

CNSOPB



**CANADA-NOVA SCOTIA
OFFSHORE PETROLEUM BOARD**

Request for Proposals

Audit Services

July 20, 2009

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1.0 Introduction

The Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) invites Proposals for its Audit Services for fiscal years 2009-10, 2010-11, 2011-12, 2012-13, and 2013-14.

1.1 CNSOPB Mandate

The CNSOPB is the independent joint agency of the Governments of Canada and Nova Scotia responsible for the regulation of petroleum activities in the Nova Scotia Offshore Area, including:

- Health and safety for offshore workers;
- Protection of the environment during offshore petroleum activities;
- Management and conservation of offshore petroleum resources;
- Compliance with the provisions of the Accord Acts that deal with Canada-Nova Scotia employment and industrial benefits;
- Issuance of licenses for offshore exploration and development; and
- Resource evaluation, data collection, curation and distribution.

2.0 Scope of Work

See Appendix A for Scope of Work.

3.0 Schedule

Activity	Timing
Submission of Proposal	August 14, 2009 3:00 PM Atlantic time
Award of contract	2 weeks following the submission of the Proposal
Proponent to organize a meeting with the appropriate CNSOPB representatives to discuss the schedule for the completion and audit of the financial statements for the current year and other required details	By March 15, 2010 and annually for the next 4 years.
Audit Completion	By the May Meeting of the Board, starting May 2010 and annually for the next 4 years.

4.0 Proposal Inquiries Contact

Proponents requiring further information on this Request for Proposals (RFP) should contact Sara Colfer by email at:

E-mail: scolfer@cnsopb.ns.ca
Telephone: (902) 496-3201
Facsimile: (902) 422-1799

Inquiries should be received no later than 5 calendar days prior to the Closing Date of this RFP to allow sufficient response time. Otherwise, a response cannot be guaranteed.

5.0 Conditions of Responding

Proponents must submit a Proposal addressing all requirements in this RFP. Proposals will contain the following information:

- Annual schedule for **each of the 5 years**, showing start and completion dates of the audit as well as significant pre-audit and post audit meetings;
- A list of the firm's typical clients and contact information for three (3) audit clients that we may contact as references, at least one of which should be a comparably sized independent government board;
- Discussion of audit scope and methodology that will be used in carrying out the work. Any difficulties that could impact the schedule should be identified;
- Individual audit tasks together with a breakdown of fees, disbursements, etc and resources required for each task. Travel that may be required to undertake some or all of these tasks should be included in the audit budget; out of pocket expenses should be clearly stated to be either part of the estimated fee or estimated separately. An indication should be given as to how fees for any supplementary audit work (such as income tax/HST) would be charged;
- A list of any subcontractors (name, address, services provided) who are proposed for work on this audit. The absence of such a list will be taken to mean that only "own forces" will be used;
- The Proponent should identify both the Senior Auditor and the Lead Auditor, including his/her overall role, and a brief professional biography;
- The Proponent should identify key personnel assigned to the audit, if any, and include their professional biographies, detailing their roles and responsibilities in similar audits;
- The Proposal should clearly state the name and address of the Proponent as well as a contact name;

- The CNSOPB evaluation committee reserves the right to discuss any and all Proposals, to request additional information from the Proponents, and to decline any and all Proposals that are submitted;
- The CNSOPB will not be liable for any costs incurred by the Proponents in the preparation of their response to the RFP;
- All documents, materials, articles and information submitted by the Proponent as part of, or in support of a Proposal shall become upon submission, the property of the CNSOPB and shall not be returned to the Proponent;
- The Proponent shall not disclose or make public any statements or material acquired or produced in relation to this Proposal or to the subsequent awarding of any contract without the prior written permission of the CNSOPB;
- The CNSOPB reserves the right not to proceed with the RFP or to accept any Proposal, even if the accepted Proposal is not the least cost Proposal received; and
- Acceptance of a Proposal will be subject to a standard CNSOPB contract for services, to be prepared by the CNSOPB. (Details available upon request.)

The Proposal should be concise and should address, but not necessarily be limited to the criteria listed in **Section 7.0**.

Proposals should be submitted in the format requested. Any Proposal that does not include all the requested information or is in any way incomplete may be disqualified or assessed solely on the basis of the information received. If the Proponent thinks that the terms and conditions of this RFP will restrict it unnecessarily, it should so state in the Proposal. Any deviations from these conditions should be provided in detail with an explanation as to why they are being proposed. It is the responsibility of the Proponent to obtain clarification of the requirements contained herein, if necessary, prior to submitting its Proposal.

6.0 Deliverables

Annually, the Proponent must examine the records and financial statements of the CNSOPB, prepare their financial statements, notes and schedules, and express a written opinion on their financial statements.

7.0 Evaluation of Proposal

Evaluation of the Proposals will be conducted by an evaluation team. The evaluation criteria are as follows:

- Overall cost effectiveness of the Proposal.

