

**Township of Southgate
Administration Office**

185667 Grey Road 9
Dundalk, ON N0C 1B0



Phone: 519-923-2110
Toll Free: 1-888-560-6607
Fax: 519-923-9262
Web: www.southgate.ca

Staff Report FIN2021-044

Title of Report: **FIN2021-044 Appointment of Auditor**

Department: **Finance**

Council Date: December 15, 2021

Recommendation:

Be it resolved that Council receive Staff Report FIN2021-044 Appointment of Auditor as information; and

That Council appoint BDO Canada LLP as the auditor of the annual financial statements for the fiscal years of 2021 and 2022.

Background:

On August 4, 2021, Council received Staff Report FIN2021-025 Financial Report – 2020 Audited Financial Statements and approved the 2020 Audited Financial Statements as presented. BDO Canada LLP was the firm engaged to audit the 2020 Financial Statements.

Staff Comments:

BDO Canada LLP has been appointed auditors of the, financial statements since 2000.

Staff had planned to issue an RFP for audit service in 2021. However, with the delay in the completion of the 2020 audit due to the pandemic, an RFP has not yet been issued.

BDO Canada LLP (BDO) has notified Southgate that due to staffing issues, the earliest the 2021 audit could begin would be June 6, 2022, with the financial statements being anticipated being taken to Council in August 2022. BDO has asked for Southgate to confirm that we would like to continue to retain them for the 2021 annual financial statement audit.

To date, Southgate has never issued an RFP for the services of a financial auditor and continually re-appointed BDO Canada LLP.

Staff intended to issue an RFP for the 2021 fiscal year, however with delays due to the pandemic, one has not been issued. And with the ongoing staffing issues being experienced across the industry, staff believes now is not the ideal time to issue an RFP.

As staff intends to refresh the general ledger format in 2022, staff recommends appointment of BDO Canada LLP for the fiscal years of 2021 and 2022.

Financial Implications:

The 2021 Budget anticipated \$45,000 for the cost of the 2021 financial statement audit.

Communications & Community Action Plan Impact:

This report has been written and presented to Council in accordance with the Southgate Community Action Plan:

Mission Statement Pillars

- Trusted Government
- Economic Prosperity.

Themes:

- Municipal Services
- Public Communications

Core Values:

- Integrity
- Stewardship

Concluding Comments:

BDO Canada LLP (BDO) has notified Southgate that due to staffing issues, the earliest the 2021 audit could begin would be June 6, 2022, with the financial statements being anticipated being taken to Council in August 2022. BDO has asked for Southgate to confirm that we would like to continue to retain them for the 2021 annual financial statement audit. With ongoing staffing issues being experienced across the industry, staff believes now is not the ideal time to issue an RFP. And since staff intends to refresh the general ledger format in 2022, staff recommends appointment of BDO Canada LLP for the fiscal years of 2021 and 2022.

Respectfully Submitted,

Dept. Head: *Original Signed By*
William Gott, CPA, CA, Treasurer

CAO Approval: *Original Signed By*
Dave Milliner, CAO

Attachment:

- 1 BDO Canada LLP Notification