



**City of Kingston
Report to Administrative Policies Committee
Report Number AP-25-016**

To: Chair and Members of the Administrative Policies Committee
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director of Financial Services
April Jackson, Manager, Accounting Services
Date of Meeting: July 10, 2025
Subject: Appointment of Auditor for a Period of Three Years (2025-2027),
with the Option of Appointment for Two Additional Years (2028-
2029)

Council Strategic Plan Alignment:

Theme: Regulatory & compliance

Goal: See above

Executive Summary:

The purpose of this report is to seek Council authorization for the appointment of auditor for the City of Kingston and its local boards for the fiscal years 2025 to 2027 with the option of extending the appointment for two additional years (2028 and 2029).

Recommendation:

That the Administrative Policies Committee recommend to Council:

That Council, in accordance with Section 296(1) and (3) of the *Municipal Act, 2001*, as amended, authorize the appointment of KPMG LLP as auditor of The Corporation of the City of Kingston and Kingston-Frontenac Public Library for a period of three years (2025-2027), with the option of extending the appointment for two additional years (2028-2029); and

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That Council delegates authority to the Chief Financial Officer and City Treasurer, at his/her discretion, to extend the appointment of KPMG LLP as auditor of The Corporation of the City of Kingston and its local boards by exercising the option of appointment for two additional years for the period January 1, 2028 to December 31, 2029; and

That Council delegate authority to the Chief Financial Officer and City Treasurer to sign audit engagement letters with KPMG LLP, in a form satisfactory to the City Solicitor, to engage KPMG LLP to conduct audits on behalf of the City of Kingston and its local boards for the period January 1, 2025 to December 31, 2027, as well as any extensions of appointment; and

That a draft by-law, attached as Exhibit A to Report Number AP-25-016, be presented for all three readings to appoint KPMG LLP as auditor for the City of Kingston and its local boards for a period of three years (2025-2027), with the option of appointing for two additional years (2028-2029).

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF FINANCIAL OFFICER & CITY TREASURER

**Desiree Kennedy, Chief
Financial Officer & City
Treasurer**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Ian Semple, Acting Commissioner, Transportation & Infrastructure Services	Not required

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Options/Discussion:

Background

In accordance with Section 296(1) of the [Municipal Act, 2001](#), as amended, a municipality shall appoint an auditor licensed under the [Public Accounting Act, 2004](#) who is responsible for annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit and performing duties required by the municipality or local board. In accordance with Section 296(3) of the Municipal Act, 2001, as amended, an auditor of a municipality shall not be appointed for a term exceeding five years.

The City carried out a Request for Proposal (RFP) process for audit services that was completed in June 2025. KPMG LLP was the only firm to submit a proposal. In effort to encourage additional proposals, direct messages were sent to nine (9) audit firms and 3,439 Biddingo, the City’s public bidding platform, vendors were alerted. An evaluation of KPMG’s proposal was completed by staff from Financial Services and Utilities Kingston Finance. Evaluation criteria in this RFP included:

	Weight
1. Experience and qualifications	40%
2. Product quality, sustainability, consistency and customer service	27%
3. Pricing	30%
4. Accessibility Standards for Customer Service, Ontario Regulation 429/7	3%

Based on a detailed evaluation by the evaluation team utilizing the criteria in the RFP, KPMG LLP scored as a strong proponent. KPMG LLP was appointed the current auditor for the city after an RFP process was undertaken in 2020.

The RFP also included audit services for Utilities Kingston and Kingston Hydro Corporation as well as Kingston-Frontenac Public Library and Tourism Kingston.

Staff are recommending the appointment of KPMG LLP as auditor of The Corporation of the City of Kingston, Kingston-Frontenac Public Library for a period of three years (2025-2027), with the option of extending the appointment for two additional years (2028-2029).

While the Request for Proposal included Utilities Kingston, Kingston Hydro and Tourism Kingston, the process for the appointment of the auditor for those companies is dealt with at the respective board and shareholder meetings of those entities.

KPMG LLP has provided auditing and other financial advisory services to the City since amalgamation. Staff have found them professional, responsive and, as a national firm, able to provide a broad scope of resources necessary to support the services as required.

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This is a time-sensitive report and the draft by-law is being presented for all three readings in order to allow KPMG LLP sufficient time to plan for the City of Kingston's 2025 interim audit.

Existing Policy/By-Law

[Municipal Act, 2001](#), as amended.

Notice Provisions

None

Financial Considerations

Annual audit fees are budgeted as part of the operating budget process. For the fiscal years 2025 audit fees, as quoted by KPMG, will amount to \$119,500. This fee includes audit fees for the City of Kingston and the Kingston Frontenac Library Board. Fees for the 2026 and 2027 fiscal years are quoted at \$123,675 and \$128,025, respectively.

In addition to the primary audit services, KPMG will, on an annual basis, perform required engagements for Rideaucrest Long Term Care and Trust reporting, Federal Gas Tax reporting and two operating lease reports.

