

THE CAPITOL CENTRE OF NORTH BAY

REQUEST FOR PROPOSAL 2024

AUDIT SERVICES

FOR

**NORTH BAY THEATRE & ARTS COMMUNITY CENTRE
O/A CAPITOL CENTRE**

ISSUED: Tuesday, Jun. 11, 2024

DEADLINE FOR PROPOSALS: Friday, July 26, 2024 – 4:00 p.m.

BACKGROUND INFORMATION

THE CAPITOL CENTRE OF NORTH BAY

The Capitol Centre is a not-for-profit organization serving the community by providing arts and entertainment opportunities and contributing to the development of performing and visual arts in North Bay, and the region of Northeastern Ontario. It is housed in the building originally known as the Capitol Theatre. The site of the Capitol Theatre was purchased in 1927 by a Sturgeon Falls businessman, whose vision was to develop one of the most modern theatres in North America. Famous Players bought the theatre and opened the doors on June 1, 1929. This building, originally constructed as a vaudeville/movie house, is an integral part of the heritage, landscape and makeup of our region.

This multi-use facility has 932 seats as well as a public gallery, the WKP Kennedy Gallery. In 1997, the Capitol Centre opened as the entertainment mecca of North Bay and surrounding district. It is home to the North Bay Symphony Orchestra as well as several artists who have studios on the newly renovated second floor. The theatre is wheelchair accessible and equipped with a Phonic Ear System and an elevator ensures the whole building is accessible.

Contacts: Dan Misturada, Interim Executive Director, Capitol Centre 705-474-1944, ext. 223

Tim Buhler, President, Board of Directors, president@capitolcentre.org

1. SCOPE OF WORK

The Capitol Centre invites Proposals from qualified accounting firms for professional services to audit its annual financial statements and supplementary financial information.

- a) Performing an annual audit in accordance with general accepted auditing standards (as defined in the CICA Handbook), which will include advice on internal control and related procedures.
- b) Attending meetings with Board or staff, as required for establishing the audit process and planning, executing and reporting on the audit of the financial statements.
- c) Discussing with and advising Board and relevant Staff on accounting, auditing and tax issues that may arise during the year.

The service period is for a **five-year term (2024-2028)** beginning with the year ending December 31, 2024. The appointment of the external auditor is subject to the approval of Board of Directors of the North Bay Theatre & Arts Community Centre. (Next full Board Meeting Date: September 25, 2024)

2. INSTRUCTION TO BIDDERS

The bidder will supply 3 copies of a Managerial and Organizational, Financial, and Technical proposal clearly marked "Proposal Audit Services Capitol Centre ", to be received by the Capitol Centre, 150 Main Street East until 4:00 p.m. and no later than 4:00 p.m. Friday, July 26, 2024. Proposals received after closing time will not be considered. Proposals may be delivered to the Box Office on the main floor to the attention of: Dan Misturada, Interim Executive Director

Electronic or Emailed proposals to The Capitol Centre of North Bay will be rejected unless in conjunction or accompanied by hard copies.

The Capitol Centre reserves the right to accept or reject any proposal based upon our evaluation. The lowest or any proposal not necessarily accepted.

This proposal shall remain open for acceptance for a period of 52 days

All enquiries and questions shall be in writing, including but not limited to email, and should be directed to the attention of:

Dan Misturada, Interim Executive Director, Capitol Centre 705-474-1944, ext. 223
dmisturada@capitolcentre.org.

Such enquiries should be requested no later than seven (7) days prior to the CLOSING date so that questions and answers can be sent to all bidders as an addendum.

3. QUALIFICATIONS

Before preparing a proposal, candidates are advised to ensure that their firm can meet the following eligibility criteria. The firm must:

- 3.1 hold a valid public accountants license under the Public Accountancy Act, 2004;
- 3.2 have significant recent municipal auditing experience with comparable sized municipalities and its local boards and commissions in Ontario;
- 3.3 have experienced well-qualified staff who can work on the audit consistently from year to year.
- 3.4 have substantial resource/support services available to address the scope of audit services required in a timely manner;
- 3.5 have well developed professional auditing techniques and a sound system of control and review of audit work performed;

- 3.6 demonstrate comprehensive knowledge of Ontario municipal financial reporting requirements, including current pronouncements under consideration;
- 3.7 demonstrate an understanding of legislation relevant to the municipal operating environment, including legislation governing the Boards and Commissions;
- 3.8 demonstrate a commitment to meeting all reporting deadlines;
- 3.9 have sufficient resources to provide related consulting services if and when requested;

4. SCOPE AND REQUIREMENTS

4.1 General

Commencing with the 2024 fiscal year, the audits shall include the examination of the records and financial statements of the Capitol Centre of North Bay.

