



**NORTHERN LIGHTS LIBRARY BOARD**  
**REQUEST FOR PROPOSAL**  
**EXTERNAL AUDIT SERVICES**

**Proposal Closing Date and Time: 4:30pm Apr 28, 2023**

Northern Lights Library System

Postal Bag 8

Elk Point, AB T0A1A0

## **1.0 Invitation to Submit Proposal**

Northern Lights Library System Board, operating as Northern Lights Library System (“NLLS”), invites proposals for the provision of external audit services as set out in this Request for Proposal.

Date Issued: Mar 2, 2023

Closing Date: Apr 28, 2023 at 4:30pm

Responsibility for the preparation of the organization’s financial statements rests with the Northern Lights Library System Board. This includes the maintenance of adequate records, internal controls, and the application of appropriate accounting policies.

This invitation is the result of normal procedures and should not be construed as dissatisfaction with past audits. As a matter of policy, Northern Lights Library System will tender the audit from time to time at the direction of the Board.

This Request for Proposal does not commit Northern Lights Library System Board to award a contract to the lowest or any bidder. NLLS will not cover any costs incurred in the preparation of a proposal or for representatives to attend a meeting with Northern Lights Library System representatives.

## **2.0 Instructions**

### **2.1 Inquiries**

Please refer all inquiries to Terri Hampson Operations & Finance Manager, by email: [thampson@nlls.ab.ca](mailto:thampson@nlls.ab.ca) or by phone at 780-545-4169.

### **2.2 Proposal Return**

The Audit Proposal may be submitted electronically to: [thampson@nlls.ab.ca](mailto:thampson@nlls.ab.ca) or by mail in an envelope marked “Audit Proposal” and addressed to:

Northern Lights Library System  
Attn: Terri Hampson  
Postal Bag 8  
Elk Point, AB  
T0A1A0

**Proposals must be received at Northern Lights Library System by at 4:30 pm on the closing date to be considered.**

## **2.3 Proposal Format**

Proposal shall include the following:

### **2.3.1. Cover Letter**

A brief summary of the proposal, including an outline of the proposed services, scheduling, staff allocation and associated costs.

### **2.3.2 Company Profiles**

A brief profile of the firm, including history, location and prior experience with charitable and not-for-profit organizations; confirmation that the auditor complies with the requirements specified in the Municipal Government Act; and identification of personnel involved in the audit, including job title and professional designation.

### **2.3.3 References**

References from a minimum of two organizations similar in size and nature to Northern Lights Library System. Include name of organization, a reference contact and title, telephone number, email address, and most recent audit year.

### **2.3.4 Pricing**

Pricing should include all required reports, disbursements, professional fees and all other costs associated with the service.

The proposed fee for the audit should be based on yearly lump sum payments. The proposal should include the fees for the period ending December 31, 2023 and up to 3 subsequent fiscal years.

Cost for travel and related expenses, if applicable, shall be included as a separate amount.

## **3.0 General Instructions**

### **3.1 Organization**

Northern Lights Library System Board is an independent corporate body established in 1990 under the Alberta Libraries Act for the purpose of providing a variety of support services to public libraries in northeastern Alberta. The System is funded by levies from member municipal jurisdictions, grants from Alberta Municipal Affairs, contracts for services and various other grants. NLLS is a not-for-profit organization.

Northern Lights Library System Board is the governing body of the System. There are currently 54 member municipalities and one school authority, each of which appoints one representative to the Board. A 10-member Executive Committee acts on the behalf of the Board between Board meetings. The Treasurer is a member of the Executive Committee an also chairs the Finance Committee.

Background information about NLLS and services for member libraries can be accessed on the website: <https://www.nlls.ab.ca/>

The auditor would normally receive instructions from and report to the Executive Director of the System.

**3.2 Fiscal Year**

Northern Lights Library System Board’s fiscal year is January 1 to December 31.

**3.3 Financial**

Alberta Municipal Affairs, Public Library Services Branch, requires an annual audited financial statement as a funding requirement.

Information about NLLS accounts:

- The annual budget for 2023 is approximately \$3,000,000
- Accounts are maintained currently using Sage 50 financial software, with a change to QuickBooks coming mid year.
- Payables are handled primarily through cheque transactions and electronic transfers.
- Payroll is completed by a third party. Payroll functionality and payments are deposited by direct deposit bi-weekly.
- There is an amortization schedule in place for assets.

Approximate annual transaction volumes are as follows:

Journal entries	7,000
Bank Accounts Canadian	1 (plus 2 investment accounts)
Bank Accounts - Credit Card	1
General Ledger active accounts	120
Number of staff	21

**3.4 Attachments**

2022 Audited Financial Statements

## **4.0 Required Services**

### **4.1 Financial**

- 4.1.1 Examination of all the financial aspects of the Northern Lights Library System Board including verification of assets, liabilities, receipts, payments, revenues, expenditures, reserves, surpluses, and their application as well as the expending and reporting on occasional special grants.
- 4.1.2 The rendering of an opinion on the financial statements, review of the internal control, review of minutes of Board meetings, preparation of a management letter, and presentations to the Executive Committee and to Northern Lights Library System Board.
- 4.1.3 Any adjustments needed

### **4.2 Other Services**

- 4.2.1 Meet with the Executive Director, the Finance Manager, and the Board Treasurer to review the audit approach.
- 4.2.2 Meet with the Executive Director, the Finance Manager and the Board Treasurer to discuss the draft audited Financial Statements, usually in Feb.
- 4.2.3 Present the Audited Financial Statements to the Northern Lights Library System Board at its March meeting.

## **5.0 Timeline**

The preferred option is for the audit to take place in late January of each year. Approximate completion date of the audit is Feb 15 of the year following the fiscal year audited.

## **6.0 Term of Contract**

A multi-year proposal (up to 5 years) is invited. The initial appointment may be made for a period of up to 3 years.