- Demonstration of a clear understanding of the audit, the scope of work, its objectives and the purpose for conducting the work.
- Demonstration of the financial and technical capabilities of the Proponent to complete the audit satisfactorily and on time.
- Provision of a detailed account of recently completed audits of a similar scope and nature, including the methodology which was used to achieve objectives, and, if applicable, explain any methodology changes being brought to the proposed approach.
- How the Proponent intends to communicate to the CNSOPB about the audit's progress and any evolving issues throughout the course of the audit.

The CNSOPB may reject any or all Proposals submitted. All Proponents will be advised in writing of the success or failure of their respective Proposals.

8.0 Submission of Proposal

Proponents must submit 5 hard copies and 1 electronic copy of the Proposal (in MS Word or PDF format) by 3:00 PM Atlantic time August 14, 2009.

- All Proposals submitted in response to this RFP must be in a sealed envelope clearly marked as follows:

Request for Proposals – Audit Services
CONFIDENTIAL

- Sealed Proposals will be received by the CNSOPB at the following address:

Canada-Nova Scotia Offshore Petroleum Board
6th Floor, TD Centre
1791 Barrington Street
Halifax, Nova Scotia
B3J 3K9

ATTENTION: **Sara Colfer**
Human Resources Administrative Support

- Proposals must be received at the above address prior to the time of closing of this RFP. Proposals received after the time of closing will not be considered and will be returned unopened to the Proponent. Proposals received in time will not be returned.
- The Proposal should clearly state the name and address of the Proponent.

9.0 Amendment of Proposal

A Proposal that is submitted to the CNSOPB by the Proponent in accordance with this RFP may be amended by letter, provided the revision is received at the address above designated for the receipt of Proposals prior to the closing time for the submission of Proposals.

10.0 Validity of Proposal

Any Proposal received by the CNSOPB must remain open for acceptance for a period of not less than thirty (30) days after the Closing Date of this RFP. After the Closing Date, no amendments will be accepted.

11.0 Requests for Information

The CNSOPB reserves the right to request further detailed financial data to support the rates and other costs reflected in the budget submitted with the Proposal.

Appendix A

1. SCOPE OF WORK

The following describes the services to be carried out and materials to be delivered by the Proponent **ANNUALLY for 5 years**¹:

- Well developed professional auditing techniques and a sound system of control and review of audit work performance.
- Sufficient experienced and well-qualified staff and the ability to ensure reasonable staffing continuity year to year.
- Able to devote sufficient resources to complete the audit in time for the May Meeting of the Board Members.
- Before March 15th of each year, hold a meeting with the CNSOPB Manager of Administration and Industrial Benefits, and her team, and if requested, the Audit Committee of the Board, to discuss and agree upon:
 - a schedule for the completion and audit of the various financial statements for the current year AND;
 - a list of the necessary schedules, working papers, analysis and other information to be prepared for the Proponent in order to complete the audit.
- Preparation of the CNSOPB financial statements, notes and schedules; examination of the CNSOPB records and financial statements; and a written opinion about the quality of the CNSOPB financial records and statements.
- English and French versions of the Audit Report including the financial statements and notes.
- Prepare and deliver to the Audit Committee and Chief Executive Officer of the CNSOPB a draft management letter conveying any concerns and recommendations, based upon the audit review, relative to the internal accounting, operating controls, and or, other matters of material significance to

¹ It is expected that the successful firm will provide service to the CNSOPB for 5 years. However, the appointment will be on an annual basis for terms of one year and the CNSOPB reserves the right not to reappoint if dissatisfied with the performance, fees or any other elements of the service provided.

the CNSOPB's operations. The Proponent shall also be prepared to provide advice and assistance with regard to implementation, if requested to do so.

- A presentation by the Senior Auditor to the Audit Committee of the Board and the Chief Executive Officer and subsequently to the Board Members in May of each year with respect to the financial statements, and audit report. Attendance at other meetings as requested by the CNSOPB to discuss their findings and reports.

Please be advised that any billings in addition to the audit work will require the advance agreement by the Board prior to commencement of the additional work.

2. MONITORING PROPONENT'S PERFORMANCE

During the five (5) year term of engagement, the evaluation of the Auditor's performance will be based on the following criteria:

- Fees
 - It is expected that the successful Proponent's fees will be in accordance with fees quoted for each of the five (5) years of engagement.
- Persons Assigned to the Audit
 - For the initial year of the engagement, the persons assigned to the audit should be those originally proposed. Any subsequent changes to the personnel must be acceptable to the CNSOPB.
- Audit Fieldwork
 - It is expected that the Senior Auditor will be present throughout most of the audit fieldwork. Other reasonable arrangements may be made as agreed upon by the CNSOPB Manager of Administration and Industrial Benefits.