

MUNICIPALITY OF THE COUNTY OF COLCHESTER

REQUEST FOR PROPOSALS

EXTERNAL AUDITING SERVICES

November 13, 2025

1 Church Street
Truro, NS
B2N 3Z5

Phone: (902) 897-3157

Fax: (902) 843-4066

Website: www.colchester.ca

MUNICIPALITY OF THE COUNTY OF COLCHESTER

REQUEST FOR PROPOSALS

EXTERNAL AUDITING SERVICES

INTRODUCTION

The Municipality of the County of Colchester (“The County”) reviews its professional services on a regular basis. As part of this process, external auditing services proposals are requested for the fiscal year ending March 31, 2026; renewed annually for 2027 and 2028 fiscal years.

You are invited to submit a proposal to provide external audit services for the Municipality of the County of Colchester.

This Request for Proposal (RFP) and supporting documents supplied with it define both the form and content required of your proposal. We urge you to structure your response in accordance with the terms of this RFP. It will be by these criteria that we will determine whether a Proposal is complete, appropriate and competitive. **Proposals that do not conform to these terms and conditions may be given lesser weight than others, or may be rejected.**

For that reason, it is important that your Proposal contain sufficient detail to support the services required by the County in the RFP.

This document is not intended to limit the content of your Proposal, but rather, to provide a common framework for the County to assess each Proposal in a professional manner in a demonstrably fair process. You may provide unsolicited information if you consider it to be relevant.

MUNICIPALITY OF THE COUNTY OF COLCHESTER

REQUEST FOR PROPOSALS

EXTERNAL AUDITING SERVICES

CONFIDENTIALITY NOTICE

The RFP contains confidential information, which is proprietary to the Municipality of the County of Colchester. The sole purpose of providing this information is to enable the recipient to evaluate the County's external audit services requirements and to prepare and submit a Proposal that satisfies these requirements. The recipient agrees to keep the information in this RFP in confidence and agrees not to reproduce or disclose information to any person or source not providing an audit proposal. The County reserves the right to have this information returned upon conclusion of the evaluation process. Should the recipient of these materials not wish to submit a proposal, all information shall be returned to the County. Proponents must ensure that such information is not released to any third parties or unauthorized individuals, failure to comply may result in criminal or civil charges and/or the Proponent's disqualification from any further invitations issued by the County.

Proposal packages may be subject to disclosure under the Province's "Freedom of information" legislation. By submitting a proposal, the Proponent agrees to the appropriate disclosure of the information supplied, subject to the provisions of the governing law. The County cannot guarantee the confidentiality of the complete content of any Proposal after the procurement has been awarded to the successful Proponent.

SECTION 1 - TERMS AND CONDITIONS

SUBMISSION OF PROPOSALS

The following is to be used in the preparation of a proposal for external audit services to the County. If you wish to include an alternate method of servicing a specific requirement, please provide full details and indicate the related charges separately.

1. The Municipal Government Act requires that audit firms/public accountants be registered as Municipal Auditors pursuant to the Act. (MGA 42(1)). Therefore, only proponents meeting this criterion will be considered.
2. Completed vendor proposals and other correspondence should be submitted to:

Scott Fraser, Director of Corporate Services
The Municipality of the County of Colchester
1 Church Street
Truro, NS
B2N 3Z5

3. Proposals must be submitted in a sealed envelope clearly marked “**External Audit Services Proposal**”.
4. Please provide **three (3) copies** of your proposal, not bound.
5. **Closing Time and Date:**

Proposals are due and will not be accepted any later than **3:00 pm Friday, December 5, 2025**. Proposals will be date and time stamped upon receipt.

6. Late proposals will not be accepted and will be returned unopened.
7. Proposals must be submitted on firm letterhead duly signed by an authorized person.

8. Proposals will not be opened in public.

9. Terms and Conditions

The terms and conditions of the audit services proposal submitted by you are to remain firm and irrevocable from the proposed closing date of December 5th to February 28, 2026 and, if you receive our letter of acceptance, become part of the contract with the County, expiring at the completion of the audit for the year ended March 31, 2028.

10. Timing for Selection

It is anticipated that the successful Proposal will be selected and the submitter notified no later than February 1, 2026. On the same day, notice shall be sent to all other submitters notifying them that their Proposals have not been selected.

11. The selection of any Municipal Auditor by the Municipality shall not constitute a contract between the County and the Vendor. Any contractual relationship to be established between the parties will be governed by the provisions of the engagement letter.

PROPOSAL REGULATIONS

1. Submission of a Proposal indicates acceptance by the submitter of all the conditions contained in this RFP unless otherwise clearly and specifically noted in the Proposal submitted.

2. The Municipality of the County of Colchester's Right to Reject

The County reserves the right, without prejudice,

- to accept any Proposal,
- to reject any or all Proposals,
- to not be obligated to accept the lowest cost Proposal,
- to accept any Proposal that it considers to be in its best interests.
- to waive formality, informality or technicality in any Proposal.

- to reject any proposal that it feels incapable of providing the necessary resources to perform the work in a satisfactory manner.
- to cancel this RFP at any time and for any reason and thereafter issue a new RFP or request, sole source the project or purchase, or do nothing.
- To request clarification of information submitted and to request additional information if required.

Acceptance is subject to the approval of the Municipality of the County of Colchester.

3. No adjustments will be allowed to any submitted Proposals. Should your proposal require an amendment, emailed amendments of the relevant section(s) of the proposal will be accepted up to the closing date and time. Proposals, however, may be withdrawn prior to the closing date and time for the submission of proposals.
4. Late proposals will be rejected.
5. Incomplete proposals may be rejected.
6. The submitter must be prepared to include in the contract for services any oral or written representations, undertakings or guarantees that are made prior to the final agreement, including the entire response to this RFP, or parts thereof.
7. Proposals not completed in permanent, unalterable form of print will be rejected.
8. The accepted Proposal may be impacted in the event that the structure of the County and/or its related funds changes during the period identified in the **Introduction**. Any such event may require the alteration and renegotiation of the accepted Proposal to accommodate such change.
9. The County shall pay no fee to any audit firm for the preparation and delivery of its Proposal in response to the County's RFP. The County will not be responsible for any costs, expenses, losses, damages, or liability incurred by the Proponent as a result of, or arising out of, the submission of any proposal, or due to the County not accepting or rejecting any proposal. The County reserves the right to retain all Proposals submitted and to use any ideas contained in any Proposal regardless of whether that Proposal is selected.

- 10.** In the case of any disputes over the completeness, accuracy and/or interpretation of this RFP, the versions of such documents held by the County will be considered correct. Information, offers, commitments, or instruction obtained by any other source other than the Municipality of the County of Colchester will not be binding on the County.
- 11.** Inquiries regarding this request for audit services can be directed by email only to:
Name: Scott Fraser, Director of Corporate Services
Email: sfraser@colchester.ca
- 12.** The County will respond to requests for clarification as soon as is reasonably possible. The County will respond in writing or orally as deemed appropriate in the circumstances. No responses shall be binding on the County unless made in writing. All inquiries regarding the interpretation of these Terms and Conditions, general procurement policy or procedures must be made to the Municipality of the County of Colchester.
- 13.** It is mandatory to complete **Section 3 - EXTERNAL AUDIT PROPOSAL REQUIREMENTS.**

SECTION 2 - GENERAL INFORMATION

The Municipality of the County of Colchester (the “County”) is a rural municipality located in central Nova Scotia, bordered by East Hants, Halifax Regional Municipality, Pictou and Cumberland counties. The County is a municipal government that was incorporated in 1879 pursuant to the Municipal Government Act. The largest communities with the geographic boundaries of the County include the Villages of Bible Hill and Tatamagouche. The County provides or funds municipal services such as policing, environmental health services, public works, transportation, parks and recreation, building inspection, planning, and other general government operations. The County owns two water utilities, located in Tatamagouche and Debert. The proportionate share of Central Nova Scotia Civic Centre Society (operating as “Rath Eastlink Community Centre”) and Truro/Colchester Regional Enterprise Network are consolidated into the County’s records. The County has several designated special-purpose reserves and provides funding support for other financial entities involved in firefighting, economic development, education, library services, among others.

Recent statistics (2016) indicate that the County’s population is 50,585. The legislative body is comprised of a mayor and one councilor representing each of the 11 electoral districts. Municipal elections occur every 4 years with the next election slated for 2028.

The County levies several rates on its residential and commercial property accounts based on current assessment values provided by the Property Valuation Services Corporation (PVSC).

The County employs approximately 130 full-time people along with 40 part-time employees, and additional seasonal employees. For 2025/2026 the County’s operating budget is \$44.9 million of which \$40.8 million is raised from taxation.

