



**To:** COUNCIL  
**Meeting Date:** 9/17/2024  
**Subject:** Audit Services  
**Submitted By:** Sheryl Ayres, Chief Financial Officer  
**Prepared By:** David Mawdsley, Manager of Procurement  
**Report No.:** 24-041-CRS  
**File No.:** Q24-36  
**Wards Affected:** All Wards

### **RECOMMENDATION(S):**

THAT Report 24-041-CRS Audit Services be received;

AND THAT Council approve the award of Request for Quotations (High-Score) Q24-46 – Audit Services to KPMG LLP of Kitchener, ON at their proposed pricing for a three (3) year period, with two (2) optional (1) year renewals, this being the highest ranked respondent.

### **EXECUTIVE SUMMARY:**

#### **Purpose**

Council approval is required to appoint an external financial auditor under Section 296 of the Municipal Act, 2001, for a term not exceeding five (5) years.

#### **Key Findings**

Three (3) responses were received through an open competitive process.

KMPG LLP was the top ranked respondent following a review of the qualitative (technical) information. The proposed audit fees are 15.7% lower than their next competitor.

#### **Financial Implications**

The proposed fees represent a 10.8% increase on the anticipated budget for 2024; however, the proposed audit fees are 15.7% lower when comparing market rates submitted in response to this Request for Quotations.

## **STRATEGIC ALIGNMENT:**

Strategic Action

**Objective(s):** Not Applicable

**Strategic Action:** Not Applicable

## **OR**

Core Service

**Program:** Finance

**Core Service:** Financial Planning

## **BACKGROUND:**

Council is to appoint an auditor under Section 296 of the Municipal Act, 2001, for a term not exceeding five (5) years. The last procurement was conducted in 2019 for a five (5) year period.

The City issued a Request for Quotations (High-Score) for Audit Services on June 25, 2024.

Under Section 296 of the Municipal Act, 2001, the auditor appointed would also audit the financial statements of the City's local boards, being the following:

1. The Cambridge Public Library Board (o/a the Idea Exchange)
2. Hespeler Village Business Improvement Area
3. Preston Towne Centre Business Improvement Area
4. Downtown Cambridge Business Improvement Area

## **ANALYSIS:**

The public bidding process ensures the City maintains an open and transparent public process that provides accountability on the utilization of financial resources.

Procurement confirms that the rules under Purchasing By-law No. 19-187 were adhered to in the issuing and award of this solicitation.

## **EXISTING POLICY / BY-LAW(S):**

The Manager of Procurement, under Purchasing By-law No. 19-187, is delegated the authority to approve the award of purchases over \$500,000 when all of the following conditions have been satisfied:

- a) When there is sufficient funding, as approved by Council through the budget process and verified by the Finance Department; and
- b) When all procedures in accordance with this By-law have been followed; and
- c) When the lowest compliant Tender bid or highest scored Proposal is accepted and recommended.

All requirements under the delegated authority have been met.

This report is being bought forward as it is a requirement that Council appoint an auditor under Section 296 of the Municipal Act, 2001.

**FINANCIAL IMPACT:**

The proposed fees represent a 10.8% increase on the anticipated budget for 2024 however, the proposed audit fees are 15.7% lower when comparing market rates submitted in response to this Request for Quotations.

<b>Respondent</b>	<b>Price (excl. HST)</b>
Grant Thornton LLP	\$161,500
KPMG	\$105,200
MNP LLP	\$136,000

**PUBLIC VALUE:**

The Request for Quotation (High-Score) documents for this project were made available to the public for viewing and submission via the City’s e-tendering sites (Biddingo and Bonfire).

The RFQ had 12 plan takers and three (3) submissions were received.

**ADVISORY COMMITTEE INPUT:**

Not applicable.

**PUBLIC INPUT:**

Not applicable.

**INTERNAL / EXTERNAL CONSULTATION:**

The Request for Quotation (High-Score) documents were compiled by Procurement; however, the detailed specifications contained within the document were prepared and submitted to Procurement by the Finance Division.

The advertising for this solicitation was as follows:

- Advertised in the City’s e-tendering publishing site, Biddingo: June 25, 2024.

- RFQ Submission Deadline: July 25, 2024.

**CONCLUSION:**

Council approval is required to award RFQ Q24-36 Audit Services to KPMG LLP of Kitchener, ON

**REPORT IMPACTS:**

Agreement: **No**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

**APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

**ATTACHMENTS:**

Not applicable.