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**SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION**

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

Vendor/Firm Name and Address

Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

Services Procurement-Instruments Management
Division/Approvisionnement de services-Gestion des
instruments

11 Laurier St. / 11, rue Laurier

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K1A 0S5

Title - Sujet Tranfer Payment Audit	
Solicitation No. - N° de l'invitation A0480-172881/A	Amendment No. - N° modif. 008
Client Reference No. - N° de référence du client A0480-172881	Date 2018-04-27
GETS Reference No. - N° de référence de SEAG PW-\$\$ZQ-021-32299	
File No. - N° de dossier 021zq.A0480-172881	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2018-05-02	Time Zone Fuseau horaire Eastern Daylight Saving Time EDT
F.O.B. - F.A.B.	
Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Kamanayo, Gatsimbanyi	Buyer Id - Id de l'acheteur 021zq
Telephone No. - N° de téléphone (613) 293-6845 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

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This amendment is issued to make the following change:

1) Answer questions raised by potential bidders:

Question 1:

We are submitting this question as it is important to ensure that this will be a successful procurement for both the Crown and the bidder community. We understand that you may choose to not response but urge you to consider otherwise and do respond given the importance of this initiative to your client. **Ultimately both procurement and the bidder community have the same goals.** We both want to provide best value to and pragmatic results for the client requesting this work. It is our responsibility to work together to achieve this.

Can the Crown please confirm whether they will provide specific answers to the following questions previously submitted? Respectfully, could the Crown please post our questions **as submitted** and provide a specific response for each question? Based on the questions provided in amendment 006, it is very difficult to determine if the Crown was attempting to answer our questions as submitted.

Answer 1:

No questions were intentionally unanswered. In previous amendments, an attempt was made to group multiple questions based on what we perceived to be common issues raised in those questions in order to provide a single response (rather than duplicate the response multiple times). However, upon review of the questions originally submitted (and some that have been resubmitted) it was determined that while there may have been some commonalities in the issues raised, some of the grouped responses did not address the specific issues raised in the individual questions. To rectify those situations, questions that were not previously posted as they were submitted are being posted in this A008 and an individual response (or the reference to the appropriate response from a previous question) has been provided. As well, any questions for which the previously provided grouped responses did not address the issue(s) raised are being republished and responded to individually in this amendment 008.

Question 2:

We understand that the Crown is intending to run a fair, open and transparent procurement. Having a significant procurement that is challenged after award because the mandatory and rated requirements were overly restrictive and were biased, accidentally and unintentionally to favor an existing relationship. This situation costs the Crown and all bidders. We respectfully request that the Crown review the specific requirement of MT1, MT3, MT4, RT1, RT3 and RT5 that effectively positions favours those already performing the work. We suggest that the skills, knowledge and experience be expressly stated to support the outcomes for which the Crown is working towards. Accordingly, will the Crown consider the following amendments?

a. Audit report projects required for MT1, MT3, MT4, RT1, RT3 and RT5 include recipient/contribution agreement audits, forensic audits/reviews as well as other independent assurance projects, including internal audits, and financial audits; and

b. Audit report projects required for MT3, MT4, RT1, RT3, and RT5 include "audit report projects completed for Canadian federal government client, Canadian provincial/territorial government client, or Canadian municipal government; and aimed at Indigenous Communities or Indigenous Organizations"

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Answer 2:

Reviews of the identified evaluation criteria have been conducted and some changes have been made that reflect the skills, knowledge and experience that Canada considers integral to the successful outcome of any work completed under the resulting contract(s). The changes made to the evaluation criteria referenced can be found in the revised Attachment 1 to Part 4 attached to this amendment. For clarity, specific responses to the 2 suggested amendments (the underlined and highlighted text in your question) are:

a) No, other independent assurance projects, including internal audits and financial audits, are not acceptable types of projects to demonstrate the experience required for MT1, MT3, MT4, RT1, RT3 and RT5.

b) No, audit projects completed for a Canadian provincial/territorial government client or Canadian municipal government client are not acceptable types of projects to demonstrate the experience required for MT3, MT4, RT1, RT3 and RT5.

Question 3:

In Amendment 002, answers to Questions 5.1 to 5.3, the response provided by the Crown to Questions 5.2 and 5.3 limits the type of relevant projects to recipient/contribution agreement audits/reports and forensic audits/reviews.

In addition to recipient/contribution audit experience as well as forensic audit experience, bidders with demonstrated experience from various independent assurance projects performed for federal government clients and aimed at Indigenous Communities, such as internal audit projects, and financial reviews and enable them to bring deeper and wider perspective of the issues that impact the recipient/contribution audit and the stakeholders involved. Given the complex combination of areas that must be addressed within a recipient/contribution audit, and to provide all pre-qualified Suppliers a fair, open, and competitive procurement opportunity, will the Crown reconsider the list of relevant audit experience for MT3, MT4, RT1, RT3 and RT5 to include internal audits and financial audits/reviews?

Answer 3:

No, other independent assurance projects, such as internal audit projects and financial audits/reviews, are not acceptable types of projects to demonstrate the experience required for MT3, MT4, RT1, RT3 and RT5.

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Question 4:

For MT1, do projects must all have started and ended during the same 12-month period? For example, if our 12-month period is from January to December, can projects that started prior to January but for which the fieldwork/reporting was done between January and December count, as this would show our capacity to manage multiple audits ?

Answer 4:

Projects must have been started during the (24) month period but are not required to have been completed; however, if the project was not completed, a draft final report must have been provided to that client during the aforementioned time period. In this case, draft final report submitted to the client will be accepted.

Question 5:

Would the Crown please confirm that various independent assurance projects performed for federal government clients and aimed at Indigenous Communities, such as internal audit projects, financial management reviews and forensic audits/reviews, as relevant experience for MT3, MT4, RT1, RT3 and RT5?

Answer 5:

Please see answer to Question 2.

Question 6:

Would the crown please confirm that the performance of assurance projects, such as internal audits) over grant and contribution programs where the funding is aimed at Indigenous Communities as relevant experience for MT3, MT4, RT1, RT3 and RT5 since these engagements, generally, include an assessment of compliance to funding arrangements or consideration of communities financial management processes as part of the audit?

Answer 6:

Please see answer to Question 2.

Question 7:

Smart Procurement helps the Government of Canada meet its goal of fostering a strong economy by getting the best value for taxpayer dollars and Smart Procurement works to improve federal procurement by being informed by lessons learned from past successful procurements and from the early collaboration between government and suppliers.

In describing its Basis of Selection, the Crown describes five possible outcomes for this procurement. Firms who can demonstrate compliance to the mandatory requirements and meet the minimum mandatory point rating will have their proposed price evaluated by the team then ranked from lowest to highest cost for a maximum of up to five suppliers. In our experience, when the Crown looks to fulfill its requirements with multiple firms who are ranked by price rather than just awarding a single contract, it is clearly looking for firms who can deliver value for money during the execution of the required work.