1. It is expected that the term of the contract of the successful submitter will be from April 1, 2025 to the end of the financial statement audit for the fiscal year ending March 31, 2028.
2. In accordance with Section 42 of the Municipal Government Act, Council is required to appoint a municipal auditor who is registered pursuant to the Act. Despite the three-year appointment, the successful bidder is subject to reappointment in years two and three, provided Council is satisfied with performance and fees (among other things).

Council has the option to annually renew the services of the successful bidder in fiscal years after March 31, 2028.

3. The County's 2024/25 Audited Consolidated Financial Statements and the 2025/2026 Operating and Capital budgets are available for proponents.
4. Please note that the County's Taxation Area Rates are budgeted separately from the County Municipality's general operations and capital budget.
5. Also included are the 2025/2026 Debert and Tatamagouche Water Utility's Operating budgets.
6. Council Committee sessions are held the second Thursday of every month. Regular Council sessions are held on the last Thursday of every month. Other committees of the County include: Planning Advisory, Joint Police Advisory Board and Joint Flood Advisory.
7. The County performs all data processing using the financial information system software Microsoft Dynamics GP "Diamond." Systems cover a variety of application areas for all departments, including general ledger, payroll, accounts payable/receivable, billings, and cash receipting and budgeting. Microsoft Dynamics GP system maintenance and updates are administered by the service provider.
8. The County has an Information Technology department consisting of the Manager of Information Services, Systems Analyst and Support Technician.
9. CIBC provides the County's banking services. Currently the County is operating approximately 30 bank accounts; however, the majority of activity is generated through two of the accounts. Scotiabank provides banking services for Tatamagouche Water Utility. There is an operating and savings account. A line of credit is accessible to the County for cash flow purposes. The County has numerous US Bank credit cards for purchasing and travel issued to Management and Supervisory staff.

10. Billings (information is approximate):

- Taxes- 28,400 taxable accounts- billed once annually
- Debert Water Utility- 200 accounts- billed quarterly
- Tatamagouche Water Utility – 280 accounts – billed quarterly
- Solid Waste tipping fees – 100 accounts – billed monthly

11. Cheques and EFT deposits issued (information is approximate):

- Municipality of Colchester- 4,300 annually
- Tatamagouche Water Utility- 200 annually

Invoices processed annually for the County and is approximately 7,000.

12. Payroll

- 26 pay periods (bi-weekly)
- Payroll is processed internally
- Direct deposit
- Approximately 130 full time staff with additional part time and seasonal workers.
- Unionized and ununionized workforce
- Multi-employer Pension plan

13. The County provides the year-end consolidated financial statements for external audit.

SECTION 3 - EXTERNAL AUDIT PROPOSAL REQUIREMENTS

Please provide the information requested below.

1. Audit Firm

- Please provide a general description of your audit firm, including the structure and size.
- Please list your major municipal clients.
- Please discuss your audit philosophy and methods.
- Please include municipal references.

2. Audit Staff

- Indicate the names, position, and credentials of the audit team to be assigned to the audits.
- Detail the extent of their municipal auditing experience.
- Please indicate the individual fee scale, including an estimate of the number of hours that are anticipated to be required for the annual audit, broken down between the various categories of staff assigned to each of the responsibilities and including details of initial start up and any changes in municipal reporting.
- Indicate how your firm will manage succession planning and staff continuity.
- Indicate the firm's quality control procedures and supervisory and review procedures intended to be employed in the conduct of the County's audit.
- It is expected that the audit senior will be present throughout most of the audit fieldwork and provide regular updates to the Director of Corporate Services and Finance Manager as to the status of the audit and issues that may have arisen.

3. Audit Approach

- Indicate how your firm will determine an audit strategy and undertake audit planning.
- Describe the methodology for the determination of materiality and factors affecting the value.
- Indicate what you consider critical levels of errors warranting changes to the accounts.

- Indicate how your firm will control and co-ordinate the audit process.
- Explain the approach for evaluating errors and potential recording of unadjusted differences.
- Detail how your firm will identify and respond to critical audit issues.

4. Public Sector Accounting (PSAB)

- Offer your firm's knowledge and experience in municipal government PSAB standards.
- Indicate any special audit planning required related to PSAB standards.

5. Ability to Conduct Audit in Computer Environment

- What is the extent of computer audit experience for your audit team?
- Does your firm have access to computer specialists?
- Does your firm utilize computer-assisted audit techniques?
- Is your audit software adaptable to the County's current financial reporting software, Diamond for purposes of the electronic extraction of information? The County will not absorb any additional costs in creating special or specific audit reports, as the County feels that all information and reports are currently available and the current software is "auditor friendly," producing excel, text and PDF files.

