

**2. APPOINTMENT OF AN EXTERNAL AUDITOR FOR THE CITY OF OTTAWA
NOMINATION D'UN VÉRIFICATEUR EXTERNE POUR LA VILLE D'OTTAWA**

COMMITTEE RECOMMENDATION

That Council appoint Ernst and Young LLP as the external auditors of the City of Ottawa commencing January 02, 2018 and ending September 30, 2023 (includes five (5) annual audits) for a firm cost (for the five (5) year period) of \$1,746,261 plus HST and that the necessary By-Law be enacted.

RECOMMANDATION DU COMITÉ

Que le Conseil nomme la firme Ernst and Young LLP vérificatrice externe de la Ville d'Ottawa pour la période allant du 2 janvier 2018 au 30 septembre 2023 (total de cinq [5] vérifications annuelles) au prix ferme de 1 746 261 \$ plus TVH pour la période entière, et d'adopter un règlement municipal à cette fin.

DOCUMENTATION/DOCUMENTATION

- 1. Deputy City Treasurer, Corporate Finance Report (ACS2017-CSD-FIN-0030)**

**Rapport du Trésorière municipale adjointe, Finance municipales
(ACS2017-CSD-FIN-0030)**

**Report to
Rapport au:**

**Audit Committee
Comité de la vérification
30 November 2017 / 30 novembre 2017**

**and Council
et au Conseil
13 December 2017 / 13 décembre 2017**

**Submitted on November 30, 2017
Soumis le 30 novembre 2017**

**Submitted by
Soumis par:
Isabelle Jasmin, Deputy City Treasurer, Corporate Finance / Trésorière
municipale adjointe, Finances municipales**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2017-CSD-FIN-0030

**SUBJECT: APPOINTMENT OF AN EXTERNAL AUDITOR FOR THE CITY OF
OTTAWA**

**OBJET: NOMINATION D'UN VÉRIFICATEUR EXTERNE POUR LA VILLE
D'OTTAWA**

REPORT RECOMMENDATIONS

That the Audit Committee recommend to Council the appointment of Ernst and Young LLP as the external auditors of the City of Ottawa commencing January 02, 2018 and ending September 30, 2023 (includes five (5) annual audits) for a firm

cost (for the five (5) year period) of \$1,746,261 plus HST and that the necessary By-Law be enacted.

RECOMMANDATIONS DU RAPPORT

Que le comité de la vérification recommande au Conseil de nommer la firme Ernst and Young LLP vérificatrice externe de la Ville d'Ottawa pour la période allant du 2 janvier 2018 au 30 septembre 2023 (total de cinq [5] vérifications annuelles) au prix ferme de 1 746 261 \$ plus TVH pour la période entière, et d'adopter un règlement municipal à cette fin.

BACKGROUND

In accordance with the City's financial guidelines and the Purchasing By-Law, a Request for Proposal (RFP) was prepared and published on MERX on September 7 2017, in order to invite suitably qualified candidates to bid on a contract of services to the City. The RFP outlined the process, as well as the terms and conditions for selecting the external auditor, including:

- RFP Process
- Eligibility of Candidates
- Audit Scope and Requirements
- Proposal Content
- Evaluation Process
- Milestones and Timeframes

An Auditor Selection Committee comprising of Corporate Finance Service staff was set up to review all proposals received and score the proposals using a "consensus" approach in relation to the criteria and points outlined in the RFP. Upon completion, the Auditor Selection Committee is required to recommend to the Audit Committee the proponent offering the 'best value' as determined by the highest score in the selection process.

The expected milestones and timeframes for the selection and appointment of the external auditors were stipulated as follows:

Milestone	Timeframe
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Release of the RFP	September 7, 2017
Submissions received by	September 28, 2017
Review of proposals completed by	October 13, 2017
Report to Audit Committee	November 30, 2017

DISCUSSION

The selection of the external audit firm was carried out in accordance with the standard City guidelines for procurement. A Request for Proposal was prepared by the Procurement Branch and posted on MERX. On October 13, 2017, the three submissions that were received by September 28, 2017 were evaluated by a selection committee made up of Corporate Finance Service staff and facilitated by the Procurement Branch.

- Experience of the Proponent (20)
- Experience and Qualifications of Senior Manager and Key Team Members (20)
- Audit Approach and Methodology (10)
- Financial Proposal (50)

The Auditor Selection Committee used a “consensus” approach in arriving at the total points score for each proponent. Following the evaluation, the sealed envelopes from the two proponents who passed the experience and audit approach (non-financial) evaluation criteria were opened to evaluate the financial proposal component.

Financial points were awarded based on the percentage difference between the Proponent’s financial offer and the lowest responsive financial offer. The lowest responsive financial offer will receive the full awarded points and other financial offers will be allocated points pro-rata to the extent they exceed the lowest responsive financial offer.

Ernst & Young LLP scored the highest overall of the two remaining proponents and is recommended by the Auditor Selection Committee to be appointed the City’s auditors for the next five (5) annual audits commencing January 2, 2018.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

This report is administrative in nature and therefore no consultation was required.

COMMENTS BY THE WARD COUNCILLOR(S)

This report is administrative and City wide in nature.

ADVISORY COMMITTEE(S) COMMENTS

This report is administrative in nature and for information purposes only.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

FINANCIAL IMPLICATIONS

The bid price is within existing budget levels.

ACCESSIBILITY IMPACTS

Pursuant to section 7 of Ontario Regulation 191/11, Integrated Accessibility Standard, made under the Accessibility for Ontarians With Disabilities Act, 2005 ("AODA") the chosen external auditor for the City of Ottawa shall ensure that any information, products, deliverables and/or communication intended for the public be produced pursuant to the Contract shall be in conformity with World Wide Web Consortium Web Content Accessibility Guidelines (WCAG) 2.0 Level AA and shall be provided in accessible Word, Excel, PowerPoint, PDF, etc.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

There are no implications on Council priorities.

SUPPORTING DOCUMENTATION

N/A

DISPOSITION

Upon approval of the recommendation by Council, Legal Services will prepare the appropriate by-law for Council approval.