In addition to lowest price, another area where firms can demonstrate value for money is through its containment of travel time and costs. Given the nature of the recipient audits, travel time and cost are typically variable that could increase or decrease based on a firm's ability to provide local resources. This has been stated as part of the Crown's "Benefits to Canadians" by the Crown's ability to use purchasing power and to maximize value to the government and Canadians through valuable market intelligence owing to the Federal Government's regional presence across the

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country, similar to suppliers who are positioned to share their knowledge and cultural insights of first nation communities.

In light of the above, we have the following questions:

A. As part of the requirement for fieldwork, travel will be required to many areas of Canada which may be remote. Does the Volumetric Data (estimated level of effort) include the time associated with travel to and from the Nations?

B. Would the Crown consider including an additional point rated criteria for bidders to demonstrate how they would minimize this travel time and costs? The evaluation criteria would request bidders to describe their approach to minimizing travel costs through demonstration of local offices in close proximity to First Nations across Canada and/or the usage of technology?
NOTE: This question was previously posted and responded to in amendment 002 Question 10.2.

Answer 7.A:

No. The estimated level of effort in Attachment 1 to Part 3 doesn't include the time associated with travel to and from the Nations.

Answer 7.B:

The previous response provided was: "*No. No additional point rated criterion will be added*".
The response remains unchanged.

Question 8:

Given the sensitive nature of recipient and forensics reports, can the Crown please confirm that redacted reports will be sufficient to meet RT1?

NOTE: This question was previously posted and responded to in amendment 006 Question 1.2.

Answer 8:

The previous response provided was "*NO. The Crown may be in a position to evaluate the report.*" Upon further reflection, the previous response is being changed to:

Redacted reports will be accepted to meet RT1.

Question 9:

In Amendment 002, Answers to Questions 5.1 to 5.3. The answer from the Crown states: "*Reports for Recipient/Contribution Agreement Audits and reports for forensic audits/reviews will be accepted. Please see Attachment 1 to Part 4 as amended.*"

Amendment 002 is missing the revised Attachment 1 to Part 4. There are also several other answers referring to changes to Attachment 1 to Part 4. Will the Crown please provide amended copy of Attachment 1 to Part 4 to give all bidders a clear idea of all the changes issued to date?

Answer 9:

Since amendment 002, additional changes have been made to Attachment 1 to Part 4. The new version is attached to this amendment 008.

Question 10:

In Amendment 002, Question 5.1 states: "Could the Crown please confirm that only Recipient/Contribution Audits will be acceptable audits to demonstrate MT1.

Answer to Questions 5.1 to 5.3 states: "Reports for Recipient/Contribution Audits and reports for forensic audits/reviews will be accepted.

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MT1 is asking the bidder to “demonstrate its capacity” by providing descriptions of 25 audits managed by the bidder in various locations across Canada. Given the that capacity can be demonstrated by the bidder’s ability to manage *Recipient/Contribution Agreement Audits and reports for forensic audits/reviews* as well as independent assurance projects, including financial audits and internal audits, will the Crown reconsider the list of relevant audit experience for MT1 to include internal audits and financial audits/reviews?

Answer 10:

No, these criteria will not be revised to include internal audits nor financial audits. Only audits that meet the characteristics identified for MT1 in the updated Attachment 1 to Part 4 included in this amendment 008 are acceptable.

Question 11:

Within Amendment # 006 that you just released, there appears to be two (2) problems with the **Attachment 1 to Part 4** ----- as it does NOT reflect changes made in Amendments 001 AND 002.

- a) In Amd#1 – the answer to 1b (about MT1), changed the period from “within a 12-month period” (delete), to **INSERT:” within a 24-month period”**
- b) In Amd#2 – Question & answer 9.3 ---- DELETED Civil Engineer, and said to **INSERT (replace with): PROFESSIONAL ENGINEER.**

In the new Amendment #006 that you just sent out NEITHER of these things is reflected. Please review revise / clarify accordingly.

Answer 11:

We are able to confirm that some information contained in the revised Attachment 1 to Part 4 that was released in A006 did not accurately reflect changes that were agreed to in previous amendments. The updated Attachment 1 to Part 4, which includes corrections to the 2 items identified above (among other changes), is attached to this Amendment 008.

Question 12:

As a follow up to Amendment 6, we would like to ask the following question:

We noted that MT1 was changed to significantly restrict the capacity of bidders (including incumbents) to meet the mandatory requirements, as Firms must now demonstrate having completed twenty-five recipient audits aimed at Indigenous Communities or Indigenous Organizations. Previously MT1 did not have this restriction. Can the Crown confirm this inclusion is an oversight and should not be included in MT1?

Answer 12:

MT1 has been updated; the requirement for the audits to be aimed at Indigenous Communities or Indigenous Organizations has been removed. Please see the revised Attachment 1 to Part 4 attached to this Amendment 008.

Question 13

Further to Amendment 006 issued Friday, there seem to be some discrepancies with changes made through previous Q&As and Amendment 006. For example, Q&A #1.b of Amendment 001 modified MT1 for the 25 audits to be “within a 24-month period”; as per the last amendment, it is back to “within a 12-month period”. Please confirm what the correct information is.

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Answer 13:

The correct timeframe is “within a 24-month period”. Please see the revised Attachment 1 to Part 4 attached to this Amendment 008.

Question 14:

In Amendment 002, Question 5.1 states: “Could the Crown please confirm that only Recipient/Contribution Audits will be acceptable audits to demonstrate MT1.

Answer to Questions 5.1 to 5.3 states: “Reports for Recipient/Contribution Audits and reports for forensic audits/reviews will be accepted.

MT1 is asking the bidder to “demonstrate its capacity” by providing descriptions of 25 audits managed by the bidder in various locations across Canada. Given the that capacity can be demonstrated by the bidder’s ability to manage Recipient/Contribution Agreement Audits and reports for forensic audits/reviews as well as independent assurance projects, including financial audits and internal audits, will the Crown reconsider the list of relevant audit experience for MT1 to include internal audits and financial audits/reviews?

Answer 14:

No, MT1 will not be revised to include internal audits nor financial audits. Only audits that meet the characteristics identified for MT1 in the updated Attachment 1 to Part 4 attached to this Amendment 008 are acceptable.

Question 15:

Would the Crown please indicate who is currently performing recipient and forensic audit for INAC and FNIHB in FY 2016/17 and whether they were invited to the bid?

Answer 15:

We are unable to identify all suppliers “*who (are) currently performing recipient and forensic audit for INAC and FNIHB in FY 2016/17*” as PSPC does not issue all audit contracts on behalf of INAC. For the contracts that are currently in place that are intended to be replaced by this RFP process, the contractors are: Samson & Associés, E&Y LLP, Deloitte LLP, Hallux and SMCL Ltd. In terms of whether these suppliers were invited to bid, the list of qualified suppliers invited to participate in this solicitation is on Page 5/41 of the RFP.

Question 16:

In Amendment 001 Answer 1.b) the Crown stated that the Bidder must demonstrate its capacity by providing project descriptions of 25 audits managed by the Bidder within a 24-month period in various locations across Canada. In Amendment 006, Attachment 1 to Part 4: Technical and Financial Criteria, MT1 indicates that the Bidder must demonstrate its capacity by providing descriptions of 25 that were managed by the bidder in a 12-month period.

