

Staff Report

Report To: City Council
Report From: Bradey Carbert, Manager of Corporate Services
Meeting Date: May 12, 2025
Report Code: CR-25-059
Subject: Provision of External Audit Services and the Appointment of a Municipal Auditor

Recommendations:

THAT in consideration of Staff Report CR-25-059 respecting the Provision of External Audit Services and the Appointment of a Municipal Auditor, City Council:

1. Authorizes the Director of Corporate Services to issue a Purchase Order to MNP LLP for the Provision of External Audit Services; and
2. Directs staff to bring forward a by-law to authorize MNP LLP as the City's Auditor.

Highlights:

- Section 296 of the Municipal Act, 2001, authorizes the City to appoint an auditor under the Public Accounting Act, 2004.
- BDO Canada LLP was awarded RFP-2022-006 in December 2022 to be the City's auditor for a period of five years, ending in 2027.
- Select BDO Canada LLP offices, including the local Owen Sound office, were acquired by MNP LLP in December 2024, and have asked the City to appoint MNP LLP as the City's Auditor for the remainder of the existing Agreement.

Strategic Plan Alignment:

This report supports the delivery of Core Service.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

[Report CR-22-107](#) - Award of RFP-22-006 for the Provision of External Audit Services and the Appointment of a Municipal Auditor was approved by Council on December 12, 2022.

Background:

Section 296 of the Municipal Act, 2001, identifies the requirements of an external auditor and allows for the appointment of external auditors for a term of five years or less.

External audit services are required for the Corporation of the City of Owen Sound (City), River District Board of Management (RDBOM), and Owen Sound and North Grey Union Public Library (Library).

The statutory requirements require the RDBOM and Library to be included in the consolidated financial statements for the City and the Provincial Financial Information Returns (FIR).

RFP-22-006 for the Provision of External Audit Services was issued, in compliance with the City's Purchasing By-law, on October 12, 2022, and closed on November 7, 2022. While there were three plan takers for the RFP, BDO Canada LLP was the only company that submitted a proposal. BDO Canada LLP was awarded the RFP and appointed the City's auditor on December 12, 2022 to complete external audit services for the 2022-2026 budgets.

Analysis:

The Owen Sound location, which was the audit team appointed by BDO Canada LLP, was acquired by MNP LLP in December 2024. MNP LLP wishes to continue to provide external audit services to the City, using the same audit team that was proposed in 2022.

Staff have reviewed the annual engagement letter from MNP LLP to ensure that it meets the requirements of the 2022 RFP and can confirm that the

same scope of work and pricing structure are in effect for the remainder of the original term.

Staff have brought this report forward to receive the approval to sign the annual engagement letters and to formalize MNP LLP as the City's auditor through By-law.

Financial Implications:

There are no new financial implications associated with appointing MNP LLP as the City's Auditor for the remainder of the term identified in RFP-2022-006.

Communication Strategy:

The appointment of MNP LLP as the City's Auditor will be communicated to the River District Board of Management and the Library Board.

Consultation:

Director of Corporate Services
Deputy Treasurer

Attachments:

N/A

Recommended by:

Kate Allan, Director of Corporate Services
Bradey Carbert, Manager of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Bradey Carbert, Manager of Corporate Services, at bcarbert@owensound.ca or 519-376-4440 ext. 1240.