



SUBJECT: Appointment of Auditors for Burlington Hydro Electric Inc.

TO: Mayor and Members of Council

FROM: Finance Department

Report Number: F-30-16

Wards Affected: N/A

File Numbers: 430-04

Date to Committee: Select date

Date to Council: July 18, 2016

Recommendation:

Council approve the recommendation of the Burlington Hydro Electric Inc. Board of Directors to appoint KPMG as corporate external auditors for the Burlington Hydro Group of Companies for the fiscal years 2016-2019.

Purpose:

- An Engaging City
- Good Governance

Background and Discussion:

The shareholder direction to BHEI (Burlington Hydro Electric Inc.) is a document that sets out the accountability, responsibility and relationship between the Board and the Shareholder. Section 6.4 gives the Shareholder authority to appoint the external auditor for Burlington Hydro.

Report F-31-15 presented to Council on April 20, 2015 asked Council to approve the extension of the contract for the external auditors for BHEI by one year so that the external auditors could assist BHEI in completing the transition to IFRS (International Financial Reporting Standards). The extension of the contract was done with the understanding that BHEI would engage in a procurement process in 2016.

Strategy/process

An RFP for external audit services was issued by BHEI May 6 and closed on June 2, 2016.



The Audit and Governance Committee, along with the CEO, CFO and Director of Accounting for BHEI held interviews with two proponents during the week of June 20, 2016. As a result of the evaluation process, the Audit and Governance Committee's recommendation is to appoint KPMG for the fiscal years 2016-2019. Approval was received from the Hydro Board of Directors on June 30, 2016.

Options considered

Two proponents responded to the RFP. Both were carefully evaluated by the Audit and Governance Committee against criteria outlined in the RFP. Through their individual independent scoring, the committee reached a unanimous decision to recommend awarding the contract to KPMG.

Financial Matters:

N/A

Total Financial Impact

N/A

Source of Funding

N/A

Other Resource Impacts

N/A

Conclusion:

Staff recommends Council approval of KPMG as auditors for BHEI as recommended by the BHEI Board of Directors.

Respectfully submitted,

Sandy O'Reilly



Controller and Manager of Financial Services

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Notifications: (if none delete section)

Mr. Gerry Smallegange, CEO Burlington Hydro Electric Inc.

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Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.