



STAFF REPORT INFORMATION ONLY

Process to Obtain External Audit Services – 2010 to 2014 Inclusive

Date:	June 4, 2009
To:	Audit Committee
From:	Jeff Griffiths, Auditor General
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to advise the Audit Committee on the process being undertaken to obtain financial statement external audit services for the years 2010 to 2014 inclusive.

FINANCIAL IMPACT

There are no financial implications.

ISSUE BACKGROUND

Under Section 139 of the City of Toronto Act, 2006, the City is required to appoint an auditor licensed under the Public Accounting Act 2004, who is responsible for annually auditing the accounts and transactions of the City and its local boards and expressing an opinion on the financial statements of these bodies based on the audit. The Act provides that the City auditor shall not be appointed for a term exceeding five years. In addition, the Act requires that the auditor shall not be a City employee or an employee of a local board of the City. In creating the Auditor General's Office, City Council assigned the Auditor General the responsibility for managing the external audit contracts.

COMMENTS

A five-year contract for external audit services expired with the completion of the 2007 financial statement audit. The incumbent auditor at that time was Ernst & Young LLP. In a report dated February 8, 2008, the Treasurer recommended to Council that “Council authorize a two-year contract extension with Ernst & Young LLP for external audit services for fiscal years 2008 and 2009”.

The recommendation was approved by Council at its meeting of March 8, 2008.

As indicated, the two-year contract extension with Ernst & Young LLP expires on completion of the 2009 financial audit. Consequently, it is necessary to select and appoint auditors for a five-year term for the financial years 2010 to 2014 inclusive.

It is the intent of the Auditor General to issue a Request For Proposal for the provision of audit services prior to the year end. A recommendation will be made to the Audit Committee in the spring of 2010. The Request For Proposal will include the City and its Agencies, Boards and Commissions.

CONTACT

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SIGNATURE

Jeff Griffiths, Auditor General