

Staff Report



To	Committee of the Whole
Service Area	Corporate Services
Date	Monday, October 5, 2020
Subject	Appointment of the External Auditor

Recommendation

1. That KPMG LLP be appointed as the external auditor for the City of Guelph for the fiscal years ending 2020 through 2024.
 2. That the Treasurer be authorized to annually execute the engagement letter with KPMG LLP subject to the terms approved.
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Executive Summary

Purpose of Report

To provide an overview of the results of the Request for Proposals (RFP) process for External Audit Services for the 2020 – 2024 fiscal years.

Key Findings

The contract with the City's current auditors, KPMG LLP, expired with the completion of the audit for the year ended December 31, 2019.

The RFP for External Audit Services was posted on the City's procurement website on July 31, 2020, and closed on August 25, 2020. The RFP included the City of Guelph, the Provincial Offences Act special compliance report, Guelph Junction Railway Limited (GJR), Guelph Municipal Holdings Inc. (GMHI), and three Local Boards: Wellington-Dufferin-Guelph Public Health (WDGPH), The Elliott Community (The Elliott), and Downtown Guelph Business Association (DGBA), with separate quotations being requested for each entity.

One bid submission was received from KPMG LLP, and it complied with the mandatory criteria set out in the RFP.

The cost of the City's 2020 annual audit and the Provincial Offences Court compliance report is \$68,600.

Financial Implications

The fees for the 2020 audit are within the 2020 approved budget.

Report

The Municipal Act provides for municipalities to appoint the municipal auditors for a term not to exceed five years. The contract with the City's current auditors, KPMG LLP, expired with the completion of the audit for the year ended December 31, 2019.

In accordance with Council's policy on Selection and Appointment of the External Auditor, staff prepared the RFP in consultation with staff from WDGPH, The Elliott, and DGBA. Once finalized, the RFP was posted on the City's procurement website on July 31, 2020 with a closing date of August 25, 2020 in accordance with the Procurement Bylaw. The evaluation criteria employed was consistent with the approved policy, and was outlined in the RFP document that was published and available to all proponents.

The Evaluation Committee consisted of the Chair and Vice Chair of the Audit Committee, the General Manager of Internal Audit, the Manager of Financial Reporting and Accounting, and Senior Corporate Analyst of Financial Reporting and Accounting.

One bid submission was received, from KPMG LLP, and after the bid period closed, the proposal was distributed to the Evaluation Committee to review for compliance with the mandatory criteria in the RFP.

The cost of the City's 2020 annual audit and the Provincial Offences Court compliance report is \$68,600. The audit fees for the associated entities: GJR, GMHI, WDGPH, The Elliott, and DGBA were competitive and have been communicated to their respective Boards. KPMG LLP is responsible for notifying the Purchasing Department of any future increases which are limited to the Consumer Price Index for the Toronto Region as published by Statistics Canada.

The Evaluation Committee recommends that KPMG LLP be appointed the external auditors for the period 2020-2024 pending an annual performance evaluation.

Financial Implications

The fees for the 2020 audit are within the 2020 approved budget.

Consultations

Staff conducted external consultations with management at WDGPH, The Elliott, and the DGBA in preparing the RFP.

Strategic Plan Alignment

Competitive procurement supports the Strategic Plan's Working Together for our Future pillar through maintaining a fiscally responsible local government.

Attachments

None

Departmental Approval

N/A

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