



TO: Audit Committee

SUBJECT: Evaluation of External Auditor's Performance

Report Number: F-36-12

File Number(s): 430-04

Report Date: August 7, 2012

Ward(s) Affected: 1 2 3 4 5 6 All

Date to Committee August 28, 2012

Date to Council: September 4, 2012

Recommendation: For information only

Purpose:

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- Address goal, action or initiative in strategic plan
 - Establish new or revised policy or service standard
 - Respond to legislation
 - Respond to staff direction
 - Address other area of responsibility
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Reference to Strategic Plan:

Excellence in Government

Background:

Audit Committee Terms of Reference: Section 2e, the External Audit Function

Discussion:

The Audit Committee is responsible for the oversight of all internal audit matters and the annual audit of the City's financial statements. In order to ensure the quality of the external audits performed, the Audit Committee is also responsible for the appointment and dismissal of external auditors.

To assist Audit Committee to fulfill their mandate in regard to external audits, Finance staff has been meeting with the Lead Client Service Partner of Deloitte to discuss annual performance using the Deloitte Client Service Promise performance metrics. The role of the Lead Client Service Partner is to hold the Deloitte team accountable to meeting their

commitments to the City, and to have discussions with client on improvement opportunities and actions.

Confidential appendix A of staff report F-36-12 is a summary of the evaluation of the 2011 yearend audit using the Deloitte Client Service Promise performance metrics. Finance staff is satisfied with the performance of Deloitte.

The 2011 audit was the second audit by Deloitte since engagement by the City in 2010. It was completed more efficiently and with less disruption to staff, and both parties were committed to act on the improvement opportunities.

Conclusion:

This report provides information on the evaluation of external auditor's performance for the 2011 yearend audit. Finance staff is satisfied with the performance and will work closely with Deloitte to improve efficiencies and effectiveness for the 2012 audit.

Respectfully submitted,

Betty Wong
Controller & Manager of Financial Services
905-335-7600 extension 7535

Appendices:

A. Confidential - Evaluation of External Auditor's Performance

Notifications:
(after Council decision)

Name	Mailing or E-mail Address

Approvals:

*required

*Department City Treasurer General Manager City Manager

To be completed by the Clerks Department	
Committee Disposition & Comments	06
	01 Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn
Council Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn