



City of Richmond

Report to Committee

To: Finance Committee **Date:** September 15, 2017
From: Andrew Nazareth **File:** 03-0905-01/2017-Vol
General Manager, Finance and Corporate 01
Services
Re: **Appointment of External Financial 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 2017 fiscal year that ends December 31, 2017 through to the 2021 fiscal year that ends December 31, 2021.

Andrew Nazareth
General Manager, Finance and Corporate Services
(604-276-4095)

| REPORT CONCURRENCE | |
|--|---------------|
| CONCURRENCE OF GENERAL MANAGER | |
| REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE | 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 2012 – 2016.

Analysis

The contract for financial audit services concluded with the completion of the 2016 financial audit. Staff issued a Request for Proposal (6050P) on the BC Bid website for the provision of audit and consulting services on July 20, 2017.

The audit services relate to the consolidated City, Library and Oval financial statements. Lulu Island Energy Company has previously appointed KPMG as their auditor and is not considered in the scope of this request for proposal.

The audit services will be provided for a maximum of five years, inclusive of a three-year term relating to fiscal years 2017-2019 with the option of two additional one-year renewal terms through to the 2021 fiscal year that ends December 31, 2021.

Proposals were received from the following firms:

- BDO Canada LLP
- KPMG LLP
- MNP LLP

Staff reviewed the proposals and determined that the proposal provided by KPMG meets the City's requirements and offers the best overall value to the City. Their proposal was also the lowest cost proposal.

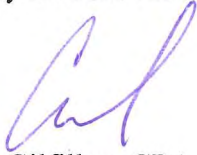
KPMG is the largest public accounting firm in BC, and has the most significant Public Sector and Local Government practice in the Province. Additionally, The City and KPMG have a long standing audit relationship of over 20 years. Their knowledge of our processes, technology and accounting systems has resulted in cost effective and timely services.

Financial Impact

The annual cost for this work is \$64,500 plus tax for fiscal 2017, with a five-year contract value of \$327,700 excluding GST. Funding for these services for fiscal 2017 is available in the 2017 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 and the determination that the KPMG proposal offers the overall best value for the City, staff recommends that KPMG be appointed as the City's auditor for the fiscal years 2017 – 2021.



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