



REQUEST FOR PROPOSALS FOR THE AUDIT OF:

NEWFOUNDLAND-LABRADOR FEDERATION OF CO-OPERATIVES (NLFC) AND CO- OPERATIVE DEVELOPMENT FUND CORPORATION (CDFC)

ISSUE DATE: FRIDAY, FEBRUARY 25, 2022

DELIVERY OF PROPOSALS:

Proposals to be delivered electronically to Faith Gates, faith@nlfc.coop
(Proposals must be a single PDF document)

CLOSING DATE AND TIME:

Monday, March 21, 2022, at 5:00 pm NST

QUALIFIED PARTIES:

Those who meet the qualifications outlined herein will be contacted by a member of the NLFC board of directors or NLFC representative on or before Monday, March 28 2022.

Proponents are advised to fill out and return the Receipt Confirmation Form (Appendix A) to the Contact Person by email, no later than March 21, 2022.

CONTACT PERSON:

Faith Gates, faith@nlfc.coop, (709) 726 9431

BACKGROUND

1. Purpose of the Request for Proposals

This Request for Proposals (RFP) invites audit firms to submit proposals for the performance of audit services with respect to the financial statements of the Newfoundland-Labrador Federation of Co-operatives (NLFC) and its subsidiary corporation the Co-operative Development Fund Corporation (CDFC). For reference, the NLFC had approximately 250 financial transactions from April 1, 2020 to March 31, 2021. The CDFC had less than 20 transactions from April 1, 2020 to March 31, 2021.

2. Period of Service Agreement

The selected Proponent will perform the audit services as described above for the 2021-2022, 2022-23, and 2023-24 reporting years with the option to extend to the fiscal year ending 2027. The NLFC will retain the option to extend the Service Agreement for additional years, in one-year increments, beyond the fiscal year ending 2027, provided both parties agree to the renewal. The fiscal year of both the NLFC and the CDFC is April 1 to March 31.

3. Type and Scope of Audit

The audit of the Financial Statements of the NLFC (the financial audit) must be conducted in accordance with Canadian Auditing Standards.

The audit report should express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the entity, and the results of its operations, change in its net liabilities, and its cash flows for the year in accordance with Canadian generally accepted accounting principles (GAAP).

3.1. Timing of the Auditor's Reports

The Auditor will:

1. provide the auditor's report, addressed to the NLFC, having format and content consistent with Canadian Auditing Standards;
2. provide the staff of the NLFC with the auditor's report in sufficient time to enable the NLFC to meet any reporting requirements such as timing and distribution where the report is needed for inclusion in the Annual General Meeting of the federation. For this RFP, the timing for the report is June 1, 2022. This date is based on current information and is subject to change in additional years, should the contract be extended.

3.2. Other Reporting Requirements

Reporting requirements to the NLFC regarding the financial audit of the federation and its subsidiary corporation will include providing audit documentation such as risk assessments, audit results for significant risks, and reports to management and those charged with governance of the organization. The Auditor is required to notify the federation of any concerns regarding the

honesty and integrity of management; suspected or detected fraud; material weaknesses in financial reporting; and related party transactions that are not in the normal course of operations.

3.3. Management Letter

The Auditor will prepare a management letter for the financial audit that highlights observations and recommendations related to internal control, accounting issues, or other matters identified during the audit.

While performing the audit, the Auditor must be mindful that the public and stakeholders expect the NLFC and its subsidiary corporation to conduct business in a proper and prudent manner, giving every regard to spending money wisely. The Auditor should remain alert while carrying out the audit for significant instances or patterns of behaviour that give rise to concerns about:

- a. accountability in the use and management of monies;
- b. waste or misuse of resources;
- c. probity in behaviour; or
- d. compliance with financial and other legislation.

4. Determination and Payment of Fees

The Auditor will invoice the NLFC and its subsidiary corporation for the audit fees for services completed as contemplated under this Request for Proposals. Amounts billed will be according to the tendered amounts set out in the Service Agreement with the Auditor.

If additional work needs to be performed to meet Canadian Auditing Standards due to issues outside of the control of the Auditor, the Auditor will discuss with the NLFC whether an additional fee may be charged for such work. The Auditor will provide the NLFC with full details of such additional audit work and the reasons for it.

5. Information about the NLFC and its subsidiary corporation

5.1. Description

The NLFC serves 34 active members with funding from government, grants, contracts, and fees. It receives government funding from the Department of Industry, Energy and Technology through the Government of NL. It has two full time employees and an office space located in St. John's NL. The NLFC's annual revenue has ranged between \$150,000.00 and \$275,000.00 over the past five years.

The CDFC utilizes the staff and office space of the NLFC and has very little activity.

5.2. Work Done by NLFC Staff

A major objective of the NLFC is to ensure quality audits and services are obtained at a reasonable cost. Accordingly, staff are prepared to assist the Auditor by providing information, documentation and explanations as required, virtually or in person with virtual preferred.

REQUEST FOR PROPOSALS ADMINISTRATION

The following terms and conditions apply to this RFP and to the subsequent Service Agreement. Submission of a proposal in response to this RFP indicates acceptance of all the terms and conditions that follow and that are included in any addenda issued by the NLFC. Provisions in proposals that contradict any of the terms of this RFP will be as if not written and do not exist.

6. Definitions

Throughout this Request for Proposals, the following definitions apply:

- “Contract” or “Service Agreement” means the written agreement resulting from this Request for Proposals executed by the NLFC and the Auditor;
- “Auditor” means the successful Proponent to this Request for Proposals who enters into a written Contract with the NLFC for the purpose of completing the audited financial statements for the 2021-2022 year;
- “NLFC” means Newfoundland-Labrador Federation of Co-operatives;
- “CDFC” means Co-operative Development Fund Corporation.