



## ADMINISTRATIVE REPORT

Report Date: November 13, 2014  
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Meeting Date: December 16, 2014

TO: Vancouver City Council  
FROM: General Manager of Financial Services  
SUBJECT: Appointment of External Auditors for 2015

### **RECOMMENDATION**

THAT the accounting firm of KPMG LLP be confirmed as the City's External Auditor for the fiscal year 2015.

### **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 recommend approval of the foregoing recommendation.

### **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 contract outlines fees for each year with the 2015 fee established at \$125,275 (before taxes).

The contract provides for changes to the base fee for increased audit scope due to changes in public sector accounting and auditing standards. In 2015, a new Public Sector Accounting standard PS 3260 Contaminated Sites Liability must be adopted by local governments. As the scope of the audit work has yet to be finalized, KPMG has provided an estimate of \$7,500 to \$20,000 as additional fees for 2015.

Funding is provided in the annual Operating Budget.

### ***CONCLUSION***

Appointment of KPMG 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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