or proceeding brought by either party.

D. Engagement Conditions

I. Awarding

Notice in writing to the successful Proponent of the approval of its Proposal will occur on approximately January 30th, 2023.

An engagement letter satisfactory to the parties and setting out the requirements based on this RFP and the Proposal and signed by both parties after the appointment shall constitute the making of the Contract for Services. The awarding of a contract will not permit the successful Proponent to advertise the relationship with DLRAA without DLRAA's prior authorization.

II. Term

It is expected that the successful firm will be the auditors of DLRAA for three years including the year ending November 30th, 2023, November 30th, 2024, November 30th, 2025 subject to the appointment by the Board of Directors with possibility of extension.

III. Insurance

The Auditor shall maintain professional liability insurance with respect to professional liability as required and specifically named for the Services, including errors and omissions, with a limit of not less than \$1,000,000.00 per occurrence with respect to the Services alone.

The Auditor shall, from time to time at the request of DLRAA provide to the Organization proof satisfactory, that such policies of insurance required by these insurance conditions are in force, unamended and not cancelled, and that any premiums due therefore have been paid in full.

E. Evaluation and Selection Criteria

Proposals will be evaluated by DLRAA according to the following criteria. The intent of DLRAA is to engage with the Proponent who has the highest overall ranking offering the best value to DLRAA.

Mandatory Criteria	
Proposal must be complete and signed by a person authorized to bind the Proponent to statements made in the submission.	
Proponents must meet the Qualifications requirement of the RFP Proposal must be received electronically by the specified closing date and time.	
Point-Rate Criteria	
Capability of Proponents and Audit Team	
<ul style="list-style-type: none"> • Proponent's demonstrated experience in the audit of similar not-for-profit organizations. • Qualifications and availability of proposed audit team and other firm resources to carry out the work and meet deadlines. • Proposed audit team's degree of familiarity with the <i>Canada Not for Profit Corporations Act</i> guidelines and legislative requirements. • Quality assurance and quality control programs within the firm. 	35

<ul style="list-style-type: none"> • Availability of other specialized services that may be necessary in the course of the Organization’s operations. • Demonstrated ability to understand multiple programs with a variety of revenue streams including government sources of revenue. • Knowledge of Information Systems used by DLRAA 	
<p>Proposed Audit Strategy</p> <ul style="list-style-type: none"> • Audit plan including scope and number of person-hours anticipated to perform services. • Work program to include review, testing and recommendations for improvements to internal controls. • Demonstration of full understanding of audit objectives and overall scope of work to be performed. • Approach used to gain an understanding of DLRAA’s structure and operations. 	30
<p>Price The proposed fees will be firm and quoted in Canadian funds and should include:</p> <ul style="list-style-type: none"> • Professional fees of audit and support staff based on person hours. • Estimated disbursements and administrative fees. • Value added services bundled with the audit service fees. • Extra billing practices. 	35