With respect to the various operations of the Capitol Centre, the responsibilities of the auditors will generally be limited to the expression of an opinion on the financial statements. The work will not generally include, accounting, or schedules, or any other non-audit responsibilities unless specifically identified. Client staff will be available to assist with audit work.

Client staff will prepare all financial statements, working papers and schedules. Client staff will prepare the Financial Reports unless otherwise directed. Client staff will prepare and print the Financial Information Return.

4.2 Annual Schedule

Before November 1 of each year, the auditors shall meet with the Executive Director of the Capitol Centre to discuss and agree upon a schedule for the completion and audit of the various financial statements of the Capitol Centre for the current year. This schedule shall be prepared to ensure that the audited Financial Report and Financial Information Return are both completed and released prior to the end of February of the following year so that the statements have enough time to receive Board approval before general membership approval at the AGM. In each year, before any audit work begins, the auditors shall submit to the Executive Director, an engagement letter which sets out a fee estimate detailing the expected audit hours by major task, the staff level proposed to work on each task, the hourly rates to be charged and the total expected fee.

The auditor shall keep account of actual time spent on each task and submit to the Executive Director upon completion of the audit, a schedule which compares the actual audit time spent to the audit time budgeted. The cost of this accounting of

audit time shall be considered to be included in the fees quoted under this proposal.

4.3 Qualified Statements

The auditors shall, immediately upon discovery of information or conditions which would otherwise lead to the inclusion of a qualified opinion with respect to the Municipality's financial statements, inform and fully discuss such matters with the appropriate Directors of the Capitol Centre. In addition, the auditors shall, as far as possible, allow a reasonable period of time for the Treasurer to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualifications.

4.4 Meetings and Subsequent Assistance

The auditors will attend such meetings as are called to discuss their work and reports and shall provide such information as requested which will enhance the understanding of Members of Capitol Centre Board of Directors concerning matters pertaining to the annual financial statements.

The auditors shall meet regularly, in the course of the audit year, with the appropriate Capitol Centre staff to provide for effective co-ordination of work plans and to discuss matters of mutual concern.

The auditors will provide some ongoing support to the Finance Committee whether sharing expertise or attending meetings and assisting the Executive Director and/or Treasurer with financial questions or concerns, where required.

4.5 Post Audit "Management Letter"

No later than 60 days following completion of the annual statements, the auditors shall prepare and deliver to the Capitol Centre Treasurer draft letters conveying their concerns relative to the internal accounting, operating controls and/or other matters of material importance with respect to the operations, which may have been discovered in the course of the audit. The auditors shall also provide recommendations as to such corrective actions which may be required, and be prepared to provide advice and assistance with regard to implementation.

The auditors shall meet with the Executive Director, Treasurer and financial officers to discuss the comments. Following agreement of content, revised copies (if necessary) shall then be provided by the auditors together with the appropriate staff responses.

These management letters shall be forwarded to the Manager of the Capitol

Centre.

Adherence to critical dates and requirements outlined in this Proposal Call and the annual schedule will be an essential feature of satisfactory performance under the audit contract.

4.6 Terms of Engagement

The appointment will be for a period of five years with the provision of two options of one year each if mutually agreeable to both parties. The Capitol Centre reserves the right to review the auditor's performance on an annual basis and not reappoint if dissatisfied in any way with performance, the fees charged or proposed, or any other elements of the service provided.

5. **PROPOSAL CONTENT**

Your proposal must include the following information.

