



## Report to Council

Department: Corporate Services

Date: October 5<sup>th</sup>, 2020

Prepared by: Katelynn Giurissevich, Manager, Finance and Business Services

Submitted by: Jeffrey Morrison, Director of Corporate Services

Report Number: Finance and Business Services Report 2020-02

Subject: Results of Request for Proposal External Audit Services

Number of Pages: 3

### Recommendation(s)/Conclusion(s)

It is recommended that:

1. Finance and Business Services Report 2020-02 entitled "Results of Request for Proposal External Audit Services" be received; and
2. Council award the Request for Proposal External Audit Services to **KPMG LLP in the total amount of \$89,175.34 including non-refundable Harmonized Sales Tax for a three (3) year term with an option to extend another three (3) year term subject to satisfactory performance and price negotiation.**

### Purpose

In accordance with Section 296. (1) of the Municipal Act, 2001, a municipality shall appoint an auditor licensed under the Public Accounting Act, 2004, who is responsible for,

- a) annually audit the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit; and

b) performing duties required by the municipality or local board.

## Background

Section 296. (3) of the Municipal Act, 2001, identifies that an auditor shall not be appointed for a term exceeding five years. The five year term (2014-2019) for our current audit services has now passed.

A Request for Proposal following the guidelines as set out in the Town Procurement By-Law Number 1043, was posted on the Town's website, and closed August 19<sup>th</sup>, 2020 at 3:00:00 pm.

Two proposals were received and evaluated using a scorecard approach taking into consideration the fee proposal, Municipal audit experience, qualifications of key personnel, understanding of the proposal scope, quality of the proposal, value added and innovative concepts.

The proposal review process included a team made up of:

- Katelynn Giurissevich, Manager, Finance and Business Services
- Jeffrey Morrison, Director, Corporate Services
- Heather MacDonald, Assistant Manager, Finance Services
- Jackson Tang, Assistant Manager, Business Services

After reviewing each proposal as submitted and totaling the scores, KPMG LLP submitted the lowest price and scored the highest as well. In addition KPMG LLP's proposal addressed all areas of the scope as identified in the request for proposal, including pricing.

## Financial Impact

The total cost per year including non-refundable Harmonized Sales Tax for the period of 2020 to 2022 as submitted by KPMG LLP as compared with the Town of Essex's 2020 Operating Budget and 4 Year Forecast (GL Account 1-1-12-121-53120 Professional Fees - Audit) is:

| Description   | 2020        | 2021        | 2022        | Total Amount<br>(2020 to 2022) |
|---|-------------|-------------|-------------|--------------------------------|
| Approved 2020 Operating Budget and 4 Year Forecast                                    | \$30,528.00 | \$30,528.00 | \$30,528.00 | \$91,584.00                    |
| Total cost per year including (1.76%) non-refundable Harmonized Sales Tax by KPMG LLP | \$29,126.26 | \$29,725.11 | \$30,323.97 | \$89,175.34                    |

The total amount for External Audit Services from 2020 to 2022 including non-refundable Harmonized Sales Tax is within the approved 2020 Operating Budget and 4 Year Forecast.

**Link to Strategic Priorities**

Not applicable.

Reviewed by:

Jackson Tang, Assistant Manager, Finance and Business Services, Concur

Jeffrey Morrison, Director of Corporate Services, Concur