



The BC Muslim Association

Request for Proposal

External Auditor for Fiscal Year Ending on July 31, 2020

May 6, 2019

Objective

BCMA is seeking the services of an auditor to conduct its annual financial audit for fiscal year ending July 31, 2020 which will be presented to its members at their Annual General Meeting.

Detailed proposals from auditors are due by no later than **5 pm on Friday, May 31, 2019**.

Proposals must be submitted in a sealed envelope and can be delivered in person, couriered, or mailed to:

The BC Muslim Association
12300 Blundell Road
Richmond BC V6W 1B3
Attn: Afzal Khan – General Treasurer

Note: No email submission will be accepted.

If you require more information, please contact Mr. Afzal Khan, General Treasurer

- by email at: treasurer@thebcma.com, or
- by phone: 604 773 2244.

Organizational Background

The B.C. Muslim Association (BCMA) is a charity incorporated under the Societies Act on November 17, 1966, corresponding to 4 Sha-ban 1386.

It is the largest Sunni Muslim organization in the province of British Columbia, and it own's and operates Islamic centers, funeral services, halal certification and inspection program and two elementary schools. It employs over a hundred full-time and part-time workers.

Other community services of BCMA includes Hajj, dawah work, dealing with media and issues affecting Muslims, marriage and counselling services, youth services and social services.

It is operated by a volunteer Board of Directors and is supported by many other volunteers across the province, all of whom are committed to the betterment of the Association.

The BCMA receives majority of its revenue from government grants, donations and tuition fees. In addition to these, funds are also generated from fundraising and other related activities.

BCMA's primary expenses are:

- Employee salaries and benefits (>50% of total costs)
- Expenses related to the operation of its Islamic Centers, and
- Other community related programs.

For information, see www.thebcma.com.

To help you better understand BCMA's operations, see BCMA's last years audited financial statements: <http://www.thebcma.com/upload/pdf/2018BCMAConsolidatedReport.pdf>.

Audit Scope

The BCMA is seeking the services of a qualified professional accounting firm to audit its financial records.

The audit is to be conducted with the objective of expressing an opinion for financial statements prepared under restricted and unrestricted fund method as per section 4400, CPA Canada handbook. The final consolidated audited financial statements which are prepared by the auditor must include:

1. An Independent Auditor's Report
2. A Statement of Operations
3. A Statement of Changes in Net Assets
4. A Statement of Financial Position
5. A Statement of Changes Cash Flows
6. Notes to the Financial Statements
7. Schedule of Administrative, General and Operating Expenses, and
8. Supplementary Financial Information.

Auditors Responsibility

The audit and the examination of BCMA's financial records is to be conducted in accordance with Canadian Auditing Standards (CAS's) for Not-For-Profit Organizations (NFPO). This standard requires the auditor to comply with ethical requirements and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatements.

The auditor must also

- review the compliance with statutory and legal requirements of the B.C. Society's Act
- assist in preparing the BCMA's T3010 Charity Return
- assist in preparing any other charity returns with supporting schedules, including reviewing notices of assessment
- issue auditor's report for Statement of Per Student Operating Cost (SOPSOC) and Eligible Student (ES) for school's
- provide advice on tax matters, and
- discuss any matters related to taxes with Canada Revenue Agency (CRA) and their representatives.

The auditor shall also submit a Management Letter of Comments and Recommendations (Internal Control Memorandum), if applicable, which will include a report on suggestions for improvements or identification of gaps with respect to relevant policies, protocols and practices.

The auditor will be required to present and speak about the consolidated financial statements at BCMA's Executive Council and Annual General meeting of the Association in October or November.

The auditor will also be required to review the financial information that will be published in BCMA's annual report.

Terms of the Contract

Contract Length

The term of the contract shall be for three years but is subject to an annual approval by the members of the association at their Annual General Meeting.