Could the Crown please confirm that MT1 should state “The Bidder must demonstrate its capacity by providing project descriptions of 25 audits managed by the Bidder within a 24-month period”?

Answer 16:

Please see the response to Q13.

Question 17:

In original RFP, MT1 states within a 12 month period for the 25 audits. Amendment 002 states a 24-month period. Amendment 006 states 12-month period. Could you please clarify?

Answer 17:

Please see the response to Q13.

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Question 18:

In response to Amendment 6 Q&A 1.2 – redacted reports. It is standard practice to redact sensitive client and third party information when providing example forensic reports. This was acceptable protocol for previous INAC RFP submissions including A0015-173131/A when addressing RT1. Given this, can the Crown please confirm that sensitive information (e.g. recipient being investigated, dollars figures, 3rd parties) can be redacted from reports? We will still provide information outlined in Attachment 1 to Part 4, including:

- Name and description of client organization;
- Scope, objective, size in dollars and resources, project timeframe (from-to dates month/year);
- Outcomes of the project; and/or
- Description of the Consultant roles and responsibilities in the project.

Furthermore, client references will be provided for INAC to confirm details as required.

Answer 18:

In addition to draft reports, which were already acceptable, redacted reports will also be accepted.

Question 19:

As per Amendment 001 Answer 1.b, please confirm that Audits conducted for MT1 conducted within a 24-month period are accepted.

Answer 19:

Please see the response to Q13.

Question 20:

The MT1 requirement in Amendment 6 has been changed from Amendment 1 (please see table below). We respectfully ask why the change? Can MT1 be changed back to the amended requirement? At this stage of the proposal, it may prove difficult to qualify all 25 projects aimed at Indigenous Communities or Organizations:

The requirement was 25 audits, not purely Recipient/ Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement, and was for various organizations, not only Indigenous.

Also, Amendment 1 changed it from 25 audits within a 24-month period, not 12.

Answer 20:

The rationale for limiting the 25 audits to Recipient/Contribution Agreement audits or Forensic audits of Recipient/Contribution agreements is that these are the types of services being contracted for under the resulting contract(s). As per the attached revised Attachment 1 to Part 4, the requirement for these audits to be aimed at Indigenous Communities or Organizations has been removed and the period during which the experience must have been obtained has been increased from 12 months to 24 months

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2) Update Attachment 1 to Part 4.

At Attachment 1 to Part 4: Technical and Financial Criteria:

DELETE:

Attachment 1 to Part 4 in its entirety,

INSERT:

ATTACHMENT 1 to PART 4: TECHNICAL AND FINANCIAL CRITERIA

1.1 Technical criteria

The Bidder must provide the necessary documentation to support compliance with this requirement.

- a. The Bidder is advised that only listing experience without providing any supporting data to describe where and how such experience was obtained will not constitute “demonstrated” for the purpose of the evaluation.
- b. The Bidder must clearly demonstrate in the proposal how the experience was gained or knowledge was attained, supported by resumes and any necessary supporting documentation.
- c. The Bidder must provide complete details as to where, when and how (through which activities/responsibilities) the stated qualifications/experience were obtained. In order to demonstrate when experience was obtained, the bidder must indicate the duration of such experience, specifying the start and end dates (month and year at a minimum). In the case where the timelines of two or more projects or experience overlap, the duration of time common to each project/experience will not be counted more than once.
- d. It is recommended that the Bidder include a grid in their proposals, cross-referencing statements of compliance with the supporting data and resume evidence contained in their proposals. Note: the compliance grid, by and of itself DOES NOT constitute demonstrated evidence. As stated in bullet “b” above, the resumes and supporting documentation will be accepted as evidence.

Bidders should provide the required references in the Technical Proposal of their bid.

The references provided by the Bidders are subject to verification by Canada during the bid evaluation period (before award of a contract) and after award of a contract. The Contracting Authority will have the right to ask for additional information to validate the references before award of a contract. The bid will be declared non-responsive if any references given by the Bidder are untrue, whether made knowingly or unknowingly. Failure to comply with the request of the Contracting Authority for additional information will also render the bid non-responsive.

For Mandatory Technical Criteria and Point Rated Technical Criteria listed below requiring Project Summaries, the Bidder and its proposed resource(s) should provide:

- Name and description of client organization;
- Scope, objective, size in dollars and resources, project timeframe (from-to dates month/year);
- Outcomes of the project; and/or
- Description of the Consultant roles and responsibilities in the project.

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1.1.1 Mandatory Technical Criteria

The bid must meet the mandatory technical criteria specified below. The Bidder must provide the necessary documentation to support compliance with this requirement.

Bids which fail to meet the mandatory technical criteria will be declared non-responsive. Each mandatory technical criterion should be addressed separately.

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Mandatory Technical Criteria (MT)

For the purpose of the mandatory technical criteria specified below, the experience of the Bidder, its parent, subsidiaries, or other affiliates of the Bidder, or its sub-contractors will be considered.

The Bidder				
Number	Mandatory Technical Criterion	MET	NOT MET	Cross Reference to Proposal
MT1	<p>The Bidder must demonstrate its capacity by providing project descriptions of 25 Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement that were managed by the Bidder within a 24-month period and conducted for a Canadian federal government client. Bidders must provide a table summarizing the 25 audits that, at a minimum, contains the following information:</p> <ul style="list-style-type: none"> • Audit timeframe (from-to dates month/year); • Name of client organization • Location of audit • Short description of audit 			
The Bidder's Proposed Resources				
Experience & Education				
MT2	<p>The Bidder's team must be composed of the following number of resources, as a minimum:</p> <p>1 Partner / Managing Director 1 Project Manager / Leader 1 Senior Auditor; 1 Auditor; and 1 Junior Auditor 1 Professional Engineer</p> <p>The Bidder must submit detailed CVs for each of the proposed resources demonstrating that the resource meets the minimum mandatory requirements (educational, professional designations and work experience) for the applicable category as described in <u>Annex A, Statement of Work, Section 5.</u></p> <p>If CVs are provided for more than the minimum number of resources of each category, only the first CV in order of presentation will be evaluated to determine compliance to the minimum team composition criteria above.</p> <p><u>A resource cannot be proposed for more than one resource category.</u></p>			

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MT3	The Bidder must demonstrate through project descriptions (with the same information elements as in MT1), that the proposed Senior Auditor that was evaluated for MT2 has experience in completing a minimum of two (2) audit report projects for Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement for a Canadian federal government client and aimed at Indigenous Communities or Indigenous Organizations during the period beginning 5 years prior to the bid posting date.			
MT4	The Bidder must demonstrate through project descriptions (with the same information elements as in MT1), that the proposed Auditor that was evaluated for MT2 has experience in completing a minimum of two (2) audit report projects for Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement for Canadian federal government client during the period beginning 5 years prior to prior to the bid posting date.			

1.1.2 Point Rated Technical Criteria

Bids which meet all the mandatory technical criteria will be evaluated and scored as specified in the tables inserted below.

