JOINT REQUEST FOR PROPOSAL

ADDENDUM #1

**Unless otherwise noted, responses apply to all 3 municipalities.*

1. **What is the rationale for undertaking a formal RFP process at this time? / Why are the Town and Townships going to RFP for the 2026 year-end?**

   Our current contracts have come to an end.

2. **Is management satisfied with the incumbent auditor?**

   We have not experienced issues with the incumbent auditor.

3. **Has the incumbent auditor been invited to participate in the RFP?**

   Yes.

4. **The initial term of 3 years is quite short; would the municipalities consider increasing to an initial term of 5 years?**

   We would prefer to keep the 3 + 1 + 1 contract type.

5. **What are the most important attributes the municipalities are looking for from their external auditor?**

   Experience with municipal audits and completion of FIR's.

6. **Could you please confirm the expected audit timetable for each municipality, including interim work, year-end fieldwork, presentation of audit results and issuance of the financial statements?**

   Ideally, interim work would be in October/November and year-end would be in February/March, with presentation to Council in April/May and issuance of financial statements and filing of FIR by May 31st deadline. We understand that interim work will be delayed for the fiscal 2026 audit as a result of this RFP timeline.

7. **How long does the audit work typically last and approximately how many audit staff are involved at interim and year-end?**

   Interim is typically 2-3 days and year-end is unknown as it has been spread out over a several weeks in the past. There are only 1-2 staff that complete the files.

8. **What is the expectation regarding on-site versus virtual audit work?**

   Some on-site work is preferred; however, virtual can be accommodated pending the use of a secure document portal for transferring information.

9. **Did the incumbent auditor test and rely on internal controls in the most recent audit? If so, over which significant processes?**

   Township of McNab/Braeside: No. A purely substantive audit was performed.

Township of Whitewater Region: Yes. Controls were tested for cash receipting, accounts receivable, accounts payable, and tendering.

Town of Renfrew: Yes. Controls were tested for bank reconciliations, cash receipting, accounts receivable, accounts payable, and tendering.

10. **Were any significant audit risks identified by the incumbent auditor in the most recent audit?**

    No.

11. **Were any audit misstatements identified in recent audits? If so, approximately how many, and were any material or significant?**

    Township of McNab/Braeside: Yes, there were several adjustments, however, they were not material and all were corrected by management. Many of the adjustments were result of significant staff turnover during 2025. Actions have been taken by Finance in 2026 to avoid recurring misstatements in the future.

    Township of Whitewater Region: None.

    Town of Renfrew: None.

12. **Were any significant internal control deficiencies reported to management or Council in recent audits?**

    None.

13. **Have there been any issues in prior audits extracting, reconciling or providing general ledger or other financial data to the auditors?**

    No. General ledger information can be easily extracted from the accounting system(s).

14. **Are the level and composition of assets, revenues, expenses and overall activities expected to remain relatively stable over the term of the engagement?**

    The composition is expected to remain relatively stable, but the level can change from year to year, depending on capital and operating budget requirements and receipt of external funding.

15. **Are there any significant changes to operations, systems, organizational structure, major capital projects or financing arrangements anticipated over the term of the engagement?**

    Township of McNab/Braeside: No significant changes to operations or systems expected. There was a change to our organization structure implemented in 2026. Capital projects vary from year to year, depending on budget requirements and receipt of external funding; however, there are no unusual or extraordinary projects or financing arrangements expected over the term of the engagement.

    Township of Whitewater Region: Potential for major projects and debentures; however all are handled internally and only the process would be up for review.

    Town of Renfrew: There is potential for major projects and debentures; however, all are handled internally and only the process would be up for review.

16. **Do any of the municipalities use third-party service organizations for significant transaction streams, such as payroll, tax collection or IT systems? If so, are independent reports on controls available?**

Township of McNab/Braeside: Payroll and tax collection is performed in-house. IT services are contracted with an external vendor. Unsure if reports can be provided.

Township of Whitewater Region: Only IT performed by third-party service organization and reports could be provided.

Town of Renfrew: Only IT performed by third-party service organization and reports could be provided. Everything else is performed internally.

17. **Are there any significant components, boards, local entities or other organizations included in the consolidated financial statements that require separate audit work or reporting?**

    Please refer to Appendices A, B, C of the original RFP.

18. **Are there any additional audit reports, compliance reports, grant reporting or other assurance deliverables required beyond the annual financial statement audits?**

    Please refer to Appendices A, B, C of the original RFP.

19. **Could you provide the current annual audit fees for each of the three municipalities, or alternatively the total fees paid to the incumbent auditor for the most recently completed audit? / What are the current audit fees for entity?**

    Township of McNab/Braeside: 2025 base audit fees were $25,000, but total fees were $47,500 due to additional work required.

    Township of Whitewater Region: $47,250 – higher due to some additional work

    Town of Renfrew: $67,000 – which included additional work.

20. **Are there any significant accounting matters or upcoming transactions that the municipalities expect will require particular attention from the auditor during the term of the engagement?**

    The updated Conceptual Framework and PS 1202 will come into effect for the 2027 year-end audit. Prior period restatement will be required upon implementation.

21. **The RFP mentions that the financial statements need to be completed prior to the FIR deadline. However, we noticed that the audited financial statements available online for the Town and Townships were issued after the deadline. Can we understand the issues encountered and if they are expected again in the future?**

    We have all encountered issues with employee turnover and time constraints in the past. We are looking for proponents who can confirm availability to meet the May 31st FIR deadline going forward.

22. **While reviewing the Township of Whitewater Region financial statements we noticed that their library board and the historical society were also audited, does the RFP include these stand-alone audits?**

    Yes, the RPF includes these stand-alone audits. Please refer to Appendix C of the original RFP.

23. **We are not able to propose on the Town of Renfrew's audit due to independence concerns, can we still propose on the other 2?**

    Yes. The Municipalities, each as separate entities, reserve the right to award this RFP to the firm they choose.

24. **Could you provide any guidance on Council's and Management's expectations for the proposal, such as an anticipated fee range, key timeline milestones (e.g., interim fieldwork, year-end fieldwork, and the date for presenting audited financial statements to Council), or other priorities?**

    Refer to questions above for timelines and prior year fees.

25. **Could you share what prompted the Township of Whitewater Region to issue this RFP (e.g., the end of the current engagement term, or a procurement policy requiring periodic tendering)?**

    End of current contract and legislative requirement.

26. **Have there been any challenges or pain points in previous audits, and what would the Township of Whitewater Region consider a successful audit relationship?**

    The audit overall functions very well. The library portion requires the Auditor to compile books from the Library board and create financial statements.

27. **Will the Township require any additional assurance services related to reporting to government or other funders for specific programs or grant projects?**

    Only filing of FIR by May 31st, at this time.

28. **What type of work and how many hours would be required for FIR preparation assistance?**

    Auditors would be required to assist in preparation of the FIR schedules and submission. Hours of work required would be dependent on the familiarity of the FIR and of the auditing staff handling the input and submission.