

Request for Proposal

Updates to the Professional Engagement Guide (PEG)

Up to a Five-Year Term, Plus Options to Renew

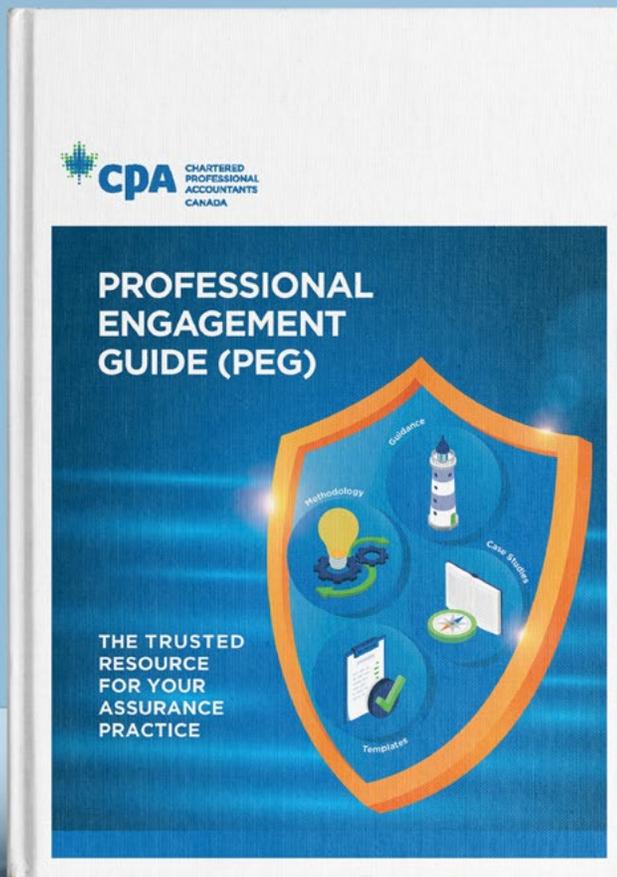


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SECTION 1

Chartered Professional Accountants of Canada overview

Chartered Professional Accountants of Canada (“CPA Canada”) is the Canadian national accounting organization.

CPA Canada provides services that meet the information, business and educational needs of Chartered Professional Accountants and other stakeholders. CPA Canada undertakes research and develops new products and professional services concepts, publishes no-cost and for-fee technical and non-technical reference materials including books, newsletters, videos, and podcasts, and offers a variety of conferences, courses, webinars, and e-learning tools.

CPA Canada, together with the Provincial, Territorial and Bermuda CPA bodies, represents a membership of approximately 210,000 individuals in Canada and Bermuda. Our membership is highly diverse with distinct needs and interests based primarily on where they work (industry/not-for-profit sector, government, academia, or public practice) and their role (e.g., CEO, CFO, other finance and administration, financial and non-financial auditor, financial planner, forensic accounting, board/audit committee member, and so on).

As part of its role, CPA Canada also provides comprehensive, practical, step-by-step guidance to those who perform audit, assurance and tax relating to small and medium-sized entities such as the Professional Engagement Guide (“PEG”), Practice Management, Advisory, Compilation and Tax Guide (“PACT”) and Quality Management Guide (“QMG”).

SECTION 2

Request for Proposal overview

The purpose of this Request for Proposal (“RFP”) is to invite prospective candidates (e.g., firms, groups, individuals, companies, etc.) to submit a proposal to CPA Canada to be a contributing author in the annual updating of the Professional Engagement Guide (“PEG”). The term would be up to a period of five years, with options to extend to a longer period. Discussions regarding compensation and author rights will take place with candidates selected for [phase 2](#) as discussed in [section 12](#). See [section 10](#) for additional information regarding compensation.

Updates to the PEG may include:

- Revisions to templates and associated guidance due to new or revised standards
- Development of new templates and guidance based on customer and other stakeholder feedback provided to CPA Canada
- Improvements to current guidance based on best practices and learning modalities
- Other improvements as suggested by the author

SECTION 3

PEG learning objectives

The PEG is designed to provide practical step-by-step guidance, methodology and templates for practitioners and their staff to perform assurance and compilation engagements relating primarily to small and medium-sized entities.

The PEG is one of CPA Canada's most popular publications with over 5,000 public practice accounting firms, including sole practitioners subscribing to it on an annual basis. The practice aids included within the PEG are also licensed and sold through third-party software vendors.

The PEG is updated at least on an annual basis and delivered electronically on Knotia and by print.

SECTION 4

Inquiries during the RFP process

Any inquiries regarding this RFP should be directed to:

Amanda Woo, CPA, CA

Lead Principal, Audit and Assurance

Chartered Professional Accountants of Canada

peg@cpacanada.ca

SECTION 5

Submission of proposal

Please submit your proposal via email by **October 17th, 2022, at 5:00 pm PST** to Amanda Woo at peg@cpacanada.ca with the subject heading “**PEG RFP Submission - [Your Name]**”, in either a PDF or Word document.

