

REQUEST FOR PROPOSAL

PROFESSIONAL AUDIT SERVICES Fiscal Years 2010-2011 and 2011-2012

Proposals shall be submitted to Kevin Beaulieu, Executive Director, no later than 4 p.m., December 15, 2011. **Email submissions will only be accepted in Adobe PDF format and must be sent only to kevin@pridetoronto.com.**

If further information is required, please contact:

Kevin Beaulieu
Executive Director
Pride Toronto
14 Dundonald Street
Toronto ON M4Y 1K2
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Pride Toronto reserves the right to accept or reject all or part of any Proposal, and to accept the Proposal that is in the best interest of the organization.

1. INTRODUCTION

- 1.1. Pride Toronto is incorporated as a not-for-profit corporation without share capital under the laws of Ontario.
- 1.2. Mission: Pride Toronto exists to celebrate the history, courage, diversity and future of Toronto's Lesbian, Gay, Bisexual, Transsexual, Transgender, Intersex, Queer, Questioning, 2 Spirited, Allies communities.
- 1.3. Vision: Pride Toronto will:
 - Run a not-for-profit organization, committed to volunteers and staff
 - Create a safe space to engage communities in the celebration of their sexuality
 - Coordinate a series of pre-eminent arts & cultural events, including the annual Pride celebration, that empower and support our communities
 - Connect with and help develop our communities, fostering essential partnerships
 - Capture and build upon our organization's and our communities' history
 - Provide a platform for education through a significant public presence.
- 1.4. Values: We will:
 - Honour – our past by remembering our history.
 - Protect – our future by reaching out, educating and defending our right to celebrate.
 - Value diversity – by accepting and respecting differences and working to understand the diverse cultural complexities that influence identity, assumptions, behaviours, expectations, and beliefs.
 - Celebrate – with provocative, racy, and outrageous events
 - Engage – the diversity of our communities to participate in events and facilitate community development.
 - Recognize – and acknowledge, the involvement and contributions of volunteers, staff and stakeholders.
 - Respect – volunteers, staff and stakeholders by creating and sustaining an environment where we treat each other with respect and dignity.
 - Sustain – the organization by ensuring transparency in our actions and accountability with, and to, our communities.
 - Manage – with fiscal responsibility and foresight, ensuring the viability of the organization and the fulfillment of its mission.

- 1.5. Pride Toronto is governed by a Board of Directors and administered by a staff of approximately 5. The 2011 Annual Report is available on-line at <http://www.pridetoronto.com/downloads/2011%20Annual%20Report.pdf>.
- 1.6. Pride Toronto's fiscal year-end is July 31, and its current by-laws mandate that its Annual General Meeting (AGM) be held no later than four months following its annual festival. The festival typically takes place in late June or early July, which means an AGM must be held not later than the end of October.

2. SCOPE OF AUDIT SERVICES

- 2.1. Pride Toronto is seeking the services of a qualified and accredited professional accounting firm ("*Firm*") to perform the following:
 - a) An audit of the financial statement as prepared by management, an evaluation on the fairness of the financial statement presentation and the provision of an opinion thereon;
- 2.2. Presentation of a management letter addressing any concerns with regard to internal controls or other significant issues identified during the audit at the completion of the final audit visit.
- 2.3. Pride Toronto requires an approved audited financial statement for the 2010-2011 fiscal year in order to meet its legal reporting requirements by January 31, 2011. In subsequent fiscal years, Pride Toronto will require the audited statement in time to report at the Annual General Meeting, typically by the end of October.
- 2.4. The scope of the audit for the initial year ends July 31, 2010.
- 2.5. The scope of the audit for fiscal year 2011-2012 ends July 31, 2011.

3. TERM OF CONTRACT

The term of the Contract shall be for one year, upon approval by the members at a General Meeting in December 2011, and annually thereafter for potential annual renewals for up to an additional three years.

4. FIRM'S COST

All costs and expenses incurred by the *Firm* relating to the proposal and any negotiations with Pride Toronto will be borne by the *Firm*. Pride Toronto is not liable to pay such costs or expenses or to reimburse or compensate *Firms* under any circumstances, including the rejection of any or all the Proposals. Pride Toronto will not accept responsibility for any delays or costs associated with any interviews.

