



## City of North Bay Report to Council

Report No: CORP-2022-027

Date: February 11, 2022

Originator: Mary-Ann Kotylak, CPPB, CPPO  
Manager of Purchasing

Shannon Saucier, CPA, CA  
Director, Financial Services / Deputy Treasurer

Business Unit:  
Corporate Services

Department:  
Financial Services Department

Subject: Request for Proposal 2021-63 External Audit Services

Closed Session: yes ☐ no ☒

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### Recommendation

That City Council approves the award of a contract to KPMG LLP based on the fees specified in their bid for RFP 2021-63 for the provision of audit services for the City of North Bay and the local boards, commissions and other entities as identified in Report to Council No. CORP 2022-27, for a term of five years.

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### Background

Section 296 of the Ontario Municipal Act requires that a municipality appoint an auditor licensed under the Public Accounting Act, 2004, who is responsible for annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit. A five-year contract with the City's auditor expired following completion of the 2020 fiscal year audit. As such, the City and the following local boards, commissions and other entities issued a Request for Proposal (RFP) for audit services for a term of five years, beginning with the 2021 year-end audit:

- North Bay Parry Sound District Health Unit
- North Bay Public Library Board
- Board of Management for the Downtown Improvement Area
- North Bay Jack Garland Airport Corporation
- Invest North Bay Development Corporation

- The Business Centre Nipissing Parry Sound Inc.
- North Bay Hydro Holdings Limited (notice to reader engagement)
- North Bay Hydro Generation Limited (notice to reader engagement)

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## Financial/Legal Implications

A formal bid request, which closed January 25, 2022, was administered by the Purchasing Department and was publically advertised in accordance with the City's Purchasing By-Law 2013-200. One proposal was evaluated by the Purchasing Manager, the Chief Financial Officer / Treasurer, the Director Financial Services/ Deputy Treasurer and the North Bay Parry Sound District Health Unit's Executive Director, Finance. The evaluation considered experience, qualifications, response to scope of work, additional services and price.

The results are as follows:

Ranking	Company	Overall Score
1	KPMG LLP	88.17

The proposal from KPMG LLP met all the requirements. Their bid is considered fair and reasonable.

Audit services specific to the City and each participating local board, commission and other entity were detailed in the RFP. The total fee for all entities over the five year term of the contract is \$648,620.00 (plus HST). Each entity is directly responsible for payment of their share of the services. The Corporation of the City of North Bay's share of the audit fee for the 2021 fiscal year is \$59,000.00 (plus HST). The City's total share over the five year term of the contract is \$312,700.00 (plus HST).

Funding for the City's share of audit services provided under this contract is managed within the operating budget of the Financial Services Department. Sufficient funding will be requested in future years.

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## Corporate Strategic Plan

- |   |  |
|---|--|
| <input type="checkbox"/> Natural North and Near                           | <input type="checkbox"/> Economic Prosperity     |
| <input type="checkbox"/> Affordable Balanced Growth                       | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government |  |

## Specific Objectives

Ensure that Council and staff have a shared perception and goals

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## Options Analysis

Option 1: That City Council approves the award of a contract to KPMG LLP

based on the fees specified in their bid for RFP 2021-63 for the provision of audit services for the City of North Bay and the local boards, commissions and other entities as identified in Report to Council No. CORP 2022-27, for a term of five years.

Option 2: Do not award a contract. This option is not recommended as Section 296 of the Municipal Act requires the municipality to appoint an auditor.

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### **Recommended Option**

That City Council approves the award of a contract to KPMG LLP based on the fees specified in their bid for RFP 2021-63 for the provision of audit services for the City of North Bay and the local boards, commissions and other entities as identified in Report to Council No. CORP 2022-27, for a term of five years.

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Respectfully submitted,

Name: Mary-Ann Kotylak, CPPB, CPPO  
Title: Manager of Purchasing

Name: Shannon Saucier, CPA, CA  
Title: Director, Financial Services / Deputy Treasurer

### **We concur with this report and recommendation.**

Name: Margaret Karpenko, CPA, CMA  
Title: Chief Financial Officer /Treasurer

Name: David Euler, P.Eng., PMP  
Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Shannon Saucier, CPA, CA  
Title: Director, Financial Services / Deputy Treasurer