Bids which fail to obtain the required minimum number of points specified will be declared non-responsive. Each point rated technical criterion should be addressed separately.

Point Rated Technical Criteria- Scores				
For the purpose of the mandatory technical criteria specified below, the experience of the Bidder, its parent, subsidiaries, or other affiliates of the Bidder, or its sub-contractors will be considered.				
The Bidder				
Item	Description	Scoring Methodology	Max Points	Cross Reference to Proposal
RT1	The Bidder should provide two (2) audit reports for Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement prepared for a Canadian federal government client and aimed at Indigenous Communities or Indigenous Organizations, which were completed during the period beginning 5 years prior to the bid posting date. Each audit report will be assessed using the following criteria (2 points	Max: 10 points per audit report.	/20	

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	<p>per bullet):</p> <ul style="list-style-type: none"> •Ability to communicate clearly and effectively; •Facts are unambiguously identified in the report •The firm's approach/methodology explicitly identified •Findings are detailed and precise. •Recommendations are clear, specific and strategic. <p>Audit reports that were submitted to a client as draft final report or redacted final reports are acceptable.</p>	<ul style="list-style-type: none"> - Communication was fully clear and effective = 2 pts -Communication was somewhat clear and effective = 1 pt; -Communication was neither clear nor effective = 0 pt -Facts are unambiguously identified =2 pts -Facts are somewhat unambiguously identified = 1pt -Facts are ambiguously identified =0 pt -The firm's approach/methodology was explicitly identified = 2 points - The firm's approach/methodology was somewhat explicitly identified =1 pt -The firm's approach/methodology was not explicitly identified = 0 pt -Findings are detailed and precise =2 pts -Findings are somewhat detailed and precise =1 pt -Findings are neither detailed nor precise =0 pt -Recommendations are clear, specific and strategic.= 2pts -Recommendations are somewhat clear, specific and strategic.= 1pt -Recommendations are neither clear, nor specific and strategic.= 0 pt 		
The Bidder's Proposed Resources				
RT2	<p>The Bidder should provide a contract management plan that outlines the control mechanisms it has in place to support the successful delivery of a minimum of</p>			

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	<p>25 audits conducted over a 12 month period, all of which may require field work across Canada.</p> <p>Detailed descriptions should be provided for the following:</p> <ul style="list-style-type: none"> •Project Management plan (2 points max); •Human resource plan including the contingency plan for the replacement of personnel (2 points max); • The quality control procedures that are used throughout the planning, executing and reporting stages of the audit 2 points max);and •Risk mitigation strategy (2 points max). 	Maximum 8 points	/ 8	
RT3	<p>The Bidder should demonstrate through projects descriptions that the proposed <u>Senior Auditor</u> that was evaluated for MT2 has experience in completing audit report projects for Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement for a Canadian federal government client and aimed at Indigenous Communities or Indigenous Organizations, during the period beginning 5 years prior to the bid posting date.</p>	<p>3 projects = 5 points 4 projects or more = 8 points</p>	/8	
RT4	<p>The Bidder should demonstrate through project descriptions the number of years of experience that the proposed <u>Senior Auditor</u> that was evaluated for MT2 has in Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement for a Canadian federal government client and aimed at Indigenous Communities or Indigenous Organizations and that was obtained within past ten (10) years.</p>	<p>12 to 24 months = 5 points 25 months or more = 8 points.</p>	/8	
RT5	<p>The Bidder should demonstrate through project descriptions that the proposed <u>Auditor</u> that was evaluated</p>			

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	for MT2 has experience in completing audit report projects for Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement for a Canadian federal government client and aimed at Indigenous Communities or Indigenous Organizations, during the period beginning 5 years prior to the bid posting date.	1 project = 5 points 2 projects or more = 8 points	/8	
RT6	The Bidder should demonstrate through project description the number of years of experience in Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement that the proposed Auditor that was evaluated for MT2 has obtained within the past ten (10) years.	13 to 24 months = 5 points 24 months or more = 8 points	/8	
RT7	The Bidder should demonstrate through project description the number of years of experience the proposed Engineer that was evaluated for MT2 has obtained within the past ten (10) years.	24 to 42 months = 5 43 months or more = 8	/8	
Total of all of the point rated technical criteria Minimum required score is 47 points over 68			/68	

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1.2 Financial Criteria

1.2.1 Mandatory Financial Criteria

Bids must meet the mandatory financial criteria specified in the table inserted below.

Bids which fail to meet the mandatory financial criteria will be declared non-responsive. Each criterion should be addressed separately.

Mandatory Financial Criteria (MF)	
Number	Mandatory Financial Criterion
MF1	<p>For Option Period #1, the bidder`s average all-inclusive per diem rate must not exceed their proposed all-inclusive per diem rate of 2018-2019 (Contract Period) by more than 2%.</p> <p>For Option Period #2, the bidder`s average all-inclusive per diem rate must not exceed their proposed all-inclusive per diem rate of option period one (1) (2019-2020) by more than 2%.</p> <p>For Option Period #3, the bidder`s average all-inclusive per diem rate must not exceed their proposed all-inclusive per diem rate of option period two (2) (2020-2021) by more than 2%.</p> <p>For Option Period #4, the bidder`s average all-inclusive per diem rate must not exceed their proposed all-inclusive per diem rate of option three (3) (2021-/2022) by more than 2%.</p>
MF2	<p>Substantiation of Rates Quoted by Bidders in Professional services Bids</p> <p>The proposed firm all-inclusive per diem rates for any given resource category included in a Bidder's financial proposal must be priced sequentially, i.e., the partner/managing director must be priced higher than the project manager/leader, the project manager/leader must be priced higher than the senior auditor and the senior auditor must be priced higher than the auditor.</p> <p>The proposed firm all-inclusive per diem rates for any given resource category cannot decrease from one year to the next during either the initial period or any of the optional periods specified in solicitation document.</p> <p>When evaluating the financial bids submitted by bidders in response to this bid solicitation, Canada may, but will have no obligation to, require price support from bidders for any of the rates (either for one, several or all categories of resources) they quoted in their financial bids.</p>

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3) Update Annex A – Statement of Work.

At Annex A – Statement of Work:

DELETE:

Annex A in its entirety,

INSERT:

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ANNEX A

STATEMENT OF WORK

1.0 TITLE – Recipient Funding Arrangements Audit Services for the Department of Indigenous and Northern Affairs Canada (INAC) and the Department of Health Canada (HC).

2.0 OBJECTIVE

To identify a supplier (s) and their proposed resources to work with the Chief Finances, Results and Delivery Officer (CFRDO) of INAC and Chief Financial Officers (CFO) of HC in preparing and carrying out their respective Recipient Audit Plan in providing an acceptable level of assurance that the recipient(s):

- has met the financial and non-financial terms and conditions of the funding arrangements;
- has management practices in place to support the delivery of the program or project and the management of the funding arrangements throughout its life-cycle and to ensure they are adequate and high quality;
- compliance to terms and conditions of the funding arrangements; the program management and financial control practices are in place to ensure the effective delivery of programs/services activities funded; the recipient's management practices; and/or the integrity of any data which has been reported by the recipient; and,
- has developed the operational capacity required to deliver health services.