6. Ancillary Services

- The County requires an Internal Controls letter. Indicate any extra charge for this service.
- Sections 43 and 44 of the MGA require the auditor to appear before Council and the Audit Committee to discuss matters pertaining to the audit. Detail any extra charge for this service.
- Indicate the firm's experience in providing auxiliary services such as comprehensive audit services, tax services, etc. to municipal clients.

7. Annual Audit Schedule

- **Before February 28th** of each year, the County's auditors shall meet with the Director of Corporate Services or designate to discuss the planning of the annual audit.
- A list of necessary schedules, working papers, analysis and other information to be prepared by County staff will be finalized at this time.

Milestones are:

- Audit begins by the **1st week of June each year**
- Fieldwork and file review questions will be completed prior to June 30th.
- Final draft financial statements, Auditor's Reports and Draft Internal Controls letter shall be available to the Director of Corporate Services prior to **August 31st** each year. The contents of the Draft Internal Controls letter will be discussed and agreed to with management prior to the presentation of the final Internal Controls Letter.
- The Audit Committee shall meet each year with the Auditor. The Auditor(s) shall 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 the members of Council concerning matters pertaining to the annual financial statements.
- The Department of Municipal Affairs requires the submission of approved audited financial statements and internal control letter by September 30th of each year. However, the County requires them prior to this date for reporting purposes.

8. Audit Fees

The proposal should include a firm quotation for the fees to be charged for each audit year ended 2025 to 2027. The fees must include all auditing assignments.

Proposed fees for the next three years should include:

- Fee for the Municipality of the County of Colchester Consolidated Financial Statements, including Auditors' Report
- Fee for the Debert Water Utility Non-Consolidated Financial Statements including Auditor's Report on Supplemental Financial Statements
- Fee for the Tatamagouche Water Utility Non-Consolidated Financial Statements, including Auditor's Report on Supplemental Financial Statements
- Internal controls letter
- Fee for any additional work, as related to the audit
(Note: Separate invoices must be produced for the County and the two Water Utilities)

Other Fees:

- Out-of-pocket expenses must be included in the audit fees set out in your Proposal.
- Please indicate:
 - a. Services to be charged at a flat rate and fee requested for each.
 - b. Services to be charged at an hourly rate and the rates to be charged.
 - c. Disbursement items charged
 - d. Other charges or charging methods proposed, including the charge for any administration fees over and above the quoted price.
- The audit should be considered as a "local" audit and the County shall not be responsible for any disbursement incurred by the firm, caused by using staff from other locations.
- Any additional service outside the audit assignment is to be approved by the Director of Corporate Services and /or the Chief Administrative Officer.

The fee proposal should include:

- **An analysis of hours by grade of staff who will be involved on the audit together with details of hourly charge-out rates**
- **Indicate the basis of charging expenses**

- **Indicate the proposed billing schedule**
- **Indicate the ability to provide detailed itemized invoices**
- **Indicate how fees will be set in future years**
- **Please note: the County will not incur any start-up costs in addition to the fees quoted above.**

9. Termination

If the Respondent fails to comply with any of the terms and conditions set forth in this document, the Respondent will be notified in writing and will be given fifteen days to comply with the violated sections. At the expiration of the stated period, if the Respondent has not complied to same, to the satisfaction of the County, the Contract will be terminated. Any termination of the contract by the County as aforesaid shall be without prejudice to any other rights or remedies the County may have.

10. General

Provide any other information and/or comments which you feel are appropriate for the County to consider in making its decision.

SECTION 4 – EVALUATION PROCESS AND CRITERIA

All proposals will be evaluated for completeness and suitability for the requirements. Bidders will be contacted, if necessary, to clarify any major items in question. Based on the analysis of the Proposals, a ranking will be established. A successful bidder will be selected based on ranking.

A decision will be based on:

1) Compliance with the Request for Proposal	Pass/Fail
2) Qualifications of the company and consulting team	20%
3) Experience with similar projects and references	20%
4) Comprehension of the project objectives	15%
5) Methodology and approach to the audit	20%
6) Cost	20%
7) Communication and quality of proposal	5%

Supporting Documents

The following supporting documents will be provided:

- Audited Consolidated Financial Statements 2024/2025
- Operating Budget 2025/2026
- Capital Budget 2025/2026
- Area Rate Budget 2025/2026
- Debert Water Utility Operating Budget 2025/2026
- Tatamagouche Water Utility Operating Budget 2025/2026