

EXTERNAL AUDIT SERVICES EXTENSION

Recommendation

The Director of Financial Services in consultation with the Commissioner of Finance & Corporate Services recommends:

That the contract for the provision of auditing services be extended to the City's current auditing firm KPMG LLP for one year.

Economic Impact

There is no additional economic impact and funds are provided annually in the Operating Budget each year.

Purpose

To request a one year extension of the contract for the current auditing firm KPMG LLP for 2005.

Background - Analysis and Options

The audit services contract with KPMG was extended in 2004 for one year covering the 2004 Audit. The Audit Committee directed that an RFP be issued for external audit services.

Recently City Financial Services has experienced the loss of senior staff, the resignation of the Manager of Property Tax & Assessment and temporarily for medical reasons, the Manager of Accounting. With the loss of these key staff especially the Accounting Manager, the effective preparation, evaluation and recommendation of the successful proponent in the RFP process would be hampered significantly. In addition with the possible lack of continuity at year-end in terms of auditors, the year-end process including the preparation of the City's financial statements will be further complicated and protracted. With the RFP process moved to 2006, Accounting staff will be better prepared in handling a more effective process.

For the reasons stated above, staff is requesting that the audit services contract be extended one year.

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

It is recommended that the external audit services be extended for one year and that the RFP for these services be issued in 2006.

Attachments

None

Respectfully submitted,

Barry E. Jackson, CGA
Director of Financial Services