

NO: **R220**

COUNCIL DATE: **October 1, 2012**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 27, 2012**

FROM: **President and CEO,  
Surrey City Development Corporation**

FILE: **2480-01**

**City Solicitor**

SUBJECT: **Appointment of an External Auditor for Surrey City Development Corporation**

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## RECOMMENDATION

The Legal Services Division and the Board of the Surrey City Development Corporation (SCDC) recommend that Council:

1. Approve the appointment of KPMG as auditor for SCDC for the 2012 fiscal year; and
2. Authorize the City Solicitor to sign on behalf of the City of Surrey, the sole shareholder of SCDC, a consent resolution substantially in the form attached as Appendix "A" to this report.

## DISCUSSION

At its meeting on September 20, 2012, the Board of SCDC reviewed the merits of appointing KPMG as SCDC's external auditor. KPMG had previously submitted a proposal to SCDC in relation to providing such services. The Board discussion was informed by the fact that the City of Surrey had earlier in 2012 issued a call for proposals to retain an External Financial Auditor and had subsequently appointed KPMG as the City's External Auditor for each of next five years, being 2012 through 2016. The SCDC Board resolved to recommend to City Council that KPMG be appointed as the external auditor for SCDC for the same five-year period.

Based on the *Business Corporations Act* the appointment of an external auditor for SCDC must be done annually by the City. Given the inter-relationship of the audit of SCDC with the City's annual audit, it is reasonable that the same external auditor conduct each of the audits. The proposal that has been submitted to SCDC related to providing such services is considered to be reasonable.

## CONCLUSION

The Legal Services Division and the President and CEO of SCDC recommend that Council:

- Approve the appointment of KPMG as auditor for SCDC for the 2012 fiscal year; and
- Authorize the City Solicitor to sign on behalf of the City of Surrey, the sole shareholder of SCDC, a consent resolution substantially in the form attached as Appendix "A" to this report.



JIM COX  
President and CEO  
Surrey City Development Corporation

CRAIG MacFARLANE  
City Solicitor

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Appendix "A" – Shareholder's Resolution

**APPENDIX "A"**

**SURREY CITY DEVELOPMENT CORPORATION  
("SCDC")**

**SHAREHOLDER'S RESOLUTION  
OCTOBER 1, 2012**

**Surrey City Council Resolved** on behalf of the City of Surrey, being the sole shareholder of SCDC, to appoint KPMG as the external auditor for SCDC for the 2012 fiscal year.

**CITY OF SURREY**

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Per: City Solicitor

Reference: Council Resolution No. R\_\_\_\_\_

Corporate Report No. R\_\_\_\_\_