

Saint John Port Authority Request for Proposal Auditing Services

The Saint John Port Authority (Authority) is requesting proposals from qualified public accounting firms, to conduct an examination and to render an opinion on the annual financial statements of the Authority and to provide professional services with respect to a special examination. An E-mail with the subject line “**Auditing Services Proposal**”, will be received electronically by the Controller, Saint John Port Authority, 111 Water Street, Saint John, NB, E2L 0B1 until 3:00 p.m. local time on Monday April 20th, 2020.

General Information

The Saint John Port Authority is requesting proposals from qualified firms of public accountants to audit its financial statements for the fiscal year ending December 31, 2020, with the option of auditing its financial statements for each of the subsequent four (4) years. These audits are to be performed in accordance with Canadian generally accepted auditing standards. The request for proposal also includes professional services related to the provision of one special examination within the next five years, guidance with respect to the implementation of emerging International Financial Reporting Standards (IFRS) and any internal audits that the Authority may wish to undertake.

There is no expressed or implied obligation for the Saint John Port Authority to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, a proposal must be received electronically by email on or before 3:00 p.m., local time on Monday April 20th, 2020. The Saint John Port Authority reserves the right to reject any or all proposals submitted.

During the evaluation process the Saint John Port Authority reserves the right, where it may serve the best interests of the Authority, to request additional information or clarifications from firms submitting proposals. At the discretion of the Authority, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Authority reserves the right to retain all proposals submitted and to use any ideas in the proposal regardless of whether the proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted.

Terms of Engagement

A five (5) year contract is contemplated, subject to the annual review and recommendation of the Board of Directors of the Authority and the satisfactory negotiation of terms between the Authority and the selected firm.

Background

In accordance with the Canada Marine Act (CMA), letters patent of incorporation were issued establishing the Saint John Port Authority as a Canada Port Authority, effective May 1, 1999, replacing the Saint John Port Corporation that had been established under the Canada Ports Corporation Act.

As a Canada Port Authority, the Port operates on a more commercial basis and is required to meet the following criteria: to be financially self-sufficient, to be of strategic significance to Canada's trade, to be linked to major rail and road system and to have diversified traffic. The Authority sets its own rates, tariffs and fees and under section 20 of the CMA, the Board of Directors is responsible for the management of the activities of the Port Authority.

The rights and obligations to the assets and liabilities of the Saint John Port Corporation were transferred to the Saint John Port Authority, except for any federal real property held on behalf of the Crown which remained with the Crown. The Authority has the rights and obligations for the management of the federal real property as set out in its letters patent, which is available on our website sjport.com.

The Saint John Port Authority is an agent of the Crown for purposes of engaging in port activities related to the shipping, navigation, transportation of passengers and goods, handling of and storage of goods and other activities as specified in its letters patent. It is unable to pledge Crown lands against the liabilities of the Authority.

Financial Reporting

Annual Financial Statements

The board of directors of the Authority must present audited comparative financial statements at every annual meeting. The Authority is to provide audited statements to the Minister of Transport and make the statements available to the public at least thirty days before each annual meeting. In accordance with the Canada Marine Act, the annual financial statements shall be prepared in accordance with International Financial Reporting Standards and consist of at least the following: a) balance sheet; b) a statement of retained earnings; c) a statement of income and expenses; and d) a statement of changes in financial position.

Special Examination

A special examination is to be carried out by the external auditor to determine whether the books, records, systems and practices are maintained in a manner that provides reasonable assurance that: a) the assets of the Port Authority are safe-guarded and controlled, b) the transactions of the Port Authority are in accordance with the Canada Marine Act and the letters patent and by-laws of the Port Authority; and c) the financial, human and physical resources of the Port Authority are managed economically and efficiently and the operations of the Port Authority are carried out effectively. A special examination is to be carried out at least every five years. Before beginning a special examination, the examiner shall survey the systems and practices of the port authority and submit a plan for the examination, including criteria to be applied, to the audit committee. The examiner shall, to the extent considered feasible rely on an internal audit carried out by the Port Authority. The special examination report is submitted to the Minister of Transport and the board of directors of the Authority. The most recent Special Examination was dated May 2019 and the next one will be due to be issued by April 2024.

