



ADMINISTRATIVE REPORT

Report Date: October 22, 2013
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Meeting Date: November 5, 2013

TO: Vancouver City Council
FROM: General Manager of Financial Services
SUBJECT: Appointment of External Auditor for 2014

RECOMMENDATION

- A. THAT the accounting firm of KPMG LLP be confirmed as the City's External Auditor for the fiscal year 2014.
- B. THAT the audit fee be set at \$127,500 (exclusive of applicable taxes). Funding is included in the operating budget.

REPORT SUMMARY

Section 230 of the Vancouver Charter requires Council to annually appoint an accounting firm to audit the accounts and transactions of the City.

In 2010, the City awarded a 5-year contract for External Audit Services to KPMG LLP for the audits of 2011-2015. This report satisfies the legislative requirement that Council make an annual appointment of the External Auditor.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and the General Manager of Financial Services concur with the recommendations in this report.

REPORT

Background/Context

The City's audit service requirements include:

- Auditing of the City's annual consolidated financial statements for the year ended December 31, in accordance with generally accepted auditing standards.
- Reporting to Council on or before April 30 of the following year, an opinion on whether or not the financial statements, which include all City boards as well as all owned and controlled corporations, fairly present the City's financial position and results of operations in accordance with generally accepted accounting principles for local governments.
- Providing as part of the annual audit, advice and recommendations on the City's management and internal control procedures.
- Attending meetings with City officials as required for the planning and review of the external audit process and the financial statements.
- Responding to requirements and duties of the auditors as outlined in the provisions of the Vancouver Charter in Sections 231 to 235.
- Auditing the Vancouver Public Housing Corporation's annual financial statements for the year ending December 31 in accordance with generally accepted auditing standards.

Implications/Related Issues/Risk (if applicable)

Financial

In 2010, KPMG LLP was awarded the City's contract for External Audit Services for fiscal years 2011 to 2015. The fee for the 2014 audit is \$127,500 (before taxes), a 2.10% increase from \$124,900 from the previous year. Funding is provided in the annual Operating Budget.

CONCLUSION

Appointment of KPMG LLP as the City's External Auditor will satisfy the requirements of Section 230 of the Vancouver Charter that Council appoint an auditor to audit the accounts and transactions of the City, including boards and all owned and controlled corporations.

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