Conditions

- CPA Canada will not be liable for any costs incurred by the candidates in the preparation of their response to this RFP.
- The rejection of any or all proposals shall not render CPA Canada liable for any costs or damages.
- CPA Canada will consider all proposals submitted in response to this RFP as confidential.
- CPA Canada reserves the right to accept any proposal submitted or to reject all proposals.

CPA Canada expects to formally notify candidates selected for [phase 2](#) by **October 31st, 2022**. Refer to [section 12](#) for more information on [phase 2](#).

SECTION 6

Candidate qualifications

The minimum requirements for initial consideration as a candidate under this RFP include:

- Individual candidate - a Canadian CPA designation, or equivalent
- Group, firm, or company candidate - an organization with involvement in similar work
- A minimum of seven (7) years of relevant work experience in public practice
- Strong audit and assurance technical skills, including ability to interpret standards and related guidance
- Experience in authoring publications and other types of technical writing
- Flexibility to adapt work schedule in the event milestone dates are rescheduled
- Experience working with the PEG is considered an asset

SECTION 7

Publication outline

The PEG publication consists of three areas:

1. Practical guidance – Methodology

Contains a step-by-step methodology along with helpful tips and best practices to help practitioners perform assurance and compilation engagements.

2. Practice aids

The practice aids consist of several Word and Excel templates that include engagement forms, checklists, sample reports and sample letters designed to help practitioners ensure engagement completeness, consistency and effectiveness. The practice aids cover the following areas:

- Audit engagements
- Compilation engagements
- Compliance reporting
- Review engagements

3. Case studies and filled-in-forms (FIFs)

Contains case studies and completed practice aids to provide examples for practitioners.

Updates to the content above may include:

- Revisions to templates and associated guidance due to new or revised standards
- Development of new templates and guidance based on customer and other stakeholder feedback provided to CPA Canada
- Improvements to current guidance based on best practices and learning modalities
- Other improvements as suggested by the author

See [Appendix A](#) for an example of what is included in the PEG.

SECTION 8

Author(s) responsibilities

The author(s) will:

- Attend the planning meeting set up by CPA Canada to discuss updates and project timelines
- Update the content according to the quality and format acceptable to CPA Canada and as per agreed upon project timelines
- Address any queries by CPA Canada and other stakeholders and make the appropriate updates to the content
- Work with contributing authors where applicable
- Obtain and file any necessary permissions, consent of other publishers or authors, or a waiver of any moral rights associated with the content

SECTION 9

CPA Canada responsibilities

CPA Canada will:

- Set up a planning meeting with the author(s) to discuss and approve content updates
- Review the content and provide queries where necessary
- Edit and translate the content into French
- Market, sell and distribute the PEG
- Answer queries received from users of the PEG
- Assign work to contributing authors where applicable
- Copyright the content in CPA Canada's name in Canada and renew such copyright to the extent permitted by law
- Pay any necessary permission fees before delivery of the content

SECTION 10

PEG timelines and compensation

The following timeline, including no. of hours, are an estimate of the author(s)'s involvement and can vary significantly depending on the type of update.

Type	Estimated Due Dates		Estimated no. of hours
	Planning with author and receive content from author		
Planning	October		5-10
Updates to practice aids	November		20-350
Updates to practical guidance	December		20-350
Updates to case studies and filled-in forms	January		20-350
Responding to feedback/meetings/etc.	Throughout the process		20-40

We anticipate **compensation** to be approximately \$150 per hour with a set minimum of approximately \$100,000 due to the variability of work. Timelines and compensation will be discussed and finalized with the author(s) at [phase 2](#).

SECTION 11

Proposal content and format of the response

Please include the following in your submission to the RFP:

- An introduction of yourself or your organization which includes the benefits that CPA Canada would derive by selecting you or your organization as an author for the updates to the PEG
- An overview of your experience with delivering audits, reviews, compilations, authoring guidance and knowledge of *CPA Canada Handbook - Assurance*
- Name(s) and credentials (CVs)
- Copies of a representative selection of similar work: publications, courses, e-learning samples, curriculum maps, instructor led training, templates, etc.
- An indication of which portions of the publication proposed in the RFP are of interest (e.g., practical guidance, practice aids or case studies/filled-in forms) or if the whole project is of interest

SECTION 12

Basis of granting the contract

Phase 1 – Initial submission

CPA Canada will evaluate the responses received per [section 11](#) and will select appropriately qualified candidates who best meet the criteria stipulated in [section 6](#). These candidates will then advance to phase 2 of the candidate(s) selection process. Multiple authors may be chosen depending on which area they have selected to author (i.e., practical guidance, practice aids, case studies and FIFs).

Phase 2 – Short-listed candidates

Candidates selected will have a one-on-one meeting with CPA Canada to discuss the candidate's vision for the updates to the PEG. Candidates may be asked to submit a sample of the proposed updates to the PEG. Candidates and CPA Canada will discuss compensation, structure and author rights.

