

CONTRACT EXTENSION FOR AUDITING SERVICES - KPMG

Recommendation

The Commissioner of Finance & Corporate Services in consultation with the City Manager and the Director of Finance recommends:

That the contract for the provision of auditing services be extended by one (1) year to the City's current external auditing firm of KPMG.

Purpose

To receive Council approval for a one year extension to the auditing services contract.

Background - Analysis and Options

In 1995 Council awarded a contract based on the City/Hydro joint Request for Proposal for External Audit Services for the City and all affiliated boards and Commissions to the firm of KPMG. The contract had been renewed in 1999 and 2001.

To keep audit fees to a minimum and to provide for a continuing effective audit, it is recommended that the City retain KPMG for an additional one (1) year. In discussion with KPMG the audit fee for 2003 will see an inflationary increase only. The audit fee increase will therefore be kept to a minimum.

KPMG offers the City an experienced team, which has developed a working relationship with Finance and City staff that has made the year-end process easier to manage. The provincial Financial Information Return and annual audited Financial Statement have been completed and submitted on schedule over this period. The knowledge and experience gained in house by City staff in conjunction with KPMG will provide for a continued cost effective audit.

Additionally this extension of auditing services will provide Finance staff the opportunity to place maximum effort in the continued development of departmental financial reporting, Provincial changes to the Municipal Performance Measurement Program reporting and streamlining the preparation of the City's Financial Statements and Financial Information Return and the numerous other projects that Finance staff are directly and indirectly involved in.

Conclusion

KPMG has been providing professional services to the City/Hydro/Library for the past number of years in their capacity as external auditors. This relationship has been successful in providing a cost effective audit and it is recommended that a one (1) year extension be awarded.

Attachments

None

Respectfully submitted,

Clayton D. Harris, CA

Commissioner of Finance & Corporate Services