

**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 LLP.

**Purpose**

To receive Council approval for a one year extension to KPMG LLP for external auditing services.

**Background - Analysis and Options**

Council previously 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 has subsequently been extended.

To keep audit fees to a minimum and to provide for continuity and an efficient audit, it is recommended that the City retain KPMG for an additional one (1) year. In discussion with KPMG the audit fee for 2004 will increase this year. Since 1999 the auditing fees have remained relatively unchanged providing a very cost effective audit. The increase this year reflects the impact of inflation and the increased complexity of the City's financial reporting requirements such as:

- Increased note disclosure requirements;
- Changes in general standards of financial statement presentation and reporting; and
- Increased regulatory requirements.

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 Statements have been completed and submitted on schedule over this period. Accounting staff are relatively new to the City and it would be prudent to remain with KPMG so as to continue a cost effective audit.

**Relationship to Vaughan Vision 2007**

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

**Conclusion**

KPMG has been providing professional services to the City/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