

BRIEFING NOTE

January 20, 2006

External Audit of City's Auditor General's Office

Issue:

- The City Manager's Office 2006 budget includes an amount of \$3,745 (inclusive of taxes) for the audit of the Auditor General's Office by an external auditor (Hilborn Ellis Grant).

Background:

- Section 169-30.5 of the Municipal Code requires that an annual external audit of the Auditor General's Office be performed.
- The objective of this annual audit is to provide Audit Committee and Council assurance that the Auditor General's Office is carrying out its operations in compliance with City policies and procedures.
- City Council at its April 2005 meeting approved a report from the Audit Committee, which recommended that the contract for the external audit be awarded to Hilborn Ellis Grant.
- The contract was for one year (2005) with two one-year options that can be exercised at the City's discretion. The City has exercised its option to renew the contract for 2006.
- The budget for 2005 was \$10,100 with an actual expenditure of \$7,500.
- In 2005, as a result of a change in scope required to address the Audit Committee's needs, the audit fees were adjusted by \$2,500. (Report to Audit Committee of June 28, 2005)

Financial Implication:

- Work similar to that undertaken in 2005 is required in 2006. This has increased the audit fee from the originally submitted \$3,042.50 to \$3,745.00 (an increase of \$702.50).

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