Due to their respective mandate regarding Indigenous peoples both INAC and HC must carry out Recipient funding arrangements' audits often in overlapping areas of jurisdiction and responsibility.

Indigenous and Northern Affairs Canada
<http://www.aadnc-aandc.gc.ca>

Health Canada and Public Health Agency of Canada
<http://www.hc-sc.gc.ca> and <http://www.phac-aspc.gc.ca>

In order to maximize administrative efficiency, minimize strain on Indigenous Communities and Departmental staff, it was decided that when practical both departments would work together in the Pre-Planning, Planning, Field Work and Reporting phases of Recipient Funding Arrangement audits.

In addition to the delivery of the projects, the Contractor may be called upon, on an ad-hoc basis, to assist INAC and HC with the development or validation of Recipient Audit methodologies or studies to meet the requirements of the Treasury Board Policy on Transfer Payments and Directive on Transfer payments.

3.0 BACKGROUND

Indigenous and Northern Affairs Canada (INAC)

INAC is one of the federal government departments responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit and Métis, and for fulfilling the federal government's constitutional responsibilities in the North. INAC's responsibilities are

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largely determined by numerous statutes, negotiated agreements and relevant legal decisions. Most of the Department's programs, representing a majority of its spending - are delivered through partnerships with Indigenous communities and federal-provincial or federal-territorial agreements (many of whom live in rural areas). INAC also works with urban Indigenous people, Métis and Non-Status Indians through the Métis and Non-Status Indians Relations Directorate (<http://www.aadnc-aandc.gc.ca/eng/1100100014271/1100100014275>).

INAC supports indigenous people (First Nations, Inuit and Métis) and Northerners in their efforts to:

- improve social well-being and economic prosperity;
- develop healthier, more sustainable communities; and
- participate more fully in Canada's political, social and economic development - to the benefit of all Canadians.

INAC - Transfer Payments Advisory services (TPAS)

TPAS is responsible and accountable to the INAC CFRDO for providing, functional direction, interpretation, guidance and training with respect to the application of the Recipient Audit Directive and the approaches, processes, specifications, supporting tools and standards to be used in the application of the Directive;

- providing support and challenge function on the recommendations of Recipient Audits by the Transfer Payment delivery sectors;
- developing / updating the risk-based departmental Recipient Audit Plan;
- assisting in the identification of instances where single audits are appropriate and feasible;
- scoping Recipient Audits based on the specific risk profiles and circumstances of the recipients targeted;
- selecting an independent auditor to undertake a Recipient Audit for the department and communicating to the auditor the scope of the Recipient Audit to be undertaken, the standards to be followed and the nature of the report to be provided to the department;
- monitoring, on behalf of the CFRDO, compliance with the Directive on Recipient Audit; and,
- gathering and communicating trends, lessons learned and best practices to enable continuous improvement in the life-cycle management of Recipient Audits.

TPAS also provides advisory and support services through policies, directives and other activities, including the:

- Development of National Funding Arrangements Models
- Development of Guidelines, Information Bulletins and Best Practices
- Enhancement of Stakeholders' Engagement
- Establishment of Funding Arrangements Service Standards
- Grants and Contributions Information Management System (GCIMS)
- Integrated Management Control Framework for Grants and Contributions
- National Monitoring, Compliance and Reporting
- National Oversight on Grants and Contributions Management
- Recipient Audit Plan
- National Transfer Payment Management Training

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Health Canada (HC)

Health Canada is working with First Nations people and Inuit to improve their health. Together with First Nations and Inuit organizations and communities, HC carries out many activities aimed at helping people stay healthy, and prevent chronic and contagious diseases.

Health Canada's role in First Nations and Inuit health goes back to 1945, when Indian health services were transferred from Indian Affairs. In 1962, Health Canada provided direct health services to First Nations people on reserve and Inuit in the north. By the mid-1980s, work began to have First Nations and Inuit communities control more health services. Health Canada's [plans and priorities](https://www.canada.ca/en/health-canada/corporate/about-health-canada/accountability-performance-financial-reporting/estimates/report-plans-priorities.html) (<https://www.canada.ca/en/health-canada/corporate/about-health-canada/accountability-performance-financial-reporting/estimates/report-plans-priorities.html>) give an overview of Health Canada's role in health care for First Nations people and Inuit.

In recent years, First Nations and Inuit health has improved in areas such as living longer and preventing infant deaths. Despite improvements, gaps remain in the overall health status of First Nations and Inuit compared to other Canadians. For example, First Nations people and Inuit have higher rates of injury, suicide and diabetes. Visit the [Statistical Profile on the Health of First Nations in Canada](http://www.hc-sc.gc.ca/fniah-spnia/pubs/aborig-autoch/index-eng.php) (<http://www.hc-sc.gc.ca/fniah-spnia/pubs/aborig-autoch/index-eng.php>) page for more details.

First Nations and Inuit (FN/I) are striving to improve the level of health in their communities by managing their own prevention, health promotion and treatment programs. The First Nations and Inuit Health Branch (FNIHB) approach to FN/I health is distinguishable by its strong emphasis on a holistic perspective, including not only broad social and economic determinates of health, but also cultural distinctions that play an important role in maintaining health at the level of the individual, the family and the community. Integral to such an approach is enabling First Nations and Inuit to have an effective role in the planning a delivery of their health services.

The First Nations and Inuit health programs are designed to provide efficient, effective and sustainable health services that contribute to better health outcomes for FN/I. Overall Branch objectives include: ensuring availability of public health systems in FN/I communities; providing FN/I access to the same quality of services as the rest of the population living in similar geographic areas; strengthening capacity for promotion of good health; and preventing illness.

First Nations and Inuit recipients deliver the health programs using funding provided by FNIHB through funding arrangements, as per the Treasury Board Policy on Transfer Payments. Each FNIHB funding arrangements contains a section referred to as the Minister's Right to Audit. This "right" permits the Minister of Health Canada to audit or cause to have audited the accounts and records of the Recipient, or any Agency of the Recipient, relating to the funding provided under the arrangement in order to ensure compliance with the terms and conditions of the funding arrangements.

Funding Arrangements' audits are complementary to the ongoing monitoring activities performed by funding arrangement managers, such as the assessment of financial and non-financial reports, and on-site visits. They do not replace the recipient's mandatory reporting activities, nor the recipient driven audit of financial statements by external auditors.

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HC-Capacity, Infrastructure and Accountability Division

The Capacity, Infrastructure and Accountability Directorate (CIAD) is responsible for supporting the First Nations and Inuit Health Branch (FNIHB) at both the headquarters and regional level on a multitude of files that are directly related to increasing the recipient's capacity to manage and administer their health programs and services, as well as the development and implementation of grant and contribution (Gs&Cs) arrangements, tools and policies and the management of systems; monitoring and validating audit and accountability requirements, eHealth policy and integration; and the management of health facilities and capital projects.

In relation to the management and administration of transfer payments, CIAD reviews the use of First Nations and Inuit health program funding by recipients and ensures that program areas comply with current funding arrangements, FNIHB policies and procedures and the Treasury Board Policy and Directives on Transfer Payments when delivering contribution programs.

