

**THE CORPORATION OF THE CITY OF GRAND FORKS  
AGENDA – SPECIAL MEETING**

**Monday, December 5, 2016 - 2:15 pm  
7217 - 4th Street, City Hall**

<u>ITEM</u>	<u>SUBJECT MATTER</u>	<u>RECOMMENDATION</u>
1.	<b><u>CALL TO ORDER</u></b>	
	a) The Mayor to call the meeting to order.	
2.	<b><u>ADOPTION OF MEETING AGENDA</u></b>	
3.	<b><u>REGISTERED PETITIONS AND DELEGATIONS</u></b>	
4.	<b><u>UNFINISHED BUSINESS</u></b>	
5.	<b><u>RECOMMENDATIONS FROM STAFF FOR DECISIONS</u></b>	
	a) Chief Financial Officer - Appointment of the auditors for 2016-2018 Financial Statement Audits <a href="#">RFD - CFO - Appointment of Auditors</a>	Council is presented with the appointment of the City's auditor for 2016-2018  RESOLVED THAT Council appoint Kemp Harvey Burch Kientz as the City of Grand Forks' financial auditors for the 2016 to 2018 fiscal years.
6.	<b><u>REQUESTS ARISING FROM CORRESPONDENCE</u></b>	
7.	<b><u>BYLAWS</u></b>	
8.	<b><u>LATE ITEMS</u></b>	
9.	<b><u>ADJOURNMENT</u></b>	



# REQUEST FOR DECISION

— SPECIAL MEETING —



**To:** Mayor and Council  
**From:** Chief Financial Officer  
**Date:** December 5, 2016  
**Subject:** Appointment of Auditors for 2016-2018 Financial Statement Audits  
**Recommendation:** **RESOLVED THAT COUNCIL** appoint Kemp Harvey Burch Kientz Inc. as auditors for the 2016 to 2018 fiscal years.

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## **BACKGROUND:**

As per the City's purchasing policy, the finance department posted a Request for Proposals for audit services for the 2016 to 2018 fiscal years on the City's website, CivicInfo BC and BCBid.

The City received 6 proposals from qualified auditing firms, which were evaluated and graded in accordance with the terms of the Request for Proposals. The evaluation team determined that the proposal submitted by Kemp Harvey Burch Kientz Inc. best meets the City's requirements and are asking Council's consideration for the appointment of the auditor as presented.

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## **Benefits or Impacts of the Recommendation:**

**General:** Financial statement audits are a normal annual operating requirement for the City to undertake.

**Financial:** The cost of the annual fee will be accommodated within the City's operating budgets for the term of the engagement.

**Policy/Legislation:** Pursuant to Section 169(1) of the Community Charter, Council must appoint an auditor for the City to audit the financial statements required to be submitted under Section 167(4).

**Attachments:** CFO Memorandum to Council – Subject: Contract for Audit Services 2016-2018.  
Excerpt from Community Charter Sections 167 and 169  
Excerpt from Purchasing Policy No. 802A-1 – Formal Public Tendering and Request for Proposals

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# REQUEST FOR DECISION

— SPECIAL MEETING —



**Recommendation:**    **RESOLVED THAT COUNCIL** appoint Kemp Harvey Burch Kientz Inc. as Auditors for the 2016 to 2018 fiscal years.

- OPTIONS:**
1. **COUNCIL COULD CHOOSE TO SUPPORT THE RECOMMENDATION.**
  2. **COUNCIL COULD CHOOSE NOT TO SUPPORT THE RECOMMENDATION**
  3. **COUNCIL COULD REFER THE MATTER BACK TO STAFF FOR FURTHER INFORMATION.**

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 Department Head or CAO	 Chief Administrative Officer
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# MEMORANDUM



Settle down.

