

Request for Decision

Title	Appoint Auditors 2018 to 2021
Proposed Motion	That Council appoint the firm of Metrix Group LLP Chartered Professional Accountants as the external auditors for Sturgeon County for the years ending December 31, 2018 through December 31, 2021.
Administrative Recommendation	Administration recommends that Council adhere to the Audit Policy, ensuring transparency in Sturgeon County’s financial reporting.
Previous Council Direction	<p>June 27, 2017 – Motion 305/17 That Council appoint the firm of Hawkings Epp Dumont LLP Chartered Accountants as the external auditors for Sturgeon County for the year ended December 31, 2017.</p> <p>June 27, 2017 – Motion 304/17 That Council approve the Audit Policy.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • On June 27, 2017, an Audit Policy was adopted by Council to appoint an External Auditor for a four-year term by July 1st on the second year following each general election. • On May 3, 2018, a Request for Proposal (RFP) was registered on the Alberta Purchasing Connection (APC) site and on Sturgeon County’s website under “Current Business Opportunities” for proponents to submit proposals. • On May 28, 2018, five proposals were received, at which time Financial Services established a proposal evaluation team of four members, each experienced in working with audits and various audit firms. • One proponent was disqualified at first reading for not meeting the mandatory submission requirements, which left the evaluation team with four proposals to score, received from Metrix Group LLP, Meyers Norris Penny LLP, Collins Barrow LLP and KPMG LLP. • The evaluation team conducted a scoring process as per the terms laid out in the RFP. Each team member provided an independent score ranking, which was averaged to achieve the final score in each category.

- Proponents were scored in seven categories, being “Fees/Cost”, “Project Plan”, “Relevant Municipal Government Experience”, “Relevant Experience, Qualifications Audit Team”, “File Setup as well as changeover”, “Proposal Quality” and “Firm Profile & Service Approach”.
- Each of these criteria were provided a rating for a total of 100 points. Metrix Group LLP came in the highest at 90.25 points. Key success factors in their proposal were price, relevant experience and qualifications.
- The evaluation team performed reference checks on the top two proponents, Metrix Group LLP and Meyers Norris Penny LLP. References were favourable for both, resulting in Administration’s recommendation to appoint Metrix Group LLP.
- If approved, Administration will bring an annual appointment of Auditors for Metrix Group over the next four years. A Request for Proposal for Audit Services will take place at the end of the four-year term.
- Annually, auditors must provide written confirmation of their independence to Management and Council. Proponents identified their roles and responsibilities to auditing standards in evaluating independence and potential conflicts of interest within their proposals.

External Communication

- The RFP was published on the Alberta Purchasing Connection site.
- The RFP was posted on the County website under “Current Business Opportunities”.

Relevant Policy/Legislation/Practices:

- Audit Policy
- Summary of Fiscal Principles, Practices and Policies

Implication of Administrative Recommendation

Strategic Alignment:




Strong Local Governance and Regional Leadership: The selection of Metrix Group LLP will align with the Audit Policy established by Administration and approved by Council in June of 2017.

Organizational:

All RFP responses were from experienced, well-established firms. The criteria established and evaluated on allowed us to directly identify areas of strengths and weaknesses of respondents to come to a recommendation aside from cost alone.

Financial:

2018	2019	2020	2021	Total
\$ 35,000.00	\$ 36,000.00	\$ 37,100.00	\$ 38,200.00	\$ 146,300.00

Alternatives Considered	That Council direct administration to select an alternate proponent for the external financial audit services.
Implications of Alternatives	<p><u>Strategic Alignment:</u> Strong Local Governance and Regional Leadership: The selection of a financial audit service firm will align with the Audit Policy established by Administration and approved by Council in June of 2017.</p> <p><u>Organizational:</u> May result in additional administrative time to orientate a new audit firm.</p> <p><u>Financial:</u> Selecting another financial audit service firm would result in the aggregated total of the four-year term to be greater than \$146,300.</p>
Follow up Action	1. Administration will communicate results with the successful proponent and execute a contract for the four-year term per the Audit Policy.
Attachment(s)	<ol style="list-style-type: none"> 1. Audit Policy 2. Summary of Fiscal Principles, Practices and Policies 3. Summary of Audit Services Scores
Report Reviewed by:	<p> Ed Kaemingh, Manager Financial Services</p> <p> Rick Wojtkiw, General Manager Corporate Support</p> <p> Bill Minnes, County Commissioner-CAO</p>

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Consistent with neighborhood role (see MDP), master plans, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>