



County Council

Meeting Date: October 11, 2022

Submitted by: Cindy Howard, General Manager Finance and Community Services, County Treasurer

Subject: External Audit Services

BACKGROUND:

KPMG has provided external audit services for the County of Middlesex, County of Middlesex Trust Funds, County Library Board, Middlesex London Emergency Medical Services Authority and Strathmere Lodge Long-term Care Annual Report since 2007. The term is coming to a conclusion.

ANALYSIS

KPMG is a Canadian leader in delivering Audit, Tax, and Advisory services and are able to provide a combination of professional integrity, independence, and ethical behaviour, underpinned by rigorous quality control procedures. KPMG has significant professional presence in Southwestern Ontario and the largest municipality audit market share across Canada.

KPMG has provided high quality and value-added service. Over the past few years, we have utilized their expertise for income tax information, asset valuation, sale of buildings and special projects such as EMS expense cut off and EarlyON Child and Family Centre Provincial Capital Funding. They inform us of regulatory updates, publications tailored to public sector issues and offer relevant webinar sessions such as Forensic Services and Fraud Awareness. In the proposal, KPMG is also offering 5 registrations for Middlesex CPAs to attend the KPMG Learning Academy and select courses of interest. Under the procurement policy this type of contract is a continuing contract which is not required to be procured.

FINANCIAL IMPLICATIONS

Below are the audit fees proposed for the next five years.

Entity	2022	2023	2024	2025	2026
The Corporation of the County of Middlesex	\$34,500	\$35,540	\$36,610	\$37,710	\$38,840
The County of Middlesex Trust Funds	\$1,750	\$1,800	\$1,850	\$1,910	\$1,970
The County of Middlesex Library Board	\$6,500	\$6,700	\$6,900	\$7,110	\$7,320
Middlesex – London Emergency Medical Services Authority	\$8,000	\$8,240	\$8,490	\$8,740	\$9,000
Strathmere Lodge Long-term Care Annual Report	\$3,500	\$3,610	\$3,720	\$3,830	\$3,940
Sub-Total	\$54,250	\$55,890	\$57,570	\$59,300	\$61,070
Technology and Support-Fee (7%)	\$3,798	\$3,912	\$4,030	\$4,151	\$4,275
TOTAL (exclusive of HST)	\$58,048	\$59,802	\$61,600	\$63,451	\$65,345

Attached is the KPMG audit proposal for the years 2022 to 2026. Pages 6 to 9 in the audit proposal include the costs identified above and an explanation of the fees.

ALIGNMENT WITH STRATEGIC FOCUS:

Strategic Focus	Goals	Objectives
Promoting Service Excellence	Innovate and transform municipal service delivery	<ul style="list-style-type: none"> • Anticipate and align municipal service delivery to emerging needs and expectations • Engage, educate and inform residents, businesses, and visitors of county services and community activities • Strengthen our advocacy and lobbying efforts with other government bodies • Collaborate with strategic partners to leverage available resources and opportunities • Build organizational capacity and capabilities

RECOMMENDATION:

THAT a by-law be introduced at the October 11, 2022 meeting to

- a. Appoint KPMG as the auditor for the County of Middlesex, County of Middlesex Trust Funds, Middlesex County Library Board, Middlesex-London Emergency Medical Services Authority and Strathmere Lodge Long-term Care Annual Report for the audit years 2022 to 2026;
- b. Authorize and approve the Agreement between KPMG and the County for the provision of external audit services; and
- c. Authorize the Warden and the Clerk to execute the Agreement.

Attachment