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## INDEPENDENCE LETTER

City of Richmond  
6911 No. 3 Road  
Richmond, BC V6Y 2C1

### **The Finance Select Committee of the City of Richmond**

April 11, 2005

We have been engaged to audit the consolidated financial statements of the City of Richmond (the "City") as at December 31, 2004 and for the year then ended.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the City and us that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Institute of Chartered Accountants of British Columbia ("ICABC") and applicable legislation, covering such matters as:

- a) provision of services in addition to the audit engagement
- b) other relationships such as:
  - holding a financial interest, either directly or indirectly, in a client
  - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
  - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
  - economic dependence on a client.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since January 1, 2004.

### **OTHER RELATIONSHIPS**

We are not aware of any relationships between the City and us that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from January 1, 2004 to April 11, 2005.



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### **CONFIRMATION OF INDEPENDENCE**

Generally accepted auditing standards require that we confirm our independence to the Board of Directors in the context of the rules of Professional Conduct/Code of Ethics of the ICABC.

Accordingly, we hereby confirm that, we are independent with respect of the City, within the meaning of the Rules of Professional Conduct of the ICABC as of April 11, 2005.

### **OTHER MATTERS**

This letter is confidential and intended solely for the use of the Audit Committee, Board of Directors, Management, and others within the City with respect to carrying out and discharging their responsibilities to review and recommend to the Finance Committee whether the consolidated financial statements of the City for the year ended December 31, 2004 be approved and should not be used for any other purposes. No responsibility, for loss or damages (if any), to any third party is accepted as this report has not been prepared for, and is not intended for, any other purpose.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you at our upcoming meeting. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Yours very truly,

Don Matthew  
*Partner, Assurance Services*  
(604) 691-6383

DM/sn