

REQUEST FOR PROPOSAL

Trust Account Audit Services

1. Summary

The Law Society of Newfoundland and Labrador (the "Law Society") is seeking supplementary support for its trust account compliance audit services.

The Law Society is the independent regulator of the legal profession and is empowered by the *Law Society Act, 1999* to regulate the legal profession and the practice of law, in the public interest.

As part of its role in protecting the public, the Law Society has developed a number of regulations and processes to ensure the safety of client property held in trust by lawyers.

Approximately 129 lawyers and law firms operate trust accounts in Newfoundland and Labrador.

Further information about the Society may be found at www.lawsociety.nf.ca

2. Request for Proposal (RFP) process

This RFP is being managed by the Executive Director of the Law Society who is seeking competitive proposals from qualified audit professionals to conduct compliance audits of lawyers' trust accounts throughout Newfoundland and Labrador. On an annual basis, up to 75 visits may be required for such audits.

The deadline for submission of proposals is 31 July 2018.

An evaluation of proposals received will be conducted based on the level and quality of service proposed and the cost of such service. While additional information may be requested from an individual after the submission of a proposal, the Law Society will not be responsible for ensuring the final proposal is complete, therefore, **it is important that final proposals be complete, detailed, clear and concise.**

The selection of the successful candidate(s) will be made by the Executive Director in consultation with the Law Society's primary Trust Compliance Auditor. The Law Society reserves the right to discontinue the process at any time and not proceed with the RFP completion.

The successful candidate(s) will be required to sign a confidentiality agreement.

3. Scope of work

The Law Society is seeking expressions of interest, including a proposal on costs, from Chartered Professional Accountants to complete compliance audits on trust accounts for all members of the Law Society maintaining trust accounts.

This engagement will involve conducting compliance audits of the books, records, and accounts maintained by the practising members of the Law Society with respect to their trust obligations to clients and auditing the procedures and controls relating to the members' compliance with the *Law Society Act, 1999*, and the Law Society Rules, particularly Rules V, XV and XVI (attached). The auditor will attend the lawyers' offices, conduct a trust compliance audit of lawyers' and law firms' trust accounts and a cross section of files and transactions, identify exceptions to the Law Society's Rules and furnish a report of findings to the Law Society and to the lawyer or law firm. The report is to be delivered to the Law Society within one week of the on-site review. In cases where there are serious breaches of the Law Society's regulations or evidence of theft, the matter is to be reported immediately to the Law Society's Director of Professional Responsibility or the Executive Director.

While it is not intended that the Auditor will assist in any corrective action, it is anticipated that the Auditor will provide guidance/training as appropriate and necessary.

It is intended that the engagement will be carried out on an ad hoc basis throughout the year and thereafter, as determined by the Law Society.

Based on the Law Society's past experience, each trust compliance audit will typically take one full day of work with the possibility of additional time being required. The auditor is expected to follow the standard trust compliance audit program provided by the Law Society.

Throughout the year, the Law Society will identify the lawyers and law firms subject to such trust compliance audits and may impose deadlines for the completion of them. Subject to the Law Society imposing specific deadlines, the auditor will have discretion to schedule the trust compliance audits to fit his/her schedule.

In some cases, the auditor will be asked to conduct a follow up audit to ensure that exceptions to the Rules have been addressed.

All field work is to be completed by a Chartered Professional Accountant.

The auditor selected to conduct these trust compliance audits will be required to file with the Executive Director of the Law Society an undertaking to maintain strict confidentiality with respect to all matters connected with the trust compliance audit.

4. Trust Compliance Audit services remuneration

Describe your philosophy towards compensation (what services would be provided as part of your compensation). Please provide a specific cost for the services that will be provided. Please quote costs prior to taxes (HST).

5. Proposal contents

Your expression of interest should indicate:

1. Details of your expertise with trust accounting principles and procedures;
2. Details of your experience with respect to trust compliance audits of this nature;
3. Details of your access to the necessary resources to complete the assignment in a timely and cost efficient manner;
4. A summary of how you would complete the assignment ;
5. Details of your method or policy for dealing with conflicts that may arise when you or persons associated with your firm carry out professional functions for the member or their law firm;
6. A proposal on the costs of providing the service required;
7. Such other information you would consider relevant to the Law Society with respect to its search.

6. Response to this RFP:

An individual responding to this RFP should identify her/his basis for qualification and experience in doing this type of work.

The work should be quoted on a per hour basis .

Travel, meals, and accommodation costs should be quoted on a per kilometer, per day, and per night basis respectively.

The final proposal must at a minimum contain the following (not necessarily in this order):

Auditor Qualifications:

The auditor should be a personable, seasoned audit professional able and willing to travel across Newfoundland and Labrador.

Experience in forensic accounting and with the Law Society's Trust Account Rules would be beneficial but not required.

The auditor must carry professional liability insurance.

Approach, execution plan for the trust compliance audit and timelines:

Describe your trust compliance audit approach, including how you propose to keep the Society informed.

Please describe the execution plan for ensuring trust compliance audit objectives and requirements are met and how staff will be assigned for the audit to be successful.

Please confirm that you understand the Society's timelines with respect to the timing of the work and reporting requirements, and describe how you will ensure that these deadlines are met.

7. Submission of proposals

To facilitate the evaluation process, firms are requested to submit an electronic scanned pdf copy with any supporting documentation. Proposals must be received by 4:30 pm local time (NT) on 31 July 2018.

Responses are to be emailed to:

Brenda B. Grimes, QC

Executive Director

Law Society of Newfoundland & Labrador

PO Box 1028

St. John's, NL A1C 5M3

Tel: (709) 722-4795

Fax:(709) 722-4841

Email: brenda.grimes@lawsociety.nf.ca

IMPORTANT NOTICE: Late receipt of a response to the RFP will disqualify the proponent.

8. Contact with the Society

All contact and inquiries with the Law Society with respect to this selection process shall be in writing and sent electronically to Brenda B. Grimes, QC at the above email address.

9. Confidentiality

The content of each response will be held in a strictest confidence. No details of any responses will be discussed outside of the Law Society, the appropriate committee(s) and personnel, including any independent advisors the Law Society may feel are necessary.

10. Incurred costs

The Law Society will not be liable for any costs incurred by any proponents in the preparation of their RFP response.

11. Evaluation and rating criteria for RFP

Each proponent's response to this RFP will be evaluated to determine the degree to which the information provided is responsive to the requirements of this RFP.

An invitation to participate in the second part of the RFP process, the interview process, will depend on the response to the RFP requirements including the proponent's understanding and experience with accounts of similar nature.

The Law Society may invite individuals to participate in the RFP process. However, this RFP does not commit the Law Society to select any firm that participates in the RFP process or to award a contract for audit services. The Law Society reserves the right to accept or reject any or all responses received as a result of this RFP or to cancel, in part or in its entirety, this RFP process at its own discretion.