

**AUDIT COMMITTEE**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**SUBJECT: EXTERNAL AUDIT SERVICES - CONTRACT AWARD**

**RECOMMENDATIONS:**

1. THAT Council authorize staff to award a five year contract to KPMG LLP for external audit services for the 2016 – 2020 fiscal years.
2. THAT the audit fee be set at \$79,170 for 2016 (including GST in the amount of \$3,770) and indexed by the Vancouver Consumer Price Index for subsequent years 2017 – 2020.

**REPORT**

The Audit Committee, at its Closed meeting held on 2016 July 21, received and adopted the attached report seeking Council's approval to award a five year contract for external audit services.

Respectfully submitted,

Councillor D. Johnston  
Chair

Councillor C. Jordan  
Vice Chair

His Worship, Mayor D. Corrigan

Councillor P. McDonell  
Member

Copied to:	City Manager Director Finance Manager Internal Audit
------------	--

**TO:** CHAIR AND MEMBERS  
AUDIT COMMITTEE **DATE:** 2016 July 13

**FROM:** DIRECTOR FINANCE **FILE:** 6300-01

**SUBJECT: EXTERNAL AUDIT SERVICES – CONTRACT AWARD**

**PURPOSE:** To obtain approval to award a five year contract for external audit services.

---

**RECOMMENDATIONS:**

1. **THAT** Audit Committee recommend Council authorize staff to award a five year contract to KPMG LLP for external audit services for the 2016 – 2020 fiscal years.
2. **THAT** the audit fee be set at \$79,170 for 2016 (including GST in the amount of \$3,770) and indexed by the Vancouver Consumer Price Index for subsequent years 2017 – 2020.

**REPORT****1.0 BACKGROUND**

Section 169 of the Community Charter requires Council to appoint an auditor for the municipality. Auditors are appointed to report to Council on the annual consolidated financial statements of the City.

On 2011 October 03, Council approved the appointment of KPMG LLP as the City's External Auditors for a five year term covering audits of fiscal years 2011 to 2015. The City's five year audit contract for 2011 to 2015 expired this year after the completion of the 2015 financial statement audit. The City issued a Request for Proposal (RFP) for external audit services on BC Bid. Proponents were requested to provide proposals for external audit services for the City of Burnaby and the Burnaby Public Library for a five year term covering the fiscal periods 2016 to 2020. Proponents were also required to provide a separate price for external audit services for the Burnaby Municipal Benefit Society.

**2.0 REQUEST FOR PROPOSALS**

Two proposals were received by the closing date of 2016 April 12. The proposals were evaluated by a selection committee on the stated criteria of public sector accounting standards, government experience, key personnel, methodology and approach, deliverables, value for money, value added, costs and references.

To: Audit Committee  
From: Director Finance  
Re: EXTERNAL AUDIT SERVICES – CONTRACT AWARD  
2016 July 13 ..... Page 2  
Committee Meeting

The selection committee concluded that KPMG LLP have the required expertise and resources to conduct the City’s annual audit and were the strongest overall proponent.

For 2016, the external audit service contract for the City and the Library is \$79,170 (inclusive of applicable taxes). Annual audit services for 2017 to 2020 will be adjusted based on changes in the Vancouver Consumer Price Index, as published by BC Stats. Funding for the City’s audit program is included in the City’s 2016 – 2020 Annual Financial Plan.

It is recommended that Council authorize staff to award a five year contract to KPMG LLP for external audit services for the period 2016 to 2020.



Denise Jorgenson  
DIRECTOR FINANCE

DJ:FL/ew

Copied to: City Manager  
Manager Internal Audit