**DATE:** December 1, 2016  
**TO:** Mayor and Council  
**FROM:** Juliette Rhodes, CFO  
**SUBJECT:** Contract for Audit Services 2016-2018

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As per the City's purchasing policy, the finance department posted a Request for Proposals for audit services for the 2016 to 2018 fiscal years on the City's website, CivicInfo BC and BCbid.

The City received 6 proposals from qualified auditing firms which we evaluated and graded according to criteria outlined in the RFP. These criteria took into account qualifications and experience, proposal quality and content, sustainable business practices, and cost.

The proposal from Kemp Harvey Burch Kientz Inc. scored the highest overall, with several factors within the criteria guidelines being taken into consideration. One key consideration was staff turnover, since the City places a high level of importance on the ability to maintain continuity of qualified and experienced audit staff throughout the term, and due to the firm being local, this award will significantly comply with the City's "green" initiatives. Another factor which the team considered was cost to the City, and Kemp Harvey Burch Kientz's submission proved to be the most beneficial to the City's financial needs.

Consequently, as per the Community Charter, Council is in the position to officially award the audit contract to **Kemp Harvey Burch Kientz Inc.** and we look forward to receiving your approval in this regard.

Respectfully submitted,

Juliette Rhodes  
Chief Financial Officer

## **Excerpt from the Community Charter Sections 167 and 169**

### **Annual financial statements**

167 (1) Municipal financial statements for a fiscal year must be

(a) prepared by the financial officer, and

(b) presented to council for its acceptance.

(2) Subject to subsection (3), the financial statements must be prepared in accordance with generally accepted accounting principles for local governments.

(3) The inspector may require or authorize, generally or for a specified municipality, that the financial statements vary from or include additional information to the requirements of subsection (2).

(4) By May 15 in each year, a municipality must submit to the inspector its audited financial statements for the preceding year and any other financial information requested by the inspector.

(5) In addition to any requirement under subsection (4), the financial officer must compile and supply information on the financial affairs of the municipality requested by the inspector.

### **Municipal auditor**

169 (1) A council must appoint an auditor for the municipality.

(2) A municipal auditor must be a person who is authorized to be the auditor of a company under section 205 of the *Business Corporations Act* .

(3) A municipal auditor has the power and duty to conduct the examinations necessary to prepare the reports required under this Division and, for these purposes, has the same authority in relation to the municipality as the auditor of a company under the *Business Corporations Act* .

(4) A municipal auditor who receives information from a person whose right to disclose that information is restricted by law holds that information under the same restrictions respecting disclosure that govern the person from whom the information was obtained.

**Excerpt from Purchasing Policy No. 802A-1 Regarding Request for Proposals,  
pages 6 to 7.**

vii. Formal Public Tendering and Request for Proposals:

Tenders and request for proposals are to be sought by formal public advertising for the supply of all goods and services when the cost is estimated to exceed \$50,000.00. Procedures for receiving and opening tenders shall conform to the following:

- Tenders and RFP's enclosed in sealed envelopes will be received at the tender address until tender closing time;
  - All tenders and RFP's will be recorded as to the date and time received at the front counter who will file the tender in the vault until tenders are opened;
  - Verbal and late bids will not be accepted.
  - One member from Corporate Services and the department head or designate responsible for the project will proceed with the tender and RFP opening at precisely the designated time on the closing day.
  - Tender and RFP envelopes shall be opened and each tender and RFP shall be checked to ensure that it is signed and valid in respect of any bid bonds, etc. Any financial securities shall be stored in the vault for safekeeping.
  - Security, as required by the Invitation to Tender, must accompany the tender bid in order to be considered.
  - Tenders are normally opened/registered in public at the City Office. Requests for Proposals are not normally opened publicly.
- Where only one tender is received, the City reserves the right to not make the amount of the tender public at the tender opening. The amount of the tender will be made public if a contract is awarded.

A contract may, in most cases, be awarded to the lowest bid. However, the City, for its sole benefit, reserves the right to award a bidder it deems appropriate based on scoring of evaluation criteria identified in the tender or RFP document.