



Request for Proposal

For the Audit of First Nations Agricultural Association Companies:

- Western Regional Management Team
- First Nations Agricultural Lending Association

For the Audit of: Aboriginal Agricultural Education Society of British Columbia

Issue Date

December 18, 2008

Closing Location:

709 Tagish Street
PO Box 1186 Station Main
Kamloops, BC V2C 6H3
Phone: 250-314-6804
Fax: 250-314-6809

Closing date and time:

One complete copy of the proposal must be received by 4:00 pm
January 16, 2009

Contact Person

Trevor Kempthorne, General Manager

BACKGROUND & SCOPE

The purpose of this request for proposal is to invite audit firms to submit proposals for auditing the financial statements of the First Nations Agricultural Association (FNAA) that includes: First Nations Agricultural Lending Association (FNALA) – not for profit, Western Regional Management Team (WRMT) – for profit.

The audit firms are also invited to include within their proposal auditing the financial statements of the Aboriginal Agricultural Education Society of British Columbia (AAESBC) – charitable organization.

Period of Appointment

The appointment of an auditor for FNAA is subject to the approval of the Board of Directors. The Appointment of an auditor for the AAESBC is subject to the approval of the Board of Directors.

The selected firm will be appointed for a period of 1 year, commencing with the 2008-2009 fiscal year, renewable annually. The renewal is subject to the agreement of all parties. The fiscal year for the above mentioned companies is April 1- March 31.

Financial Audit

This will be a financial statement attest audit and will be conducted in accordance with generally accepted auditing standards.

All attest audit reports should express an opinion as to: whether the financial statements present fairly the financial position; results of operations; and changes in cash flow in accordance with Generally Accepted Accounting Principles.

Reports & Timing

Auditors should:

Prepare a report having a format and content consistent with generally accepted auditing standards;

Discuss the report with the FNAA, WRMT, FNALA and AAESBC Boards' of Directors and Management prior to distribution

Management Letters

The audit firm is expected to provide a management letter that identifies areas of concern or weakness encountered in the examination of the financial statements for FNALA, WRMT and AAESBC, recommendations for improvement and management's response to the concerns raised.

Background of FNAA

First Nations Agricultural Association is the umbrella not for profit society that was formed in 1978. The First Nations Agricultural Lending Association is the lending arm of the organization and has been in existence since 1988 providing agricultural credit and

support services to Aboriginal Producers residing in British Columbia. The Board of Directors is elected on an annual basis and also every second year.

The Western Regional Management Team Ltd. is a for profit incorporated company owned by FNAA and is the research and marketing arm of the organization. It has also been in existence since the 1980's but was dormant; it has been revived since 2006 and has 2 previous fiscal year end financial statements completed. The Directors on this Board are appointed by FNAA.

The Aboriginal Agricultural Education Society of British Columbia (AAESBC) was created in April 2005 and is a charitable society with the mandate to provide hands-on agricultural training to Aboriginal youth and other students within the province of British Columbia.

Key Financial Systems

Simply Accounting is used for its general ledger, accounts receivable and accounts payable systems and payroll.

A customized loan management software system is used for the loan fund sub-ledger.

Audit Responsibility

Overall responsibility for the audit rests with the General Manager.

Work Done by FNALA Staff

FNALA staff prepares the financial statements as well as the normal reconciliations and analysis identified by the audit firm as necessary for the completion of the financial audit.

WRMT Staff sells natural beef products, offers delivery services to local co-op, provides consulting services, and business plan services. WRMT is the only company of the three that charges GST. WRMT staff provides the necessary information for the completion of the financial audit.

AAESBC staff provides the information necessary for the completion of the financial audit.

Remuneration

In no case will total remuneration for any fiscal year exceed the all-inclusive maximum cost as agreed to in both the letter of transmittal and the engagement as amended by any approved changes.

Worker's Compensation

The audit firm and any approved sub-contractor must be registered with the Worker's Compensation Board (WCB), in which case WCB coverage must be maintained for the duration of the audit. Prior to receiving any payment, the audit firm must submit a WCB clearance letter indicating that all WCB assessments have been paid.

Insurance

The audit firm should have:

1. General liability insurance with a limit of not less than 2,000,000 inclusive per occurrence for bodily injury and damage to property.
2. Such insurance shall include coverage from broad form property damage and contractual liability.
3. Automobile liability insurance for a limit of not less than 2,000,000 for all owned leased or rented licensed vehicles used in the performance of the audit.
4. Professional liability insurance in an amount not less than 2,000,000 insuring the audit's firm's liability resulting from errors and omissions in the performance of professional services during the audit.

REQUEST FOR PROPOSAL TERMS**Closing Date & Time**

One copy of the proposal must be received by 4:00 pm, Pacific Standard Time, on Friday, January 16, 2009.

Proposals may be sent by facsimile.

Any facsimiles that are received will be immediately placed in a sealed envelope in a secure place until the opening

Cover pages and envelopes must be clearly marked with the name and address of the proponent firm and the words "Audit proposal."

If proposals are mailed in they should be sent by registered mail.

Late proposals will not be accepted and will be returned.

Requests for Clarification

Firms desiring clarification of points in the Request for Proposal should contact Trevor Kempthorne, FNAA General Manager. If information additional to that disclosed in the RFP is supplied, this information will be provided to all firms receiving the RFP.

Expenses of Audit Firm

The audit firm has the sole responsibility for any costs associated with the preparation of its proposal in response to this RFP. The audit firm, by submitting a proposal, waives any claim for loss of profits if no agreement is made with the audit firm.

EVALUATION AND SELECTION CRITERIA

The following criteria must specifically be addressed in the proposal submission.

The location and overall size of the firm, the experience and current capabilities of its partners, managers and staff in the audit of the organizations similar to FNAA and AAESBC, as well as that of additional staff required by the firm to carry out the audit; The proposed audit teams' experience in the audit of not for profit, for profit and charitable organizations incorporated in the province of British Columbia.

Proposed Audit Strategy

A time budget, including estimated total hours for partners and other staff.

Any work being done by sub-contractors or other third-parties, other than those already identified in the proposal must be approved prior to the work being done.

Include resumes outlining qualifications of the people would be working on the financial audits.

Price

The resulting all-inclusive cost for which the requested work will be performed.

This amount should be contained in a letter of transmittal to accompany the proposal submission and should clearly establish the basis for remuneration though hours of work and rates for appropriated categories of audit staff and out of pocket costs.

PROPOSAL SUBMISSION

The proposal submission should address all the companies listed under FNAA – FNALA, WRMT Ltd. and the charitable organization, AAESBC. Failure to address all companies will impair the proposal, and FNAA and AAESBC will not be obliged to seek clarification or inclusion of vague or incomplete information in making its selection.

Considering and documenting the effect on independence when the revenues from the audit exceed 15% of the gross fees of the practice or audit firm.

The firm should disclose information where they think there may be a conflict of interest (or state that there is no conflict of interest).

One copy of the proposal should be mailed or faxed to:
First Nations Agricultural Association
PO Box 1186 Station Main
Kamloops, BC V2C 6H3

Fax: (250) 314-6809