



## ADMINISTRATIVE REPORT

Report Date: September 19, 2018  
Contact: Melanie Kerr  
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Meeting Date: October 30, 2018

TO: Vancouver City Council  
FROM: General Manager, Finance, Risk and Supply Chain Management  
SUBJECT: Appointment of External Auditor for 2019

### **RECOMMENDATION**

- A. THAT the accounting firm of KPMG LLP (KPMG) be appointed as the City's External Auditor for the fiscal year 2019.
- B. THAT the audit fee be set at \$105,800 (exclusive of applicable taxes). Funding is included in the 2019 operating budget.

### **REPORT SUMMARY**

The purpose of this report is to recommend appointment of KPMG as the City's External Auditor for 2019.

### **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.

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.

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

The City Manager concurs with the recommendations in this report.

**REPORT**

In 2015, the City awarded a 5-year contract for External Audit Services to KPMG LLP for the audits of 2016-2020. The contract with KPMG contains fixed fees for the City’s audit over the 5 year term totalling \$515,200 (exclusive of taxes) as shown 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 2019 is \$105,800 (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 in the 2019 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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