



## REPORT

**REPORT TO:** Chair and Members of the Community and Corporate Affairs Committee

**REPORT FROM:** Moya Leighton, Town Treasurer & Manager of Accounting

**DATE:** June 6, 2018

**REPORT NO.:** CORPSERV-2018-0034

**RE:** Award of Proposal P-060-18 for External Auditing Services

### RECOMMENDATION:

THAT Report No. CORPSERV-2018-0034 dated June 6, 2018, regarding Award of Proposal P-060-18 for external auditing services be received;

AND FURTHER THAT Council approves the external auditing service contract award to KPMG LLP, 115 King Street South,, 2nd Floor, Waterloo, ON, N2J 1P2 for a two (2) year term in the amount of \$102,009 (plus HST) for the fiscal 2018 and 2019 audits with the option to renew for an additional three (3), one(1) year terms for the fiscal 2020 to 2022 audits subject to satisfactory performance and price negotiations;

AND FURTHER THAT the Manager of Purchasing be authorized to issue a purchase order to KPMG LLP, 115 King Street South, 2nd Floor, Waterloo, ON, N2J 1P2 in the amount of \$102,009 (plus HST) for the first two (2) year term and subsequent renewals, if exercised.

### BACKGROUND:

The Municipal Act, under section 296, requires a municipality to appoint an auditor licensed under the Public Accounting Act for a term not to exceed five (5) years. The auditor is responsible for the annual audit of the accounts and transactions of the municipality and its local boards and the expression of an opinion on the financial statements of these bodies based on the audit.

The Town's current contract with the incumbent auditors, KPMG LLP has expired with the completion of the 2017 fiscal audit.

**COMMENTS:**

A Request for Proposal (RFP) for External Auditors was issued on April 25, 2018. The bid was posted on the Town's website and advertised on the bids-and-tenders.ca website and on [www.biddingo.com](http://www.biddingo.com). The contract term is for two (2) years with three (3), one (1) year options to renew.

Seven (7) firms downloaded the document. The RFP closed on May 16, 2018 and four (4) submissions were received as follows:

Vendor	Location
BDO Canada LLP	Orangeville, ON
Grant Thornton LLP	Halifax, NS
KPMG LLP	Waterloo, ON
MNP LLP	Burlington, ON

Bids were evaluated by a staff team based on experience, approach, methodology, value-add, work schedule and fees. KPMG LLP was determined to be the highest ranking proponent.

**RELATIONSHIP TO STRATEGIC PLAN:**

This report is related to the 2014-2018 Strategic Action Plan priority 1:

Municipal Service Delivery: Effective, efficient and economical delivery of the Town's existing services.

**FINANCIAL IMPACT:**

The bid as submitted by KPMG LLP is being recommended as it meets or exceeds the specifications in all regards and is within the current operating budget, and therefore will not result in a budget increase.

**CONSULTATION:**

Staff worked in conjunction with Town Purchasing staff and they are in agreement with this recommendation.

**PUBLIC ENGAGEMENT:**

There is no public engagement impact.

**SUSTAINABILITY IMPLICATIONS:**

The Sustainability Implications of the recommendations of this report were reviewed against the requirements of the Town's Sustainability Implications Worksheet. The Worksheet is completed for substantial non-administrative reports, major projects, studies, policies and initiatives that are relevant to advancing the Town's economic,

cultural, environmental and social wellbeing, and quality of life. Since this report is none of the latter, the Sustainability Implications section is not applicable

**COMMUNICATIONS:**

There is no communications impact.

**CONCLUSION:**

Staff recommends the award of the External Auditors contract to KPMG LLP, 115 King Street South, 2<sup>nd</sup> Floor, Waterloo, ON, N2J 1P2 for the two (2) year term with the option to renew each contract for three (3), one (1) year terms.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "Jane Diamanti". The script is cursive and fluid.

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink, appearing to read "Brent Marshall". The script is cursive and fluid.

Brent Marshall, CAO