

Request for Decision



To: Regular Meeting
From: Financial Services
Date: August 12, 2019
Subject: Audit Services for the years ending December 31, 2019 and December 31, 2020
Recommendation: **THAT Council approves the City's entering into a contract with KH Burch Kientz Inc. for audit services for the 2019 and 2020 fiscal years.**

THAT Council appoints KH Burch Kientz Inc. as auditors for the 2019 and 2020 fiscal years.

Background

During the latter part of 2016, the finance department posted a Request for Proposals (RFP) for audit services for the three year period covering the 2016-2018 fiscal years. With Council's approval, KH Burch Kientz Inc. was awarded the contract and appointed as the City's auditors for that period of time.

Because the original RFP was for a three year period which is now expiring, staff would normally be required to initiate the competitive bidding process for contracting these services, as the cost over two years would be in excess of the \$50,000 threshold for sole sourcing.

Staff is requesting Council approval to enter into a contract with KH Burch Kientz Inc. to provide audit services to the City for a further two years, after which a formal public tendering process will be conducted. Staff feels that a three year audit term is overly brief considering the investment of staff time required in familiarizing the audit team with our accounting system structure, staff capabilities, processes and procedures, and in establishing a solid working relationship. Additional factors which staff considers important, and which we have with KH Burch Kientz, are continuity of the audit team assigned to us and a local presence here in Grand Forks.

If Council approves this request, a resolution under Section 169(1) of the *Community Charter* is required to appoint KH Burch Kientz Inc. as the City's auditor.

Benefits or Impacts

General

Financial statement audits are a normal annual operating requirement for the City under Section 167 of the *Community Charter*.

Strategic Impact



Fiscal Responsibility

- The cost of the annual audit fees are accommodated within the City's annual operating budget and five year financial plan.

Policy/Legislation

Community Charter Sections 167 and 169

Attachments

N/A

Recommendation

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THAT Council appoints KH Burch Kientz Inc. as auditors for the 2019 and 2020 fiscal years.

Options

1. THAT Council accepts the recommendation.
2. THAT Council does not accept the recommendation.
3. THAT Council refers the matter back to staff for further information.

Report Approval Details

Document Title:	Audit Services for 2019 and 2020 .docx
Attachments:	
Final Approval Date:	Aug 1, 2019

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

Diane Heinrich - Aug 1, 2019 - 11:22 AM