CPA Canada will evaluate the samples and sign an engagement agreement with the candidate(s) whose work is appropriate for the updates to the PEG.

CPA Canada reserves the right to:

- Reject any or all proposals and to take any or all proposals under advisement
- Request further information and clarification from any candidate
- Accept any proposal that may be considered to be in CPA Canada's best interest in meeting the standards of quality, experience, price, and overall value

Appendix A – Samples of PEG contents

The following content is a sample of the current audit related practical guidance, practice aids, case study and filled in forms related to materiality.

PRACTICAL GUIDANCE

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PEG Volume 2—2021

EXHIBIT 11.0-2

ACTIONS
REQUIRED

RMM = Risks of material misstatement.
F/S = Financial statements.
RAPs = Risk assessment procedures.
TCWG = Those charged with governance.

STEP 2 – DETERMINE MATERIALITY (Refer to Volume 2, Chapter 11)

Purpose: To establish the amount of misstatements that, if exceeded, would influence the economic decisions of F/S users.

Activity	Description	Volume 2 Section	Practice Aids	Relevant Standards
a. Determine overall materiality	Determine materiality for the F/S as a whole (i.e., overall materiality) based on the level of misstatement that, if exceeded, would influence F/S users.	11.1	420	CAS 320.10 CAS 600.21–23
b. Determine performance materiality	Determine performance materiality based on the known risks of misstatement. This could be one amount overall or by individual F/S area and disclosure as required.	11.2	420	CAS 320.11
c. Determine any specific materiality	Determine specific materiality in the rare instance where amounts less than overall materiality would influence F/S users.	11.3	420	CAS 320.10–11

Documentation: Descriptions of F/S users and how overall and performance materiality amounts were determined.

The term "overall materiality" is used throughout this guide in reference to materiality for the financial statements as a whole.

The key elements to be addressed in determining materiality are summarized in the following exhibit.

EXHIBIT 11.0-3

**Overall
Materiality**
Based on F/S users*

The total amount of misstatements in a F/S,* which if exceeded could reasonably be expected to influence the economic decisions of users.

\$

→

Often a percentage applied to a benchmark (such as 5% of profit before tax)

**Performance
Materiality**
Based on audit risk

The amount(s) set by auditor (at less than overall materiality) to reduce the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality.

\$

→

Often a percentage of overall materiality (such as 60% to 80%)

*F/S = Financial statements.

In some situations, misstatements of lesser amounts than overall materiality could reasonably be expected to influence the economic decisions of users. If so, a lower specific materiality amount would be determined for the relevant financial statement areas or disclosures, and also a specific performance materiality amount. (CAS 320.10).

11.1 Determine Overall Materiality

Determining materiality is a matter of professional judgment. It is based on the auditor's perception of the financial information needs of users of the financial statements.

PRACTICE AIDS AND FILLED-IN-FORMS

Materiality

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Entity Cambridge Furniture Inc. Period ended December 31, 20X2

Objective: To determine:

- Overall materiality (including possible misstatements in qualitative disclosures) based on the users of the financial statements (CAS 320.10)
- Performance materiality required to reduce (to an acceptably low level) the probability that the aggregate of uncorrected/undetected misstatements exceeds overall materiality (CAS 320.11)
- Specific materiality and specific performance materiality where required (CAS 320.10 and A11-A12) (Refer to Vol. 1, Ch. 15, *Materiality and Audit Risk*, and Vol. 2, Ch. 11, *Step 2 — Determine Materiality*, for further guidance.)

F/S = Financial statements.

Identify the principal users of the F/S

Users	Factors that would influence the users' decision-making (Consider key F/S areas and disclosures, laws/regulations and other matters)
a. <i>Bank</i>	<i>Cash flows, profitability, compliance with bank covenants and anything else that would impact an entity's ability to repay the loan. The bank may also be asked for new financing in the following year.</i>
b. <i>Shareholders and potential new investors</i>	<i>Profitability and future revenue growth.</i>
c.	
d.	

A. Overall materiality (*materiality for the F/S as a whole*)

Use professional judgment as to the highest amount of misstatement(s) that could be included in the F/S without affecting the economic decisions taken by the F/S users identified above.

Type of entity	Basis for calculation	This period anticipated	Previous period	Benchmark % applied	Possible materiality	Comments
Profit-oriented	Income before tax from continuing operations (after adjusting for bonuses, etc.)	\$302,462 plus a management bonus of \$40,000 (W/P XX) = \$342,462	\$204,729 plus a management bonus of \$30,000	10%	\$34,000	<i>Income is the most important yardstick for the F/S users; however, income has not been stable over the last few years.</i>
	Gross revenues	\$3,437,318	\$3,039,322	1%	\$34,300	<i>Revenue has been relatively stable and is a good measurement base for the users.</i>
	Other (describe — such as assets)					
Not-for-profit	Total revenues or expenses					
	Other (describe)					