5. CAPACITY TO PERFORM

Pride Toronto expects that all *Firms* will be able to furnish satisfactory evidence that they have the ability, experience, knowledge, accreditation and capital to enable them to complete the contract successfully and on time. Furthermore, Pride Toronto expects that the successful *Firm* will be prepared to immediately assume this contract from our current audit services provider.

6. REJECTION OF PROPOSAL

Pride Toronto reserves the right to reject any or all Proposals at its sole discretion for any reason whatsoever.

7. CONFIDENTIALITY OF INFORMATION

All information obtained by the *Firm* in connection with this Proposal is the property of Pride Toronto. It shall be treated as confidential and not used for any purpose other than for replying to this Request for Proposal and for fulfillment of any subsequent contract arising from it.

8. SUBMISSION FORMAT

8.1. Required Proposal Content

The proposal shall clearly outline the audit approach to be used and your understanding of the scope of the audit requirements including:

- a) Profile and operating philosophy of the *firm*
- b) Discussion of the audit approach
- c) Relevant experience and qualifications of the office (if applicable) that will conduct the audit.
- d) Information as to the proposed Engagement Team including the names and brief resumes of the partner, manager and senior staff who will be assigned to the engagement.
- e) List of not-for-profit related clients that might be relied upon to provide a reference.

9. INDEPENDENCE

Pride Toronto expects that the successful *Firm* will conduct the audit engagement and issue the subsequent report based on professional judgment that is free of conflict of interest or bias. *Firms* shall declare in their Proposal any real or potential threats to independence that may impair the *Firm's* professional judgment or objectivity, or which, in the view of a reasonable third party may have that effect.

10. NEGOTIATIONS

- 11.1. On completion of the evaluation process, negotiations may be undertaken by Pride Toronto to refine the details of the Contract for all or portions of the proposed scope of audit services outlined in this RFP. Negotiations may take the form of adding, deleting, or modifying the requirements.
- 11.2. Assuming mutually acceptable terms and conditions are agreed upon, a Contract and Engagement letter will be signed with the selected *Firm*. In the event of default or failure to arrive at mutually acceptable terms and conditions, Pride Toronto may accept another Proposal or seek new Proposals.

12. NATURE OF SERVICES REQUIRED

12.1. THE FIRM'S ENGAGEMENT TEAM

- a) Pride Toronto requires the *Firm* to express an opinion on the fair presentation of its financial statements in conformity with Canadian generally accepted accounting principles.
- b) The *Firm's* Engagement Team shall present management letters to Pride Toronto, conveying issues and concerns related to internal accounting controls, operational controls, and/or other matters of material importance with respect to Pride Toronto operations which may have been noted in the course of the audit, and providing recommendations for corrective action.
- c) The *Firm's* Engagement Team shall attend such meetings as required with Pride Toronto to discuss their work and reports and shall provide such information as requested which will enhance the understanding of the Board of Directors concerning matters pertaining to the annual financial statements.

12.2 AUDIT STANDARDS TO BE FOLLOWED

The audit shall be performed in accordance with Canadian generally accepted auditing standards.

12.3 REPORTS

Following completion of the audit of the year end financial statements, the *Firm's* Engagement Team shall issue:

- a) A report on the fair presentation of the financial statements in conformity with Canadian generally accepted accounting principles
- b) A draft management letter to the Executive Director and Treasurer reporting conditions found during the audit covering:
 - i. The status/disposition of items noted in prior year management letters;
 - ii. Recommendations with regard to corrective actions required, and,
 - iii. Material matters noted as a result of the review of internal controls, internal departmental reviews and other procedures in relation to the audit.
- c) A validation that all statutory reports and remittances have been filed in a timely manner.
- d) A final management letter to the Executive Director and Treasurer for fiscal 2010-2011 no later than January 13, 2012. The report shall be issued following a meeting of the *Firm's* Engagement Team with the Executive Director and Treasurer to review the draft management letter and after agreement as to content.

12.4 PERFORMANCE EVALUATION

During the term of the engagement, the auditor's performance will be evaluated based on the following criteria:

- a) Timely identification and effective and efficient resolution of audit issues.
- b) Timeliness and soundness of advice on accounting and internal control matters.
- c) On site performance of staff assigned to the audit.
- d) Performance in the manner proposed in the *Firm's* Proposal.