Contacts:

Lana Foulds, Director, Financial Services & Deputy Treasurer, 613-545-4291 extension 2209

Other City of Kingston Staff Consulted:

April Jackson, Manager, Accounting Services

Laura Deak, Manager, Finance, Utilities Kingston

Exhibits Attached:

Exhibit A - Draft By-Law, being "A By-Law to Appoint KPMG LLP as Auditor for the City of Kingston and Its Local Boards for a Period of Three Years (2025-2027), with the Option of Extending the Appointment for Two Additional Years (2028-2029)"

City of Kingston By-Law Number 2025–XX

A By-Law to Appoint KPMG LLP as Auditor for the City of Kingston and Its Local Boards for a Period of Three Years (2025-2027), with the Option of Extending the Appointment for Two Additional Years (2028-2029)

1 st Reading	August 12, 2025
2 nd Reading	August 12, 2025
3 rd Reading	August 12, 2025
Passed	August 12, 2025

City of Kingston By-Law Number 2025–XX

By-Law to Appoint KPMG LLP as Auditor for the City of Kingston and Its Local Boards for a Period of Three Years (2025-2027), with the Option of Extending the Appointment for Two Additional Years (2028-2029)

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City of Kingston By-Law Number 2023–XX

By-Law to Appoint KPMG LLP as Auditor for the City of Kingston and Its Local Boards for a Period of Three Years (2025-2027), with the Option of Extending the Appointment for Two Additional Years (2028-2029)

Whereas:

The Corporation of the City of Kingston (the “City”) is a single-tier municipality incorporated pursuant to an order made under section 25.2 of the *Municipal Act*, R.S.O. 1990, c. M.45.

The powers of a municipality must be exercised by its council (*Municipal Act, 2001*, S.O. 2001, c. 25 (the “*Municipal Act, 2001*”), s. 5 (1)).

Subsection 5 (3) of the *Municipal Act, 2001* provides that a municipal power must be exercised by by-law unless the municipality is specifically authorized to do otherwise.

A single tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public (*Municipal Act, 2001*, s. 10 (1)).

Pursuant to subsection 10 (2) of the *Municipal Act, 2001*, a single-tier municipality may pass by-laws respecting:

- (a) governance structure of the municipality and its local boards;
- (b) accountability and transparency of the municipality and its operations and of its local boards and their operations;
- (c) financial management of the municipality and its local boards;
- (d) economic, social and environmental well-being of the municipality, including respecting climate change;
- (e) services and things that the municipality is authorized to provide under subsection 10 (1) of the *Municipal Act, 2001*;

1. Interpretation

1.1 This by-law may be cited as the By-Law to Appoint KPMG LLP as Auditor for the City of Kingston and Its Local Boards for a Period of Three Years (2025-2027), with the Option of Extending the Appointment for Two Additional Years (2028-2029).

1.2 In this by-law:

“**City**” means The Corporation of the City of Kingston;

“**clerk**” means the *person* appointed by the *City* as clerk and includes the *clerk’s* designate;

“**council**” means the council of the *City*;

“**law**” means all applicable Acts of Parliament, Acts enacted by the Legislature, and by-laws enacted by *council*, and any regulations, codes, directions, licences, orders, permits or rules made under any of them;

“**Municipal Act, 2001**” means the *Municipal Act, 2001*, S.O. 2001, c.25;

“**treasurer**” means the *person* appointed by the *City* as treasurer and includes the *treasurer’s* designate;

1.3 For the purposes of interpreting this by-law:

- (a) a reference to any legislation, regulation, or by-law or to a provision thereof includes a reference to any legislation, regulation or by-law enacted, made or passed in substitution thereof or amendment thereof;
- (b) any reference to legislation includes all of the regulations made thereunder;
- (c) “include”, “includes” and “including” indicate that the subsequent list is not exhaustive; and
- (d) “to provide” includes to furnish, to offer, to perform, and to solicit, and “providing” and “provision” have corresponding meanings.

Exhibit A to Report Number AP-25-016

- 1.4 This by-law will not be interpreted as exempting any *person* from the requirement to comply with any other *City* by-law or federal or provincial legislation. In the event of conflict between the provisions of this by-law and any other *City* by-law, the provision that establishes the higher standard of health, safety and well-being of *persons* and protection of *persons* will apply.

2. Appointment of Auditor

- 2.1 The firm of KPMG LLP is hereby appointed as the Auditor for The Corporation of the City of Kingston and Kingston-Frontenac Public Library for the period January 1, 2025 to December 31, 2027, with the option of appointment for two additional years for the period January 1, 2028 to December 31, 2029.
- 2.2 Council delegates authority to the Chief Financial Officer and City Treasurer, or delegate, at his/her discretion, to extend the appointment of KPMG LLP as auditor of The Corporation of the City of Kingston and its local boards by exercising the option of appointment for two additional years for the period January 1, 2028 to December 31, 2029.
- 2.3 Council delegates authority to the Chief Financial Officer and City Treasurer, or delegate, to sign audit engagement letters with KPMG LLP, in a form satisfactory to the City Solicitor, to engage KPMG LLP to conduct audits on behalf of the City of Kingston and its local boards for the period January 1, 2025 to December 31, 2027, as well as any extensions of appointment.
- 2.4 This By-Law shall come into force and take effect on the date of its passing.

3. Miscellaneous

- 3.1 If a court of competent jurisdiction declares any provision, or any part of a provision, of this by-law to be invalid, or to be of no force and effect, it is the intention of *council* in enacting this by-law that each and every provision of this by-law authorized by law be applied and enforced in accordance with its terms to the extent possible according to law.
- 3.2 This by-law will come into force and take effect on the date it is passed.

Exhibit A to Report Number AP-25-016

By-Law to Appoint KPMG LLP as Auditor for the City of Kingston and
Its Local Boards for a Period of Three Years (2025-2027), with
the Option of Extending the Appointment for Two Additional
Years (2028-2029)

1 st Reading	August 12, 2025
2 nd Reading	August 12, 2025
3 rd Reading	August 12, 2025
Passed	August 12, 2025

Janet Jaynes
Acting City Clerk

Bryan Paterson
Mayor