

## COUNCIL REPORT

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**Meeting Date:** June 16, 2025  
**Department:** Finance and Treasury  
**Report No.:** FIN-2025-11  
**Submitted by:** William Dakin, Director of IT/Finance-Treasurer  
**Approved by:** Rob Browning, Chief Administrative Officer

**SUBJECT:** Strathroy-Caradoc Housing Corporation Organizational Review

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**RECOMMENDATION: THAT:** Council receive Report FIN-2025-11 for information, and further;

**THAT:** Council approve KMPG completing the review for the cost of \$120,000 plus travel and HST, and further;

**THAT:** These funds be paid out of the General Government Reserve.

**BACKGROUND:**

The Municipality engaged BDO to conduct a diagnostic review of the SCHC and the construction of a housing facility, Caradoc Place, located at 22645 Adelaide Rd, Mount Brydges. BDO presented its Phase 1 finding at the Feb 18, 2025 council meeting their diagnostics identified the following:

- Inadequate communication with the Municipality and a lack of transparency regarding project changes and financial obligations.
- Concerns regarding the oversight of the design, planning, and construction phases.
- Inadequate financial planning and management of the construction project.

The following motions were made;

**THAT:** the Strathroy-Caradoc Housing Corporation Organizational Review be received for information.

Moved: Councillor Kennes

Seconded: Councillor Brennan

Result: Carried

**THAT:** Council proceed with having BDO conduct all the recommended procedures in phase 2 for a fee not to exceed \$125,000.

Moved: Councillor Brennan

Seconded: Councillor Hipple

Result:

Carried

BDO returned to Council on April 7, 2025 to inform council they now had a conflict and therefore could no longer complete the remaining phases of the review.

The following Motions were made;

**THAT:** Council receive report CAO-2025-10 for information.

Moved: Councillor Brennan

Seconded: Councillor Pelkman

Result: Carried

**THAT:** this be deferred to the next meeting on April 22nd to have the CAO reach out to MNP to see if they are still willing to do the work.

Moved: Mayor Grantham

Seconded: Councillor Brennan

Result: Carried

#### **COMMENTS:**

The Municipality reached out to KPMG as they also provided a quote during the initial reach out about the review along with BDO.

KPMG did respond positively that they were willing to perform the next phases of the review as outlined in the initial request and the scoping of the work provided by BDO in their Phase 1 report. They have quoted a fee of \$120,000 plus travel and HST. Their review would look into the highlighted areas, addressing questions about governance, construction project management, and financial practices.

The overarching objective of the review is to uncover any deficiencies in the policies, practices, and procedures surrounding the construction of Caradoc Place, ultimately to learn from this experience to prevent future occurrences. KPMG would examine the directives, policies, procedures, protocols, and regulations related to project funding and contingency planning.

#### **CONSULTATION:**

None

#### **FINANCIAL IMPLICATIONS:**

The fees would come from the General Government Reserve which has 2024 closing balance of 1.1 million.

#### **STRATEGIC PLAN ALIGNMENT:**

Households and businesses in Strathroy-Caradoc will be supported by reliable, financially responsible, and well-maintained infrastructure networks.

#### **ATTACHMENTS:**

**NONE**