

# STAFF REPORT TO COUNCIL

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**DATE:** September 11, 2018

**TO:** MAYOR AND COUNCIL

**NAME AND TITLE:** KATHLEEN SOLTIS, CITY MANAGER

**SUBJECT:** Appointment of Municipal Auditor

**ATTACHMENT(S):** None

## RECOMMENDATION:

That Council appoint KPMG LLP as the municipal auditor for the City of Prince George.

## PURPOSE:

This report has been prepared to inform Council on the Request for Proposal (RFP) process for the City's auditing services and to recommend that Council appoint the highest scoring proponent of that process as the City's municipal auditor.

## POLICY / REGULATORY ANALYSIS:

Section 169 of The *Community Charter* requires that Council appoint an auditor for the municipality. The municipal auditor must report to Council on the annual financial statements of the municipality and ensure the report is in accordance with the reporting standards recommended by the Chartered Professional Accountants (CPA) of Canada.

The Public Sector Accounting Board (PSAB) works from within the CPA of Canada association and establishes and maintains the financial reporting standards for public sector entities. PSAB requires that the consolidated financial statements contain the financial information for all controlled entities of the municipality. Consolidated financial statements include the City of Prince George as well as its controlled entities: Prince George Public Library and Tourism Prince George.

## STRATEGIC PRIORITIES:

This report supports Council's strategic priorities of Sustainable Fiscal Management and Organizational Excellence.

## OTHER CONSIDERATIONS:

The previous Municipal Audit contract, held by Deloitte LLP, expired upon completion of the reporting requirements for the year ending Dec 31, 2017. The contract was a five-year contract that began in 2011 with two one-year extension options that were exercised. Our working relationship with Deloitte LLP was a good one and I would like to thank them on behalf of Administration for their work over the course of time that they have been our auditors.

The RFP for the current Municipal Audit is to provide annual audit services for the City of Prince George and the Prince George Public Library. Tourism Prince George is currently in the middle of its own RFP process and may or may not select the same auditor as the City of Prince George. The RFP for the current Municipal Audit is also a five year term with an option for extension for two one-year terms. Six proponents responded with proposal submissions: Deloitte LLP; KPMG LLP; Smythe CPA; PricewaterhouseCoopers LLP (PWC); MNP LLP; and BDO Canada LLP. The evaluation team for the RFP consisted of Terri Johnson, Supervisor of Accounting Services, CPA,CGA; Fyfe Halvorson, Supervisor of Financial Services, CPA,CGA; and Jessica Cave, Financial Analyst, CPA,CA.

The award of this contract should be completed in September so that the interim audit can proceed in November.

**SUMMARY AND CONCLUSION:**

KPMG LLP was the successful proponent of the audit RFP process and Administration recommends that Council appoint KPMG LLP as the City's municipal auditor.

**RESPECTFULLY SUBMITTED:**

A handwritten signature in black ink, appearing to read "K. Soltis".

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Kathleen Soltis, City Manager  
Meeting date: September 17, 2018