

**REQUEST FOR PS20190857 ("RFP") PS20190857
CONSULTING SERVICES FOR SALES TAX REVIEW
QUESTIONS AND ANSWERS NO. 2**

ISSUED ON JULY 19, 2019

Q1	<p>Part B, Section 3.1, Phase II (a):</p> <ul style="list-style-type: none"> • Please clarify the scope of the term "detailed review" . <ul style="list-style-type: none"> - Does it mean: <ul style="list-style-type: none"> * A review of <u>all financial</u> transaction data noted in 1b i) to 1b vii) below? OR * A review of <u>sample financial</u> transaction data noted in 1b i) to 1b vii) below? • Does it include a review of the logic configured into City's IT systems (billing; purchasing etc) to process sales taxes on financial transactions (i.e. taxability matrices; rate tables; exception rules etc)? • What is the period of the review? • Please clarify what is included in the term "determine the treatment by the City's Finance department"? Does it mean a report on : <ul style="list-style-type: none"> • The current/past sales tax treatment of financial transactions, by transaction type? OR • The current/past treatment sales tax treatment of all financial transactions included in the review?
A1	<p>This means a review of the various transaction streams and determining the appropriate sales taxes that would be applicable and ensuring that the City is applying the appropriate sales taxes, and identifying where there are potential non-compliance. The aim of the review is not to review whether we are tax-compliant for a certain period of time but if we are currently applying taxes correctly. So suggested time period would be transactions for the first half of 2019.</p>
Q2	<p>Please clarify the difference between Part B, Section 3.1 Phase II (b) and Phase II (a).</p>
A2	<p>Believe this was an inadvertent repeat (mistake).</p>
Q3	<p>Part B, Section 3.1 Phase II (c) :</p> <ul style="list-style-type: none"> • What is the period for this review? <ul style="list-style-type: none"> - Is the review limited to GST and PST returns only? - How many City entities will be involved in the review and are they are all registered for GST & PST?

A3	As mentioned in A1, would just look at recent months in 2019 to ensure that we are currently in compliance. For this section, the review is around the monthly tax returns and ensuring that we are in compliance. Entities that would be involved in this review would be those that fall under the City of Vancouver umbrella for financial statement purposes.
Q4	Part B, Section 3.1 Phase II (d): <ul style="list-style-type: none"> • What is the expected deliverable from this review? ' <ul style="list-style-type: none"> - A gap analysis report? And/OR - Revised, improved compliance processes?
A4	Deliverable includes identifying areas /processes that we are not in compliance (gap analysis report) and recommendations on processes to fix or improve the compliance process.
Q5	Part B, Section 3.1 Phase II (d): <ul style="list-style-type: none"> • What is the purpose of these reconciliations? Are they a part of: <ul style="list-style-type: none"> - The sales tax returns preparation processes? And/Or - Internal financial reporting processes? • What is the period for this review? • Is the review limited to GST and PST sales tax accounts only? • How many City entities will be involved in the review and are they are all registered for GST & PST?
A5	They are to validate the monthly sales tax preparations. Period to review is the first half of 2019. Review is around these sales tax accounts. What other tax accounts are you thinking of? Entities that would be involved in this review would be those that fall under the City of Vancouver umbrella for financial statement purposes.
Q6	Part B, Section 3.1 Phase II (d): <ul style="list-style-type: none"> • What is the expected deliverable from this review? <ul style="list-style-type: none"> - A gap analysis report? And/OR - Revised, improved reconciliation processes?
A6	Deliverable include identifying areas /processes that we are not in compliance (gap analysis report) and recommendations on processes to fix or improve the compliance process.
Q7	Part B, 1.3, Phase II (e): <ul style="list-style-type: none"> • Is this a review of City's purchase transactions, as posted to the GL, to identify instances of: <ul style="list-style-type: none"> - Under-claimed GST rebates / ITCs? - PST paid in error to vendors on non-taxable purchases? - PST self-assessed in error on non-taxable purchases? - Duplicates/unapplied credit notes/other overpayments made to vendors. • What is the period of the review?
A7	Again, suggesting review of recent month's submissions in 2019 to ensure that current processes are in compliance. Purpose of review would include those highlighted in your question. Basic objective is to ensure that we are applying sales taxes appropriately on our main transaction streams and submitting the appropriate taxes to the various governmental agencies.