

Update on the Procurement Process for the appointment of an External Auditor by the Compliance Audit Committee

Date: July 11, 2019

To: Compliance Audit Committee

From: City Clerk

Wards: All

SUMMARY

The Municipal Elections Act, 1996 ("MEA") requires the Compliance Audit Committee ("Committee") to appoint an auditor if it grants a compliance audit application. To date, the Committee has granted applications for an audit of the campaign finances of two candidates in the 2018 municipal election. To comply with statutory requirements, the Committee must now appoint an external auditor to conduct compliance audits of the campaign finances of these candidates and any other candidates and registered third party advertisers that it may grant during the 2018-2022 term of office.

The Committee authorized the City Clerk to manage the procurement process to hire an external auditor when it adopted its Purchasing Policy. Accordingly, during the months of June and July 2019, the City Clerk issued two competitive Request for Services (RFS) tenders to auditing firms, which resulted in no proponent submissions for either tenders. Given the urgent requirement for the Committee to appoint an external Auditor, the City Clerk is in the process of procuring an auditor through a sole source contract.

The City Clerk will submit a supplementary report to the Committee to recommend one or more Auditors with whom the Committee should appoint.

RECOMMENDATIONS

The City Clerk recommends that:

1. The Compliance Audit Committee receive this report for information.

FINANCIAL IMPACT

The financial impacts of this report will be outlined in a supplementary report to the Committee.

DECISION HISTORY

The Committee, at its meeting on April 1, 2019, adopted its Purchasing Policy (Item EA1.3). The Purchasing Policy is attached as Appendix 1.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EA1.3>

As of the date of this report, the Committee has granted two (2) compliance audit applications for the following candidates:

1. Faith Goldy on April 29, 2019:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EA2.1>

2. Jim Karygiannis on July 2, 2019:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EA3.1>

COMMENTS

The MEA outlines that where the Committee decides to grant an application for a compliance audit, it must appoint an auditor who is licensed under the Public Accounting Act, 2004 to conduct a compliance audit of election campaign finances for candidates and registered third party advertisers. The Committee has granted two audit applications of the campaign finances of two candidates in the 2018 municipal election.

City Clerk Initiated a Procurement Process to Retain an External Auditor

The Committee, at its meeting on April 1, 2019, adopted a Purchasing Policy authorizing the City Clerk to research experienced and knowledgeable individuals or firms, solicit competitive proposals from them to be evaluated, and present the evaluations to the Committee for its consideration.

Pursuant to the City of Toronto's Cooperative Purchasing Policy, the City Clerk utilized the Government of Ontario's Master Vendor of Record (VOR) agreement to issue a Request for Services (RFS) for an external Auditor to conduct municipal election compliance audits during the 2018-2022 term of office. The RFS closed on June 20, 2019 with no submissions received. The City Clerk made minor adjustments to that RFS and, on June 25, 2019, re-issued it to all auditing firms listed on Government of Ontario's list of qualified vendors. The RFS closed on July 10, 2019, with no submissions received.

After receiving no proponent submissions in response to the two RFS to retain an external auditor for the Committee, the City Clerk is currently in the process of procuring an external auditor through a non-competitive process. The City Clerk will submit a supplementary report on this matter to the Compliance Audit Committee meeting scheduled on July 24, 2019.

CONTACT

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SIGNATURE

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