

**REQUEST FOR PROPOSALS “RFP” NO. PS20200271  
EXTERNAL AUDIT SERVICES**

**QUESTIONS AND ANSWERS NO. 2**

**ISSUED ON: July 23, 2020**

<b>Q1</b>	How long has KPMG been the City’s audit firm?
<b>A1</b>	<b>KPMG has been the City’s auditor since at least 2000. Current access to records does not permit confirmation of prior years.</b>
<b>Q2</b>	Have there been any substantial changes in the structure of the finance function over the past two years?
<b>A2</b>	<b>There have been no substantial change in the structure. The Director of Financial Services joined the City in February 2020.</b>
<b>Q3</b>	Are there any anticipated changes to financial systems or any integrated systems?
<b>A3</b>	<b>No significant changes are currently planned for the City’s financial/ERP system which is SAP, or other integrated systems.</b>
<b>Q4</b>	What are the top five priorities for the City for the next three to five years and how are they expected to impact financial reporting?
<b>A4</b>	<b>The City’s priorities are described in the City’s budget document available on our public website: <a href="https://vancouver.ca/files/cov/2020-budget-book.PDF">https://vancouver.ca/files/cov/2020-budget-book.PDF</a>  The 2021 budget process has just begun and Council confirmed the priorities in the 2020 Budget document.</b>
<b>Q5</b>	How has COVID impacted the operations of the City to date and what carry-over impacts is it expected to have over the next two years?
<b>A5</b>	<b>The City has been managing the operational and financial impacts since its onset in late March. Initially the City’s Parks &amp; Recreation, Parking and Library services were the most impacted by COVID-19 along with a significant reduction in their associated revenues. In addition the City’s various planning processes are not being revised for a</b>

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	<p>COVID-19 environment.</p> <p>The reports below describe in detail the impact and the City’s response to COVID-19.  April 14 - 2020 <a href="https://council.vancouver.ca/20200414/documents/r1.pdf">https://council.vancouver.ca/20200414/documents/r1.pdf</a>  April 28-2020 <a href="https://council.vancouver.ca/20200428/documents/ub2presentation.pdf">https://council.vancouver.ca/20200428/documents/ub2presentation.pdf</a>  May 26-2020 <a href="https://council.vancouver.ca/20200526/documents/p1.pdf">https://council.vancouver.ca/20200526/documents/p1.pdf</a></p> <p>The City has established a COMMITTEE OF THE WHOLE - Council COVID-19 Recovery Committee (CCRC). Meeting details of this Committee can be found on the City’s public website.</p> <p>This meeting on May 22, 2020 provided a comprehensive COVID-19 status and plan report.  <a href="https://council.vancouver.ca/20200522/ccrc20200522ag.htm">https://council.vancouver.ca/20200522/ccrc20200522ag.htm</a></p>
<p><b>Q6</b></p>	<p>Have there been any significant reporting issues or transactions that required out-of-scope time in the past two years? Are any expected for fiscal 2021-25?</p>
<p><b>A6</b></p>	<p><b>No issues or transactions have required out-of-scope time in the past two years.</b></p> <p>It is expected that PSAB standard adoption can be accommodated in the standard audit service. Contract provisions permit the auditor to identify and propose additional fees when this is not the case. We are in the planning stages for PS 3400 Revenue, PS 3280 Asset Retirement Obligations and PS 3450 Financial Instruments (and other related standards).</p>
<p><b>Q7</b></p>	<p>What progress has been made towards adoption of PS3280? Is a material amount expected to be recorded upon adoption? If so what is the general nature of the liabilities?</p>
<p><b>A7</b></p>	<p>The City has completed a preliminary general assessment of PS 3280 Asset Retirement Obligations. It will require the restatement of our solid waste landfill liability. Given the number and age of the City’s buildings, asbestos remediation is the likely the next most potential significant liability but no analysis has been completed.</p>
<p><b>Q8</b></p>	<p>What are the general expectations the City has for its auditor outside of the core audit relationship?</p>
<p><b>A8</b></p>	<p>The core audit relationship is the primary area of interest for the City. The ability to discuss specific City accounting issues on an adhoc basis as they arise without additional fees is considered part of the core relationship. Educational services related to accounting, financial management and general management provided through seminars, whitepapers etc. are of interest but do not significantly weigh into the audit service value proposition for the City.</p>
<p><b>Q9</b></p>	<p>Are there any significant difficulties encountered or successes celebrated in completing the audit in the past several years?</p>

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<b>A9</b>	<p>The City’s Financial Services team was very proud to achieve its goal of reporting in early March last year as opposed to prior years when we reported in mid to late April. Our main interest was the internal benefits an early reporting close provides but there is some additional pride in that we believe this makes us the earliest reporting local government entity in Canada.</p>
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END OF Q&A No.2