Nature of Services Required

The Saint John Port Authority desires the auditor to conduct an audit and express an opinion on the fair presentation of the annual financial statements in accordance with International Financial Reporting Standards in Canada.

During the term of engagement the Saint John Port Authority requires the auditor to conduct a special examination and to express an opinion whether there is reasonable assurance that there are no significant deficiencies in the system and practices examined; and a statement of the extent to which internal audits were relied upon.

To the extent required to conduct a special examination the auditor shall conduct internal audits for the Authority.

The auditor is required to attend the annual meeting of the Authority, as well as meetings of the audit committee and board when requested. An invitation to all meetings of the audit committee is sent to the auditor and they may choose to attend.

The auditor may also be requested to provide additional auditing services at the request of the Authority

Proposal Requirements

Inquiries concerning the request for proposal of auditing services must be made to:

Krista Foster, Controller, Saint John Port Authority,
111 Water Street, Saint John, New Brunswick, E2L 0B1; Telephone 636-5895. Email –
kfoster@sjport.com

The proposals should include the following information:

- ❑ Details on the firm's qualifications and experience including the size of the firm, the location of the office from which the work on this engagement is to be performed.
- ❑ A list of the people (by level) that will be involved in the audit, as well as descriptions of the professional experience in government audits of each senior and higher level person that would be assigned to the audit. Please elaborate on the degree of consistency that the Authority should expect with regards to assigned personnel.
- ❑ Information relating to the firm's experience in conducting special examinations for government as well as other relevant audit experience of a similar nature.
- ❑ Information on the firm's experience in conducting internal audits.
- ❑ Details on how the firm proposes to undertake the audits of:
 - a) the annual financial statements
 - b) the special examination
 - c) any internal audits considered integral to the special examination.

This should include an overview of the audit methodology

- ❑ The number of hours for the engagement and the approximate percentage of time to be spent on the audit by each member of the audit team.
- ❑ Proposed timing for conducting the annual audit and any interim work. It is the Authority's desire to have the onsite audit complete within 45 days of December 31 and the financial statements issued within 90 days of December 31.
- ❑ Provide names, addresses and telephone numbers of audit clients who may be contacted for reference.
- ❑ Pricing information should be shown as follows:
 - *Annual Audit of Financial Statements*
 - The fee for the annual audit engagement should be shown as a total all-inclusive maximum price containing all direct and indirect costs including all out-of-pocket expenses. Audited financial statements must be issued in both official languages. Translation costs must be included within the all-inclusive maximum price.

- *Special Examination and Internal Audit*
 - The fees for the special examination and internal audit will need to be agreed upon by the auditor and the Authority once the specific terms of reference are defined. Therefore, the proposals should include hourly rates for each level of staff and an estimate of the audit hours (by level) required to provide these services. **The Special Examination must be issued in both official languages. Proposals must include all translation costs.**

- The proposals should include a schedule of professional fees and expenses in the format provided in Appendix A.

In addition to the above requirements, we would be interested in information on any Value-Added Services that you feel may be relevant to the Port Authority and that your firm is able to provide.

Evaluation Criteria:

The following represent the principal selection criteria, which will be considered during the evaluation of proposals:

- Expertise and experience of the firm, including performance of comparable government engagements, and the experience and qualifications of the firm's professional personnel to be assigned to the engagement. (weighting 40%)
- Fees for the audit of the annual financial statements, special examination, and internal audit. (weighting 40%)
- Time frames in which the audit engagement and special examination will be completed. (weighting 20%).

The Authority anticipates making a selection by May 14th, 2020, with the auditor to be appointed for the year 2020 at the annual meeting of the Authority in May 21st, 2020.

To assist you in your proposal we have included copies of our draft audited financial statements and annual report for 2019, the Canada Marine Act, Letters Patent and the Port Authorities Management Regulations. Information on the Saint John Port Authority is also available at our website, "www.sjport.com".

Appendix A

Fixed Fee for Provision of Audit of Annual Financial Statements

Year	Audit Fees	Other Expenses	Total Fees
2020	\$ _____	\$ _____	\$ _____
2021	\$ _____	\$ _____	\$ _____
2022	\$ _____	\$ _____	\$ _____
2023	\$ _____	\$ _____	\$ _____
2024	\$ _____	\$ _____	\$ _____

Schedule of Hourly Rates

Staffing Level	Hourly Rate
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____