



Media Release: Friday, August 5, 2016, 4:30 p.m.

Regional Municipality of Waterloo

Audit Committee

Agenda

Tuesday, August 9, 2016

8:30 a.m.

Room 217

150 Frederick Street, Kitchener

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1. **Declarations of Pecuniary Interest under the “Municipal Conflict Of Interest Act”**
 2. **Reports**
 - 2.1 **COR-TRY-16-79**, P2016-18 External Audit Services 2

Recommendation:

That the Regional Municipality of Waterloo accept the proposal of KPMG LLP for P2016-18 External Audit Services and appoint KPMG LLP as the Region’s external auditor for a three (3) year term comprising the 2016, 2017 and 2018 fiscal years, with an option to renew for two additional one year terms at a total three year cost of \$412,870.00 (average annual cost \$137,623.00) plus all applicable taxes as set out in report COR-TRY-16-79 dated August 9, 2016.

3. **Information/Correspondence**
4. **Other Business**
5. **Adjourn**



Report: COR-TRY-16-79

Region of Waterloo
Corporate Services
Treasury Services (Procurement)

To: Chair Sean Strickland and Members of the Audit Committee

Date: August 9, 2016 **File Code:** F18-40

Subject: P2016-18 External Audit Services

Recommendation:

That the Regional Municipality of Waterloo accept the proposal of KPMG LLP for P2016-18 External Audit Services and appoint KPMG LLP as the Region's external auditor for a three (3) year term comprising the 2016, 2017 and 2018 fiscal years, with an option to renew for two additional one year terms at a total three year cost of \$412,870.00 (average annual cost \$137,623.00) plus all applicable taxes as set out in report COR-TRY-16-79 dated August 9, 2016.

Summary: Nil

Report:

Section 296 of the "Municipal Act, 2001" provides that a "municipality shall appoint an auditor licensed under the Public Accounting Act 2004 who is responsible for annually auditing 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." The Act also provides that an "auditor of a municipality shall not be appointed for a term exceeding 5 years."

The Region's incumbent auditor, Deloitte LLP, has been the external auditor for 20 years. Completion of the 2015 financial statement audit marked the final year of Deloitte's most recent five year term.

Proposals were called for P2016-18 External Audit Services and were advertised in the Record, on the Ontario Public Buyers Association website and on the Region's website.

Financial Implications:

P2016-18 Average Annual cost 2016 to 2018	\$137,600
Plus: Applicable Net HST of 1.76%	<u>2,400</u>
Total	<u>\$140,000</u>

Note: All figures are rounded to the nearest \$100.

The average annual cost for the first three years is slightly less than the actual 2015 audit costs for comparable audits. The cost for the two additional one year terms are \$138,020 and \$140,770 respectively plus all applicable taxes. The cost of the annual audits is included in the Financial Services Division operating budget and various program budgets.

Other Department Consultations/Concurrence:

Financial Services staff was consulted in the preparation of this report.

Attachments: Nil

Prepared By: Lisa Evans, Manager, Procurement/Chief Purchasing Officer

Approved By: Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer