



City of Richmond


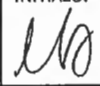
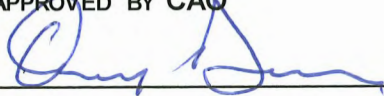
Report to Committee

To: Finance Committee **Date:** March 7, 2022
From: Ivy Wong, CPA, CMA **File:**
 Acting Director, Finance
Re: Appointment of External Auditor

Staff Recommendation

That KPMG LLP be appointed as the external financial auditor for the City of Richmond for a five-year period, beginning with the 2022 fiscal year that ends December 31, 2022 through to the 2026 fiscal year that ends December 31, 2026.

Ivy Wong, CPA, CMA
 Acting Director, Finance
 (604-276-4046)

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER	
 Acting GM, F&CS	
SENIOR STAFF REPORT REVIEW	INITIALS:
	
APPROVED BY CAO	
	

Staff Report

Origin

Pursuant to Section 169 of the Community Charter, Council must appoint an auditor for the municipality.

The City's current auditor, KPMG LLP (KPMG) was appointed as the City's auditor for the fiscal years 2017 – 2021.

Analysis

The City has been using KPMG's auditing services for over 20 years with the last contract being a five year term applying to the fiscal years 2017-2021. The current auditing services agreement between the City and KPMG will expire with the presentation of the fiscal 2021 Financial Statements in May 2022.

KPMG has provided the City with an offer for a five-year audit service proposal. The proposal submitted by KPMG covers a five year term with the first year for the City's component being \$82,000. The cumulative amount for the City over the term is \$435,100.

Included in the proposal are a complimentary value added session in each of the five years of the audit term, at no extra charge, on relevant topics of the City's choosing. These sessions which would otherwise require additional funding, will be provided to the City by KPMG senior specialists in the Accounting and Advisory teams.

Staff have reviewed market data comparison information for two recent contract awards from our comparator cities and determined that the proposal provided by KPMG meets the City's requirements and offers the comparable value to the City.

KPMG is the largest public accounting firm in BC, and has the most significant Public Sector and Local Government practice in the Province. Additionally, KPMG has significant knowledge of our processes, technology and accounting systems that result in cost effective and timely services.

Financial Impact

The annual cost for this work is \$82,000 plus tax for fiscal 2022, with a five-year contract value of \$435,100 excluding GST. Funding for these services for fiscal 2022 is available in the 2022 Operating budget and funding for the remaining years of the term is included in the Five-Year Financial Plan.

Conclusion

The City and KPMG have worked effectively together over the previous term of their engagement. Based on the evaluation done by staff, staff recommends that KPMG be appointed as the City's auditor for the fiscal years 2022 – 2026.



Cindy Gilfillan, CPA, CMA
Manager, Financial Reporting
(604-276-4077)