



## **Staff Report for Audit Committee Meeting**

**Date of Meeting:** November 12, 2024

**Report Number:** SRCFS.24.051

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** **SRCFS.24.051 - Awarding of External Audit Services**

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### **Purpose:**

The Audit Committee's approval is requested on the appointment of KPMG LLP (KPMG) as auditors for the City of Richmond Hill for the period of five years ending Financial Statements dated December 31, 2028.

### **Recommendation(s):**

- a) That KPMG be appointed auditors for the City of Richmond Hill for a period of five years ending Financial Statements dated December 31, 2028.

### **Contact Person(s):**

- Shirley Tu, Manager, Financial Reporting and Accounting, Extension 5450
- Gigi Li, Director, Financial Services & Treasurer, Extension 6435.

### **Report Approval:**

**Submitted by:** Sherry Adams, Commissioner of Corporate and Financial Services

**Approved by:** Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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### Background:

Section 296(1) of the Municipal Act, 2001 states, “a municipality shall appoint an auditor licensed under the Public Accounting Act, 2004 who is responsible for:

- a) 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; and
- b) Performing duties required by the municipality or local board.

Grant Thornton has been the City’s external auditor since 2012 and the City’s contract with Grant Thornton has expired with completion of the 2023 year-end financial statement audit. The City is required to procure External Audit services for the next term.

### Discussion:

In accordance with the City’s Procurement By-law No. 113-16, Section 6.3 – Cooperative Procurement, the City executed a Contract with KPMG upon successful negotiations with the supplier. KPMG is the successful awarded supplier through the competitive Collaborative Procurement conducted by the Ontario Education Collaborative Marketplace (OECM) Master Agreement #2023-431 for External Audit Services. The contract will be awarded for five years as allowed in the Municipal Act. The fees quoted are within budget limits.

KPMG will perform the following separate audits for the City of Richmond Hill:

- The Corporation of the City of Richmond Hill – Consolidated
- The Corporation of the City of Richmond Hill Public Library (RHPL) Board
- Village of Richmond Hill Business Improvement Area (BIA)
- 225 East Beaver Creek Common Area Maintenance (CAM) Audit

### Financial Implications:

The Financial Services Division houses the costs for the City of Richmond Hill Consolidated Financial Statement audit, in the annual operating budget. Audit fees to the RHPL Board, BIA and CAM are allocated to their respective budgets.

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The following schedule provides the annual fees for the five-year term by KPMG:

<b>Description</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
City of Richmond Hill	\$82,500	\$84,000	\$85,500	\$87,000	\$88,500
RHPL Board	\$14,000	\$14,300	\$14,600	\$14,900	\$15,200
BIA	\$5,500	\$5,600	\$5,700	\$5,800	\$5,900
CAM	\$5,500	\$5,600	\$5,700	\$5,800	\$5,900
<b>Total (excluding HST)</b>	<b>\$107,500</b>	<b>\$109,500</b>	<b>\$111,500</b>	<b>\$113,500</b>	<b>\$115,500</b>

### **Relationship to Strategic Plan 2024-2027:**

Awarding of External Audit Services demonstrates responsible municipal management which aligns with Pillar 3, Strengthening our Foundations, specifically, Priority 1, making decisions that are evidence-based and data-driven to enable the City's long term financial sustainability, as well as, environmental and economic sustainability.

### **Attachments:**

N/A

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### Report Approval Details

Document Title:	SRCFS.24.051 - Awarding of External Audit Services.docx
Attachments:	
Final Approval Date:	Nov 3, 2024

This report and all of its attachments were approved and signed as outlined below:

**Gigi Li - Oct 31, 2024 - 12:03 PM**

**Sherry Adams - Oct 31, 2024 - 1:08 PM**

**Darlene Joslin - Nov 3, 2024 - 9:09 AM**