Managerial and Organizational

- 5.1 State your approach to the provision of the service in sufficient detail to demonstrate your understanding of the requirement and your ability to successfully fulfill the requirement.
- 5.2 Resources to be applied to the work including manpower, provide resumes and job descriptions of key personnel. In this regard the proposal should include information relating to qualifications and educational requirements.
- 5.3 Provide details of previous experience in municipal auditing, including the auditing of local boards and commissions.
- 5.4 Provide relevant references of the firm, including breadth of other audit assignments and clients; resource/support services available (e.g. tax advice, information systems, management consulting); particular strengths relevant to this audit. In addition we welcome your comments on:
 - a) Innovative ways to reduce audit fees and streamline the audit process
 - b) Approach to fee negotiation for additional or unplanned audit work
 - c) Strategies to familiarize the audit team with the operations of the Capitol Centre
 - d) Strategies to maintain continuity of the audit team and provide an appropriate level of senior management involvement in the audit, while minimizing audit team staff costs
 - e) Quality assurance/control processes employed by you to ensure effective product and service delivery

Financial

- 5.6 Your proposal must demonstrate an understanding of the cost factors, a firm lot price shall be quoted as per Annex A, with a full description of the services covered by that lot price. A complete price breakdown of all applicable costs must be shown on a separate page.

Technical

- 5.7 Your proposal must demonstrate an understanding of the scope of work and address in detail all the requirements as per Eligibility Section three (3).
- 5.8 Detailed description of the proposed methodology, the technical methods to be used in the performance of the service.
- 5.9 An estimate of the number of hours that are anticipated to be required for annual audit of the various organizations, broken down between the various categories of staff assigned to each of the responsibilities.
- 5.10 Information regarding any advisory services which may be available to the Capitol Centre free of charge on “routine matters”. These may include staff assistance and/or publications relating to GST, HST, Federal/Provincial pension reforms, income tax, other sales taxes, employee benefit plans, internal audit, financial systems development, cash management, etc.

6. FEES AND EXPENSES

The proposal should include a firm quotation for the fees to be charged for the 2024 to 2028 audits and an estimate of the probable fees for the remaining two years.

- Note: i Out-of-pocket expenses should be clearly stated as to be part of the estimated fee or estimated separately.
- ii The fees must include all auditing assignments.

If it should transpire that less time is required to perform the audit than anticipated it is expected that a reduction will be given.

An indication must be given in the Proposal as to how fees for special audit work would be costed.

It is expected that the audit should be considered as a “local” audit and the Capitol Centre will not be responsible for disbursements, incurred by the firm, which are

caused by sending staff from outside locations.

7. CONDITIONS

In accordance with administrative policy, the Capitol Centre reserves the right to discuss any and all proposals, to request information from proponents and to decline any and all proposals made; the lowest cost proposal will not necessarily be accepted.

8. EVALUATION CRITERIA

Proposals will be evaluated using a best value approach considering both merit and price. They will be assessed on a point rating system for the following

	POINTS
Managerial and Organizational	400
Financial	120
Technical	360
Total Points Available	880

Neither the qualifying proposal which scores the highest number of rating points, nor the one which contains the lowest price will be necessarily accepted. Contractor selection will be based on the best overall value to the Corporation in terms of merit and price ratio.

9. ADDITIONAL CONDITIONS

- 9.1 There will be no direct payment for the preparation and submission of proposals in response to this request for proposal
- 9.2 The Capitol Centre reserves the right to negotiate changes in the technical content of the most satisfactory proposal

10. DETAILED EVALUATION CRITERIA

The following point system will be used when evaluating proposal components

- 0.0 unacceptable
- 1.0 poor
- 2.0 fair
- 3.0 good

4.0 excellent

The total rating for each component will be obtained by multiplying the component points assigned by the evaluator by the component weight

Managerial and Organizational	Weight	Points	Rating
A) Relevant experience and qualifications of key personnel	40		
B) Demonstrated performance of contracts of this magnitude	30		
C) Professional presentation reflecting confidence and direction	20		
D) References of the firm	10		

TOTAL WEIGHTED POINTS – managerial & Organizational	400
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Financial

A) Confidence that the detailed price breakdown will result in best value	30
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TOTAL WEIGHTED POINTS- financial 120

Technical

A) Presentation relating to confidence in the stated methodology proposed	40
B) Confidence that the factors outlined in Eligibility Section 3 have been addressed and are available	40
C) Relevance in the advisory services Available	10

TOTAL WEIGHTED POINT- technical 360

TOTAL WEIGHTED POINTS AVAILABLE: 880

11. CONTRACTING & SITE AUTHORITY

Dan Misturada, Interim Executive Director
Capitol Centre
(705) 474-1944, ext. 223 & dmisturada@capitolcentre.org

The Contracting Authority named above, who is acting on behalf of the Capitol Centre is responsible for the management of the contract and any changes to the contract must be authorized by a formal contract amendment issued by that Authority. The Contractor is not to perform work in excess of or outside the scope of the contract based on verbal or written requests or instructions from any other Capitol Centre employees or Directors of the Board other than the above mentioned Authority.

- 12.** All work performed must be done to the satisfaction of the Site Authority. The Site Authority will co-ordinate the work that is to be performed.

13. FUNDING

The award of any contract shall be conditional upon funding availability as dictated by the Capitol Centre and approval by Capitol Centre Board.

14. PROPERTY OF THE OWNER

All concepts, products or information resulting from the services rendered by the consultant in connection with the project and which are patentable, capable of trademark, or otherwise shall be and remain the property of the Owner.

15. LICENSING

Upon award the Consultant will be responsible for a strict adherence to all Federal, Provincial, and Municipal codes and by-laws and must obtain all permits and licenses as applicable.

16. SAFETY CODES AND REGULATIONS

Upon award the Contractor must adhere to all safety rules, regulations and labour codes in effect in all jurisdictions where the work is to be performed.

17. METHOD OF PAYMENT

Payment shall be made within 30 days of receipt of an invoice for the accepted work by the Site Authority.

18. INSURANCE

The Contractor agrees to indemnify and save harmless the Capitol Centre (hereafter “Capitol Centre”) for any claim demand arising out of the performance by the Contractor of the Contract. The Contractor agrees to maintain comprehensive liability insurance covering all operations and liability assumed under the Contract.

Have a limit of liability of not less than \$2,000,000. Inclusive for any one occurrence.

19. INFLUENCE

No person, company, corporation or organization shall attempt in any way, either in private or in public, to influence the outcome of any Capitol Centre purchasing or disposal process.

The bid, quotation or proposal of any person, company, corporation or organization that does attempt to influence the outcome of any Capitol Centre purchasing or disposal process will be disqualified, and the person, company, corporation or organization may be subjected to exclusion or suspension under the Vendor Performance Policy.

APPENDIX 1

STATISTICAL INFORMATION - CAPITOL CENTRE

Audit Timing:

Year end: December 31

All working papers prepared by Capitol Centre staff

Financial Statements completed for auditing by Mid-February

Audit in Mid-February to early March

Audited statements available for Executive approval by the 3rd Wednesday in March of each fiscal period

Audited statements presented at the AGM which will be held no later than May 31st of each fiscal period

General:

Sage Accounting Cloud 50 computer program

Number of GL accounts – 350

Approximately 6000 GL transactions per year

All revenues deposited through Box Office

Accounts Payable:

Approximately 1200 AP invoices per year

Cheque runs at month end or as required

225 Cheques processed in 2023 plus 425 ACH batches

Accounts Receivable:

Approximately 500 invoices per year

Bar revenues, theatre & office rent, receptions, sponsorships, advertising

Payroll:

Salary & hourly staff processed bi-weekly using Sage Accounting

12 Full time employees

16 Part time employees

Budget:

Operating budget 2023 \$2 million

ANNEX A

Bidders are asked to quote a firm quotation for the fees to be charged for the years 2024 through 2028 inclusive and an estimate of the probably fees for the remaining two years. The quoted fees shall include all out of pocket expenses, other fees and taxes except GST which must be shown as extra.

Year	Firm Price
2024	\$ _____
2025	\$ _____
2026	\$ _____
Year	Estimated Price
2027	\$ _____
2028	\$ _____

Proposal Submitted by:

NAME OF FIRM _____

ADDRESS _____

TELEPHONE _____

CONTACT PERSON _____

SIGNATURE OF AUTHORIZED OFFICER _____

NAME _____

POSITION _____

DATE _____

EMAIL _____

DEADLINE FOR SUBMISSION: FRIDAY, JULY 26, 2024 – 4:00 P.M.