CIAD is also the lead on the development of FNIHB funding arrangements' templates and ensures templates reflect Treasury Board's Policy on Transfer Payments and other funding arrangements -related directives and guidelines.

The division collaborates with various organizations including program directorates, regional offices, legal services, financial services, the Assembly of First Nations, and other departments.

4.0 Description of Resource Categories

4.1 Partner/Managing Director

May be the owner of the firm. The resource exercises project sign-off authority on behalf of the Contractor, and oversees and assures the quality of work of the Project Managers/Leaders responsible for individual projects. Negotiates the final agreement for the Work on behalf of the firm. Supervises the creation, development and implementation of significantly new or modified audit approaches to solve problems and obtains approval from the Project Authority for their application. Reports progress of the project on an as needed basis and at key milestones in the life cycle. Meets with senior level auditees, as required, to outline audit objectives and approaches, to gather key perspectives, and to present audit observations and recommendations.

4.2 Project Manager/Leader

Manages the project team during the planning, implementation and reporting phases of the audit Work. Ensures that resources are made available and that the project is developed and is fully implemented within agreed time, cost and performance parameters of the Contract. Determines budgetary requirements, the composition, roles and responsibilities and deadlines for the project team. Defines and documents the objectives and scope for the project. Identifies problems impeding successful completion of the project and proposes, develops and implements significantly new or modified audit approaches to solve them. Reports progress of the project to the Project Authority on an ongoing basis and at scheduled points in the life cycle. Meets with auditee management to outline audit objectives and approaches, to gather key perspectives, and to present audit observations and recommendations. Prepares plans, charts, tables and diagrams to assist in presenting or displaying observations and recommendations

4.3 Senior Auditor

Develops and designs approaches and programs for significant segments of projects. Participates in the development of the overall plan and strategy for specific projects. Carries-out, or supervises auditors and junior auditors in the performance of project tasks according to approved programs or plans. Prepares and presents project observations and recommendations

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to the Project Manager/Leader for approval. Presents observations and findings from work completed to the Project Authority and to auditees. Drafts and revises audit reports.

4.4 Auditor

Participates in the planning, conducting and reporting phases of the projects. Organizes and conducts project tasks according to approved programs or plans. Drafts portions of, or content leading to, drafts and final reports, including audit observations, conclusions and recommendations. Presents oral briefings and debriefings to auditees on assigned segments of projects.

4.5 Junior Auditor

Conducts assigned tasks. Normally supports resources provided by the Contractor where there is a justified requirement for audit tests or other support activities not requiring the level of qualification or expertise associated with the other resource categories.

4.6 Civil Engineer

Review infrastructure project plans and civil/structural design drawings, conducts construction site reviews to validate the achievement of civil/structural construction milestones and writes summary reports with observations, findings, and recommendations from work completed for the Reporting and Monitoring Manager.

5.0 SCOPE OF SERVICES

The Contractor is required to conduct a series of audits of funding arrangements outlined in the INAC and HC respective Recipient Audit plan as well as any related ad hoc services. These Recipient Audits will take place across Canada. The Contractor is required to prepare and produce an audit report for each of the identified funding arrangements using the Sample Draft Audit Report provided by INAC and HC Project Authority. The Contractor must provide Quality Assurance for the draft final audit reports prepared and must deliver the draft audit reports to the Project Authority no later than **40 calendar days** after completion of the on-site audit work.

Recipient Audits

Recipient Audits will be comprised of four basic phases as determined in each Task Authorization:

Phase I – Pre-Planning

Phase II – Planning

Phase II – Field Work

Phase IV – Reporting

Notes: When applicable, each individual proposed with a university degree or college diploma, must possess, at a minimum, a certificate from a recognized Canadian university or college, or the equivalent as established by a recognized Canadian academic credentials assessment service*, if obtained outside Canada.

*The list of recognized organizations can be found under the Canadian Information Centre for International Credentials website, at the following internet link:
<http://www.cicic.ca/415/credential-assessment-services.canada>

5.1 Stream 8: Recipient/Contribution Agreement Audit

This stream will require the services of professionals to provide expert services and advice in support of recipient/funding arrangements' audit.

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A Recipient audit is an independent assessment to provide assurance on a recipient's compliance with a funding arrangement. The scope of a recipient audit may address any or all financial and non-financial aspects of the funding arrangements.

Minimum Mandatory Qualifications and Experience for the Resource Categories:

The following are the minimum mandatory requirements that must be met by the Contractor's personnel identified under each applicable resource category for work to be performed under this stream. User departments cannot reduce these minimum requirements but, if necessary, user departments may increase these requirements at the Request for Proposal (RFP) stage only:

PARTNER/MANAGING DIRECTOR

- Education/Professional Qualifications:
✓ Professional designation: CPA, CIA, CMA or CGA
- Experience:
✓ Must have a minimum of eight (8) cumulative years of audit experience within the past ten (10) years, including at least two (2) cumulative years of experience in recipient/contribution agreements audit.

PROJECT MANAGER/LEADER

- Education/Professional Qualifications:
✓ Professional designation: , CPA, CIA, CMA or CGA
- Experience:
✓ Must have a minimum of six (6) cumulative years of audit experience within the past ten (10) years, including at least two (2) cumulative years of experience in recipient/contribution agreements audit,
✓ Must have experience in completing a minimum of two (2) audit report projects for Canadian federal government client and aimed at Indigenous Communities during the period beginning 5 years prior to prior to the bid posting date.

SENIOR AUDITOR

- Education/Professional Qualifications:
✓ Professional designation: CPA, CIA, CMA or CGA
- Experience:
✓ Must have a minimum of three (3) cumulative years of audit experience within the past ten (10) years
✓ Must have experience in completing a minimum of two (2) audit report projects for Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement for Canadian federal government client and aimed at Indigenous Communities during the period beginning 5 years prior to prior to the bid posting date

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AUDITOR

- Education/Professional Qualifications:
 - ✓ Professional designation: CPA, CIA, CMA or CGA **OR**
 - ✓ A degree/diploma from a recognized university or college* (see note above), relevant to the stream and/or the Statement of Work.
- Experience -
 - ✓ Must have a minimum of two (2) cumulative years of experience audit experience within the last ten (10) years,
 - ✓ Must have experience in completing a minimum of two (2) audit report projects for Recipient/Contribution Agreement Audits or Forensic Audits of a Recipient/Contribution Agreement for Canadian federal government client and aimed at Indigenous Communities during the period beginning 5 years prior to prior to the bid posting date.

JUNIOR AUDITOR

- Education/Professional Qualifications:
 - ✓ Must be in the process of obtaining a degree/diploma from a recognized university or college, which is relevant to the stream, or in the process of completing an apprentice program that is relevant to the stream.

