

Award and Appointment of an External Auditor for the Annual Compliance Audit of the Accountability Offices – 2025 to 2029

Date: December 3, 2025

To: City Council

From: City Manager and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to seek City Council's authority for the award and appointment of an external auditor to conduct an annual compliance audit of each of the offices of Toronto's four Accountability Officers in the amount of \$67,000 net of all applicable taxes and charges for a five-year period. The external auditor will conduct compliance audits for the offices of the Auditor General, the Integrity Commissioner, the Lobbyist Registrar, and the Ombudsman for the calendar years ending December 31st for 2025, 2026, 2027, 2028 and 2029, as required by Section 3-1.7. B of the Toronto Municipal Code, Chapter 3, Accountability Officers. The contract with the current external auditor, Robert Gore and Associates, expires in 2025. This report also seeks Council authority for the City Manager to execute the contract with the appointed external auditor.

RECOMMENDATIONS

The City Manager and Chief Procurement Officer recommends that:

1. City Council appoint Kwok & Associate as the external auditor to conduct an annual compliance audit for the offices of each of the City's Accountability Officers for a five (5)-year period for calendar years ending December 31st for 2025, 2026, 2027, 2028 and 2029.
2. City Council authorize the City Manager to award a contract to Kwok & Associate being the lowest supplier meeting the terms and conditions set forth in Request for Quotation [Doc5254640555](#) issued by the Purchasing and Materials Management Division on September 10, 2025 to carry out the annual compliance audit for the offices of each of the City's Accountability Officer for a five (5) year period for calendar years ending December 31st for 2025, 2026, 2027, 2028 and 2029.

FINANCIAL IMPACT

The annual compliance audit of the offices of each of the City's four Accountability Officers for fiscal years ending December 31st for 2025, 2026, 2027, 2028 and 2029 will be a total of \$67,000.00 net of all applicable taxes and charges over the five (5) year period of the contract. Funding will be provided in the 2026, 2027, 2028, 2029 and 2030 Operating Budgets from the City's Non-Program Account.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on July 14, 2021, City Council considered the report entitled Appointment of an External Auditor for the Annual Compliance Audit of the Accountability Offices - 2020 to 2024 (CC35.5) and approved the appointment of an external auditor, Robert Gore and Associates, to carry out the annual compliance audit for the offices of each Accountability Officer for the years 2020 to 2024.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.CC35.5>

At its meeting on April 29, 2009, Council adopted a comprehensive policy framework for Toronto's Accountability Officers, A Policy Framework for Toronto's Accountability Officers (EX31.1), codified in Chapter 3 of the Toronto Municipal Code. The Framework reinforces both the Accountability Officers' arms-length separation from the City administration and their independent status within the City's governance system, and includes the requirement of an annual external compliance audit for the offices of each Accountability Officer. A Policy Framework for Toronto's Accountability Officers and supplementary report can be found respectively at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX31.1> and

<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/backgroundfile-20619.pdf>

Toronto Municipal Code, Chapter 3, Accountability Officers can be found at:

http://www.toronto.ca/legdocs/municode/1184_003.pdf

COMMENTS

The City of Toronto has four Accountability Officers – Auditor General, Integrity Commissioner, Lobbyist Registrar and Ombudsman (the “Accountability Officers”). The Accountability Officers carry out the duties and responsibilities of his or her office in an independent manner and are appointed by and report to Council.

City Council established an Auditor General in 2002 and an Integrity Commissioner in 2004. The Province of Ontario subsequently included a requirement in the City of Toronto Act, 2006, to establish a Lobbyist Registry and to establish an Auditor General,

an Integrity Commissioner, and an Ombudsman, along with authority to appoint a Lobbyist Registrar. To meet its statutory obligations and round out the City's accountability system, Council established a lobbyist registry and appointed a Lobbyist Registrar in 2007 and appointed an Ombudsman in 2008.

Section 3-1.7. B of Toronto Municipal Code, Chapter 3, Accountability Officers, requires that the office of each Accountability Officer undergo an annual compliance audit by an external auditor appointed by and reporting to Council. Moreover, the Framework adopted by Council indicates that the City Manager's Office will facilitate the request for proposals process to recommend appointment of an external auditor to City Council.

The contract with the current external auditor, Robert Gore and Associates expired in 2025, therefore it is necessary for City Council to appoint an external auditor to undertake the annual compliance audit of the offices of each Accountability Officer for a five-year period, starting in 2026, for calendar years ending December 31st for 2025, 2026, 2027, 2028 and 2029.

Procurement Process

On September 10, 2025, Purchasing and Materials Management issued the Request for Quotation [Doc5254640555](#) through the publicly accessible Toronto Bids Portal and invited 18 firms to submit bids. The closing date for the submission was October 7, 2025. No addenda were issued. The City received a total of four (4) qualified submissions which are summarized in the table below. Kwok & Associates are the successful supplier, with the lowest cost bid meeting all requirements.

Table 1: Summary of Responses to Request for Quotation

| Firm | Bid Price (net of all applicable taxes and charges) |
|----------------------------|--|
| Kwok and Associate | \$67,000 |
| Robert Gore and Associates | \$72,500 |
| MNP LLP | \$340,000 |
| RSM Canada LLP | \$528,000 |

The annual compliance audit for the offices of each of the City's Accountability Officers enables Council to hold the Accountability Officers responsible for the administration of their offices' services and their use of public funds. More specifically, the external audit focuses on compliance with the applicable City policies and procedures, with financial information, and with authorities delegated to the Accountability Officers under the Toronto Municipal Code. In addition to auditing compliance with City policies, procedures, and delegated authorities, the report for the office of each Accountability

Officer includes lists of annual sole source purchasing activity and annual consulting service expenditures.

These compliance audits are separate and apart from the inclusion of the accountability offices in the annual attest audit of the entire corporation's finances, as required by Section 3-1.7. A of Toronto Municipal Code, Chapter 3.

Once appointed, the external auditor will carry out the annual compliance audits for the offices of each of the City's Accountability Officers for a five (5)-year period for calendar years ending December 31st for 2025, 2026, 2027, 2028 and 2029 with work to be completed in years 2026, 2027, 2028, 2029 and 2030. On an annual basis, the external auditor will report the results of the compliance audit of the Auditor General through the Audit Committee to Council and the results of the compliance audits of the Integrity Commissioner, Lobbyist Registrar and Ombudsman will be transmitted directly to Council.

CONTACT

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SIGNATURE

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