12.5 AUDIT DEADLINES

- a) It is expected that the audit will take place once per fiscal year.
- b) The *Firm's* Engagement Team will meet with the Executive Director and Treasurer at the visit to participate in the review of draft financial statements, the draft management letter and the *Firm's* Engagement Team performance evaluation. The *Firm's* Engagement Team may be required to attend one General Meeting or the Annual General Meeting in each year at which the audited financial statements are presented.
- c) The first audited statement, for fiscal year 2010-2011, will be delivered to Treasurer of Pride Toronto no later than January 13, 2012. The second audited statement, for fiscal year 2011-2012, will be delivered no later than October 12, 2012.

12.6 ASSISTANCE TO BE PROVIDED TO THE ENGAGEMENT TEAM

In relation to the audit, Pride Toronto staff will prepare the following statements and schedules as applicable for the *Firm's* Engagement Team:

- a) Reconciliation for Balance Sheet Accounts
- b) Lead Sheet
- c) Debt Schedules
- d) Fixed Asset Schedules
- e) Financial Statements including notes

12.7 REPORT PREPARATION

Report preparation, editing and printing shall be the responsibility of the *Firm's* Engagement Team. The *Firm* shall provide 13 complete bound and 1 unbound copy of the audited financial statements.

13. PROPOSAL EVALUATION

Contacted *Firms* will be provided the opportunity to submit proposals in accordance with 8.2 and 16. The Selection Committee will then evaluate all proposals and submit their recommendation to the Board of Directors who, in turn, will present a motion to voting members for approval at the Annual General Meeting or a General Meeting on the selection and term of the contract.

14. RFP SCHEDULE OF EVENTS

The RFP process will be governed in accordance with the following schedule. Although every attempt will be made to meet all dates, Pride Toronto reserves the right to modify or alter any or all dates at its sole discretion by notifying all respondents in writing to the address provided by the respondent.

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|---------------------------------|-------------------|
| Request for proposals issued | December 8, 2011 |
| Due Date for submission | December 15, 2011 |
| Selected <i>firm</i> notified | December 19, 2011 |
| Confirmation at General Meeting | December 22, 2011 |

15. PROPOSAL SUBMISSION

Proposals on paper shall be submitted no later than 4 p.m. EST, December 15, 2011 to:

Kevin Beaulieu, Executive Director
Pride Toronto
14 Dundonald Street
Toronto ON M4Y 1K2

Email proposals will be accepted only in Adobe PDF format and must be sent only to kevin@pridetoronto.com.

16. REQUIRED PROPOSAL CONTENT

The proposal, at a minimum, must cover the following items:

- 16.1. An outline of the proposed approach to the engagement including the following:
 - a) Understanding of Pride Toronto's requirements
 - b) Overview of the approach to be used
 - c) A time phased project work plan including a breakdown of stages and activities, milestones and deliverables, and resource allocation.
 - d) Reporting mechanisms/outputs.
- 16.2 The detailed requirements in accordance with paragraph 8.1
- 16.3 A *firm* quotation, by year, for the initial two year term of the contract with hourly or per diem rates by category of staff and including disbursements, applicable taxes, additional or unexpected work not outlined in the initial scope of audit services and any other expenses to be charged to Pride Toronto. Fees quoted shall include management consultation with the *Firm* on various matters of a minor nature. Consultations involving significant research and investigation, as mutually agreed between the Pride Toronto and the *Firm*, may be extra-billed with prior approval of management. In the event of an unexpected termination of the contract if decided by Pride Toronto, no other costs will be billable to Pride Toronto other than allowable costs incurred up to the date of the contract termination.
- 16.4 A summary of related experience in audit, accounting and control review engagements with particular emphasis on not-for profit or charitable clients.

17. EVALUATION CRITERIA

For proposals to be evaluated, *firms* must be audit *firms* that are independent and licensed to practice in Ontario, and have no conflict of interest, e.g., as a result of any other work performed by the *firm* for Pride Toronto. Proposals will be evaluated on, but not limited to, the following criteria:

- a) Experience and qualifications of the *firm* relevant to the Pride Toronto requirements.
- b) Experience of staff to be assigned to the proposed engagement.
- c) Reputation and professional standards of the *firm*, and particular areas of expertise, which may be beyond the annual audit. Special emphasis may be placed on information processing systems audit and internal controls competencies.
- d) Audit approach.
- e) Internal control review approach.
- f) Fees. It is expected that the quoted fees will provide for all work associated with the issue of the audited financial statements, management letter and other reports as required by paragraph 12.3.
- g) Presentation

Kevin Beaulieu
Executive Director