PROFESSIONAL ENGINEER

- Education/Professional Qualifications:
 - ✓ Certification as a professional engineer in Canada.
 - ✓ A degree from a recognized university in Engineering
- Experience -
 - ✓ Must demonstrate post qualification experience of two (2) cumulative years of work experience as a Professional Engineer in at least two (2) of the following categories:
 - Water and wastewater
 - Solid waste management
 - Construction and maintenance
 - Electrification/Hydro power
 - Roads/bridges
 - Other community infrastructure (description required)

6.0 TASKS

On award of the contract, the Project Authority will schedule a meeting with the selected supplier (s) before starting field work, in order to obtain information, and, to review the scope and the objective of the contract and which audit will be assigned to them. This meeting is an opportunity for the Project Authority, Program Managers to ensure that the Contractor fully understands the context of the work that will be required over the upcoming year.

The Contractor must identify one named resource, who will be required to:

- be the first point of contact to the Regional and Departmental Coordinator;
- oversee the process of the audit; and
- ensure that the recipient audit quality control occurs throughout the planning, executing and reporting stages of the audit.

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6.1 Coordination

The INAC/HC Risk-based Audit Plan is updated annually by the Chief Finances, Results and delivery officer (CFRDO). The CFRDO sector will consult their respective Internal Audit Branch in order to avoid any overlaps or duplication with the implementation of the Departmental Recipient Audit framework.

The Departmental Recipient Audit Plan is used by all Regions and HQ Program Sectors to coordinate the scheduling and conduct of audits and to coordinate with other sectors and government funders to ensure a “single Recipient audit” approach is taken in all situations wherever possible.

6.2 Conduct Recipient Audit

Recipient Audit Scope

The Project Authority and the Contractor (if applicable) prepares the scope of the Recipient Audits or auditors which may involve consultation with managers. One of the key objectives is to ensure the use of common and accepted standards, practices and methodologies and consistency in content and presentation of the Recipient Audit reports. As a minimum, the scope of Recipient Audits will target the following objectives:

- to assess compliance with the terms and conditions of the funding agreements; and
- to assess the quality and adequacy of the management practices the recipient has in place in order to support the delivery of the program or project and the management of the funding agreement throughout its life-cycle.

Conduct audits

The Contractor and proposed staff will conduct the audit in accordance with the terms of reference, scope and time lines agreed to before the start of the audit. It is expected that the conduct of the audits will follow a path that includes the following phases:

Pre-Planning phase – Tasks (may be comprised, but not limited to):

Meet with the Project Authority to confirm the scope and objectives of the audit, to identify any concerns and to request that the recipient be advised of the upcoming audit;

Planning phase – Tasks (may be comprised, but not limited to):

During this phase the auditor plans and prepares for the engagement. Audit planning is defined as developing a general strategy and a detailed approach for the expected nature, extent, and timing of the audit. The planning phase may include:

- securing background documentation. This may include funding arrangements and amendments, financial reports tabled by the recipient for the period to be audited, program and compliance review reports and their relevant correspondence and any other material that would be helpful in the conduct of the audit;
- communicating with the recipient to confirm the terms of reference of the audit and the timing of the field work (at the recipient’s place of business) and request electronic copies of the financial and other records supporting the reports submitted to INAC or HC;
- developing the audit program, including the lines of evidence, scope of the field work and the table of contents for the audit report;
- developing questionnaires and other instruments for data collection (e.g., management framework questionnaire); and
- selecting the specific transactions (transaction sample) to be audited.

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Field Work phase – Tasks (may be comprised, but not limited to)

During this phase spent with the recipient, the auditor examines the transactions selected for the audit. The work may include the following steps:

- administering and completing with the recipient the questionnaires and other instruments for data collection;
- examining the documentation supporting the transactions selected. Primary lenses for the examination are: eligibility (of expenses); payments made; timing of these expenses; and reasonableness of expenses incurred;
- based on information obtaining, the auditor may choose to expand or modify the transaction sample to be audited; and
- debriefing the recipient on key findings. Typically this is an oral debrief, and no written matter will be left with the recipient.

Reporting phase – Tasks (may be comprised, but not limited to)

During this phase the auditor prepares and submits the Recipient Audit report (draft and final) to the CFRDO/departmental authority (HC reporting requirements differ from INAC, i.e. reports go to the CIAD). The work will include the following steps:

- preparing a draft Recipient Audit report;
- submitting the draft Recipient Audit report to the CFRDO/CIAD for initial review;
- the auditor will update the draft report;
- discussing the draft report findings with Regions / Program Sectors as appropriate;
- sending the draft report for validation to the recipient. The validation seeks confirmation that the report is factually accurate and does not misrepresent the basis for the auditor's observations and or findings;
- amending the draft report to include any corrections and new recipient information, if warranted;
- resubmitting the new draft report to the CFRDO/CIAD; and
- remitting the audit file to the CFRDO/CIAD.

7.0 CLIENT SUPPORT

At the outset of the contract, the Project Authority will provide relevant background information and access to data. Every attempt will be made throughout the course of the contract to provide additional information requested by the Contractor, if deemed relevant to the project. In addition, the Project Authority will be available to respond to inquiries from the contractor. The contractor will be provided with access to the Project Authority and staff as required (minimum weekly) and to necessary documents from relevant working groups/committees as deemed relevant by the Project Authority. Department internal Resources and Subject Matter Experts will be available as the Project Authority deems required.

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8.0 DELIVERABLES AND ASSOCIATED SCHEDULE

Recipient and funding arrangements Audit Deliverables (may comprised of but not limited to)

1. Recipient Audit Terms of Reference.
2. Recipient Audit Planning Document, including Detailed Audit Program(s).
3. Recipient Audit Findings Sheets.
4. Recipient Audit Working Papers.
5. Recipient Draft Report.
 - ✓ Due no later than 40 calendar days after the completion of the on-site audit work.
 - ✓ The draft Audit Report may be resubmitted to the Contractor for corrections. The turnaround time must be no longer than 10 working days for the Contractor to resubmit the draft Audit Report to the Project Authority.
6. Recipient Audit Action Plan
7. Monthly Status Reports
8. Management briefing materials, as requested by the Project Authority and /or his designate
9. Ad hoc Services
10. Add deliverables if applicable

INAC may publicly disclose the auditor report or summary of report produced by TPAS as per funding arrangements clause 14.12.1 and Reporting Guide.

9.0 OFFICIAL LANGUAGES

Some audits may require bilingual resources. When the situation arises, Suppliers will be requested to certify, before task issuance, the ability of the personnel to work in both or either official language (English and French).

10.0 WORK LOCATION

The work will be performed in Canada and will be specified in each Task Authority.

11.0 TRAVEL

Travel will be required. Travel may be in all parts of Canada to support audit work. The exact travel locations will be outlined in the Task Authority request.

All expenses (travel & living) must be approved by the Project Authority in writing prior to them being incurred by the Contractor. Failure to do so may result in the Contractor not being reimbursed for the expenses claimed (refer to Annex B - Basis of Payment).

