



## ADMINISTRATIVE REPORT

Report Date: October 4, 2017  
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Meeting Date: November 14, 2017

TO: Vancouver City Council  
FROM: General Manager of Finance, Risk and Supply Chain Management  
SUBJECT: Appointment of External Auditor for 2018

### ***RECOMMENDATION***

- A. THAT the accounting firm of KPMG LLP (KPMG) be appointed as the City's External Auditor for the fiscal year 2018.
- B. THAT the audit fee be set at \$101,200 (exclusive of applicable taxes). Funding is provided for in the City's operating budget.

### ***REPORT SUMMARY***

In 2015, the City awarded a 5-year contract for External Audit Services to KPMG LLP for the audits of 2016-2020. This report satisfies the legislative requirement that Council make an annual appointment of the External Auditor.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

Section 230 of the Vancouver Charter requires Council, not later than the first Council meeting in each year, to appoint an accounting firm to audit the accounts and transactions of the City.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City Manager and General Manager of Finance, Risk and Supply Chain Management concur with the recommendations in this report.

**REPORT**

**Background/Context**

The City’s audit service requirements include:

- Auditing of the consolidated annual financial statements for the each 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 City’s consolidated 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.

**Financial Implications**

In 2015, the City awarded a 5-year contract for External Audit Services to KPMG LLP for the audits of 2016-2020. The audit fee (exclusive of taxes) for each of the 5 years is listed in the table below. The fee may only be adjusted if material scope changes are identified during the performance of the audit or if generally accepted auditing standards change.

The fee proposal for 2018 is \$101,200 (excluding taxes) consistent with the contract.

SERVICES AND DELIVERABLES	BASE FEES PER AUDIT YEAR					
	2016	2017	2018	2019	2020	Total
Audit of City of Vancouver Consolidated Financial Statements	\$101,200	\$101,200	\$101,200	\$105,800	\$105,800	\$515,200

Funding is provided for in the City’s 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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