



City of Richmond

Report to Committee

TO FIN NW.5 2012

To: Finance Committee
From: Andrew Nazareth
General Manager, Finance and Corporate
Services
Re: Appointment of Auditor

Date: October 18, 2012

File:

Staff Recommendation

That Council re-appoint KPMG, LLP as the City's auditor for the years 2012 – 2017.

Andrew Nazareth
General Manager, Finance and Corporate Services

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY SMT SUBCOMMITTEE	INITIALS:
REVIEWED BY CAO	INITIALS:

Staff Report

Origin

Pursuant to Section 169 of the Community Charter, Council must appoint an auditor for the City. The City's current auditor, KPMG was appointed as the City's auditor for the years 2006 – 2011.

Analysis

A Request for Expressions of Interest was issued to the marketplace on July 18th, 2012. Expressions of Interest were received from the following firms on August 7th, 2012:

<u>Company</u>	<u>Total Annual Amount, excluding HST</u>
BDO Canada LLP	\$114,000.00
KPMG LLP	\$98,500.00

Staff reviewed both submissions and determined that the submission provided by KPMG LLP meets the City's requirements and offers the best value to the City.

In addition, the City has a long standing audit relationship with KPMG who have one of the largest professional services firms in BC. Throughout our business relationship they have gained significant experience with the City of Richmond and a deep understanding of how the City is managed. KPMG have performed audits with highly skilled and capable audit teams who focus on the key issues faced by the City. Their knowledge of our processes, technology and accounting systems has resulted in cost effective and timely services.

Financial Impact

KPMG's proposed annual fee for the audit services is as follows:

City audited consolidated financial statements - \$68,000.00
Library Financial Statements - \$6,500.00
Annual Total – \$74,500.00, excluding HST.

Total for a five-year commitment is \$372,500.00, excluding HST

An adjustment for inflation over subsequent years may apply to this annual fee. Their fee also includes a two-hour consultation on Richmond's environmental processes with respect to the PSAB requirements for contaminated sites and a three-hour consultation regarding a core services review.

The cost of the annual fee can be accommodated within the City's Operating Budget.

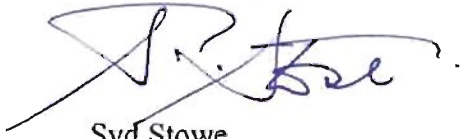
Conclusion

The City and KPMG have worked effectively together over the term of their engagement. During that time KPMG has provided financial reporting advice and audit opinions on the City's financial statements. Based on the strength of the firm, the capability of their staff, the quality of

October 18, 2012

- 3 -

the audit services provided and the cost of their services, staff recommends that KPMG LLP be appointed as the City's auditor for the years 2012-2017.

A handwritten signature in blue ink, appearing to read "Syd Stowe", with a large, sweeping initial "S" and a stylized "Stowe".

Syd Stowe
Manager, Purchasing
(604-276-4061)