12.0 SOURCE REFERENCES

All relevant documents held by INAC, HC and/or other sources:

INAC Recipient Audit Plan
 INAC Policy 300 Recipient Audit
 INAC Directive 320 – Recipient Audit

HC Recipient Audit Plan
 HC Ministerial Audit Guide” *(Guide under revision)

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HC Medical Transportation Guide
HC Sample DRAFT Contribution Audit Report for Consulting Firms" *(Sample under revision)
HC Capital Contribution Audit Guide

TB Policy Suites on Transfer Payments
TB Directive on Transfer Payments
TB Guideline on Recipient Audit
TB Policy on Internal Audit
TB Policy on Internal Control

Checklist for Audit Approach and Methodology (Appendix 1)
Checklist for Audit Project Plan (Appendix 2)

Canadian Auditing Standards
Federal Accountability Act (FAA)
Institute of Internal Auditors Standards

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Appendix 1 to Annex A – Checklist for Audit Approach and Methodology

Elements of a Recipient Audit Approach and Methodology (may contain but is not limited to):

Recipient audit program
Call Letter
Kick off meeting
Transfer of knowledge
Map controls to core management controls
Sampling strategy
Resource utilization
Approval of audit program
Link to Terms of Reference
Substantive or compliance testing
Structured working papers
Determine need for additional testing
Confirm findings with Project Authority (PA) and Auditee
Finding sheets – criteria, condition, cause, effect, recommendation
QA throughout process and by Partner
TB Transfer Payments Policy
TB Directive On transfer payments
MAF and other policy instruments
TB Guideline on Recipient Audits
Well documented minutes, notes, analysis, logic and rationale
Active oversight to add value
Exit debriefing
Report outline - storyboarding and / or Brainstorming
Reports concise and strategic
Findings/recommendation classified by significance
Best practices suggested
Firm QA before submission of report
Project Authority (PA) review of report and changes made as required
Lessons learned session
Recipient Audit Action Plan
Presentation of Findings for the Recipient
Presentation to Senior Management

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Appendix 2 to Annex A – Checklist for Audit Project Plan

Elements of an Audit Project Plan (may contain but is not limited to)

Project Plan Structure
<ul style="list-style-type: none"> • Clear project schedule <ul style="list-style-type: none"> ○ Key tasks identified ○ People identified ○ Start and end dates ○ Resource levels
<ul style="list-style-type: none"> • Relevant and feasible <ul style="list-style-type: none"> ○ All steps are relevant to audit work ○ Possible to complete
<ul style="list-style-type: none"> • Standard and typical assumption <ul style="list-style-type: none"> ○ Access to appropriate personnel ○ Receive documentation in timely fashion ○ Access to systems provided ○ Interview duration ○ Feedback sessions duration ○ Key documents – English or French (as applicable) ○ Travel separate if required by PA
Roles and Responsibilities
<ul style="list-style-type: none"> • Clearly defined
<ul style="list-style-type: none"> • Specific to each team member
<ul style="list-style-type: none"> • Appropriate and relevant
Project Baselines
<ul style="list-style-type: none"> • Relevant level of effort
<ul style="list-style-type: none"> • Appropriate schedule
<ul style="list-style-type: none"> • Tasks, deliverables and estimates in a calendar
<ul style="list-style-type: none"> • Shows which resource is doing which tasks
<ul style="list-style-type: none"> • Time expected for each task
<ul style="list-style-type: none"> • Task start and end dates
<ul style="list-style-type: none"> • Dependent tasks identified
<ul style="list-style-type: none"> • Dependencies are relevant and appropriate
<ul style="list-style-type: none"> • Critical path identified
<ul style="list-style-type: none"> • Method to manage and communicate variances
<ul style="list-style-type: none"> • Manage the review and approval process for modifying the baselines
Pre-Planning
<ul style="list-style-type: none"> • Initial meeting with PA <ul style="list-style-type: none"> ○ Confirm requirements and objectives ○ Confirm approach, roles, timeframes, and assumptions ○ High level schedule of audit phases ○ Establish reporting template ○ Frequency of status reporting ○ Request recipient be advised of upcoming Audit
Planning
<ul style="list-style-type: none"> • Identify, Gather and Review key background documentation <ul style="list-style-type: none"> ○ Funding Arrangements and Amendments ○ Financial reports ○ Program and Compliance review ○ Relevant correspondence

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<ul style="list-style-type: none"> ○ Other material as applicable
<ul style="list-style-type: none"> ● Kick-off meeting with auditees
<ul style="list-style-type: none"> ● Identify and analyze frameworks, acts, policies, etc.
<ul style="list-style-type: none"> ● Preliminary interviews
<ul style="list-style-type: none"> ● Identify risk, areas of focus and required activity
<ul style="list-style-type: none"> ● Determine relevant audit techniques
<ul style="list-style-type: none"> ● Prepare audit program aligned with Terms of Reference
<ul style="list-style-type: none"> ● Develop testing approach for each criteria
<ul style="list-style-type: none"> ● Develop audit tools
<ul style="list-style-type: none"> ● Seek approval of audit plan by PA
<p>Key documents</p>
<ul style="list-style-type: none"> ● Terms of reference
<ul style="list-style-type: none"> ● Audit program
<ul style="list-style-type: none"> ● Audit tools
<ul style="list-style-type: none"> ● QA Checklist
<ul style="list-style-type: none"> ● Use time reporting tool
<ul style="list-style-type: none"> ● Regular status updates
<p>Field Work</p>
<ul style="list-style-type: none"> ● Carry out audit program
<ul style="list-style-type: none"> ● Complete analysis
<ul style="list-style-type: none"> ● Bring significant matters to PA throughout
<ul style="list-style-type: none"> ● Liaise, coordinate and work with Department
<ul style="list-style-type: none"> ● Develop working papers to support conclusions
<ul style="list-style-type: none"> ● Document preliminary findings
<ul style="list-style-type: none"> ● QA Checklists and Recipient Audit Policy and manual
<p>Key documents</p>
<ul style="list-style-type: none"> ● Finding sheets
<ul style="list-style-type: none"> ● Preliminary findings for presentation/validation
<ul style="list-style-type: none"> ● Regular status reports on progress
<ul style="list-style-type: none"> ● QA Checklists
<ul style="list-style-type: none"> ● Working papers evidence to support finding sheets
<p>Reporting</p>
<ul style="list-style-type: none"> ● Storyboarding for themes
<ul style="list-style-type: none"> ● Strategic value-added recommendations
<ul style="list-style-type: none"> ● Draft report cross-referenced
<ul style="list-style-type: none"> ● Auditee debriefings
<ul style="list-style-type: none"> ● Solicit feedback
<ul style="list-style-type: none"> ● Finalize audit report
<ul style="list-style-type: none"> ● Present to Project Authority and Workgroup
<ul style="list-style-type: none"> ● Recipient Audit Action Plan Review
<p>Key documents</p>
<ul style="list-style-type: none"> ● Draft audit report
<ul style="list-style-type: none"> ● Final audit report
<ul style="list-style-type: none"> ● Prepare a presentation to present findings to the Recipient – Final Draft report
<ul style="list-style-type: none"> ● Indexed working papers
<ul style="list-style-type: none"> ● Presentations to auditee, senior management
<ul style="list-style-type: none"> ● Presentation of the Final Draft Audit Report in a word presentation format and an electronic copy through an email for the Recipient and the Department Project Authority

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- Regular status reports

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.