

**EXTERNAL AUDIT SERVICES TWO YEAR CONTRACT EXTENSION**

**Recommendation**

The Commissioner of Finance/City Treasurer and the Director of Financial Services recommends:

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

**Economic Impact**

The cost impact will be based on the current agreement and will increase no higher than the cost of inflation. Funds have been provided in the 2011 operating budget.

**Purpose**

To request a two year extension of the current contract with the City's external auditing firm KPMG LLP.

**Background - Analysis and Options**

The external auditing contract with KPMG LLP has expired with the 2010 audit. An extension of the auditing services contract is required. The extension is required as a result of the timing in finalizing the City's 2010 Financial Statements. There is insufficient time available to initiate an effective Request for Proposal (RFP) for external auditing services for the 2011 audit as the interim audit is due to begin in November 2011.

In addition, there are a number of corporate priority projects being undertaken in the City, a number of them lead by Finance. The preparation of an RFP and the impact across the organization if there was to be a change in auditors must also be taken into consideration.

For the reasons stated above, staff is requesting that the external audit service contract be extended for two (2) years.

**Relationship to Vaughan Vision 2020**

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 two years as a result of the timing in finalizing the 2010 City Financial Statements, the number of corporate priorities currently being undertaken as well as the significant amount of time required across the organization if there is a change in auditors.

**Attachments**

None

Respectfully submitted,

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Barbara Cribbett, CMA  
Commissioner of Finance/City Treasurer

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Barry E. Jackson, CGA  
Director of Financial Services