Audit Completion Date

BCMA's fiscal year-end is July 31st. The audited financial statements must be ready for approval by the Executive and Executive Council in late September of each year and subsequently for presentation at the Annual General Meeting in late October.

In relation to the audit, BCMA maintains all its financial records at their head office, which is located at 12300 Blundell Road in Richmond, BC.

BCMA will provide the space for the auditor at its head office to complete the audit field work.

Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor. The auditor shall provide BCMA with electronic copies of the audited financial statements as well as two stapled or bound copies and one unbound copy. All copies must be signed by the auditor.

Performance Evaluation

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

- Timely identification and effective and efficient resolution of audit issues
- Timeliness and soundness of advice on accounting and internal control matters
- On-site performance of staff assigned to the audit, and
- Performance in the manner proposed in the RFP.

Evaluation Criteria

Proposals will be evaluated on, but not limited to, the following:

- Experience and qualifications of the candidate relevant to BCMA's requirements
- Experience of staff to be assigned to the proposed engagement
- Completeness and overall quality of the proposal
- Ability to meet BCMA's deadlines
- Experience with non-profit audits, and
- Understanding of RFP requirements as whole.

Submission Formation and Requirements

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

- An outline of the proposed approach to the audit including the following:
 - Understanding of BCMA's requirements
 - Overview of the approach to be used
 - A time phased project work plan including a breakdown of stages and activities, milestones, and deliverables, and resource allocation
 - Reporting mechanisms/outputs
- A realistic quotation, by year, for the term of the contract for the audit with hourly or per diem rates. It should include the category of staff used, disbursements, applicable taxes, additional or unexpected work not outlined above or any other expenses to be charged to BCMA.

Fees quoted should include:

- management consultation of matters any nature with the auditor, and
- consultations involving significant research and investigation. Upon mutual agreement and prior approval of management, the auditor may be bill extra for such services.

If the contract is terminated by BCMA unexpectedly, no other costs will be billable to BCMA other than allowable costs incurred up to the date of the contract termination.

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.

- A summary of related experience in audit, accounting and control review engagements with emphasis on not-for profit or charitable clients, and
- References. At least two references should be included in the proposal. Ideally, the references will be like BCMA in terms of size, operations, non-profit and registered charitable status.

Auditor's Qualification and Independence

The auditor must be:

- A Chartered Professional Accountant (CPA) with specialization and experience in Not-For-Profit Organization and Society's Auditing
- Independent and licensed to practice in British Columbia, and
- Have no perceived or real conflict of interest with the association.

Any real or potential threats to independence that may impair the candidate's professional judgment or objectivity, or which, in the view of a reasonable third party may have that effect shall be declared in the submission.

Costs Related to this RFP

All costs relating to the proposal and any negotiations with BCMA will be borne by the party submitting their proposal. BCMA is not liable to pay such costs or expense or to reimburse or compensate organizations under any circumstances, including the rejection of any or all the proposals.

Negotiations

Upon the completion of the evaluation process, negotiations may be undertaken by BCMA to refine the details of the Contract as outlined in this RFP. Negotiations may be in the form of adding, deleting, or modifying requirements.

When its mutually acceptable, and the terms and conditions are agreed upon, a Contract and Engagement letter will be signed with the selected candidate.

In the event of default or failure to arrive at mutually acceptable terms and conditions, BCMA may accept another proposal or seek new proposals.

BCMA's Rights

The BCMA reserves the right to reject any or all proposals, re-issue this RFP, cancel this RFP with or without issuing another RFP, supplement, amend or modify this RFP, request additional or clarifying information from any candidate.

Decisions

By responding to this RFP, candidates will be deemed to have agreed that the decision of the BCMA is final and binding.

Short-listed candidates will be notified in writing. The appointment of the auditor will be selected at the associations annual general meeting. The appointed auditor will then be notified in writing.

RFP Issued By

Afzal Khan
General Treasurer
The BC Muslim Association
Phone: 604-773-2244
Email: treasurer@thebcma.com