



STAFF REPORT INFORMATION ONLY

Audit Findings Report – Year Ended December 31, 2025 – Toronto Public Library Board

Date: May 25, 2026
To: Toronto Public Library Board
From: City Librarian

SUMMARY

The Audited Financial Statements are prepared annually and are a requirement under the City of Toronto Act, 2006, Section 231. The Financial Statements are prepared by applying accounting standards of the Public Sector Accounting Board (PSAB) and provide a particular view of the Library's financial results as at the end of the 2025 fiscal year.

As part of their audit function, the external auditor, KPMG LLP, is required to produce a year-end report to the Toronto Public Library Board. The attached report from KPMG summarizes the results of their audit of the 2025 financial statements for Toronto Public Library (TPL).

The auditor, KPMG LLP, has provided an unqualified opinion in the Independent Auditors' Report, which means that the Financial Statements are presented fairly in all material respects.

Furthermore, the KPMG report had no audit findings, as there were no identified significant internal control deficiencies, or uncorrected or corrected audit misstatements.

FINANCIAL IMPACT

KPMG's fee for the 2025 audit is \$55,000, inclusive of expenses and exclusive of Harmonized Sales Tax (2024 – \$53,000), and the fee was accrued and recorded as part of the 2025 operating results.

The Director, Finance & Chief Financial Officer has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

The 2025 audit findings report will support several of TPL's strategic plan objectives across all priorities including social connection, civic engagement and democracy; shared community spaces; learning and growth; and awareness and availability. The 2025 audit findings report provides the assurance needed to ensure the resources allocated to TPL are being accounted for and recorded appropriately. Furthermore, there are sufficient controls in place for these resources to be utilized as intended, to advance actions identified within TPL's strategic plan to achieve the objectives and outcomes identified within each of the priority areas.

EQUITY IMPACT STATEMENT

TPL's 2025 audit findings report provides assurance that TPL's resources are being utilized in an appropriate and transparent manner. These resources will have a positive impact on many equity-deserving groups, including newcomers and low-income families and individuals. Access to library resources and programs can increase access to learning opportunities, City information, training and employment opportunities, as well as opportunities for civic engagement and community participation.

DECISION HISTORY

At its meeting on December 1, 2025, the Board received the report titled [Audit Plan for the Year Ending December 31, 2025](#), which outlined the auditor's approach to the audit of the 2024 financial statements for the Toronto Public Library Board.

At its meeting on May 26, 2025, the Library Board considered the report [Audit Findings Report for year ended December 31, 2024](#) and approved the 2024 Audit Findings Report.

ISSUE BACKGROUND

Under Section 139 of the [City of Toronto Act, 2006](#), the City is required to appoint an auditor licensed under the Public Accounting Act, 2004, who is responsible for annually auditing the accounts and transactions of the City and its local boards, and expressing an opinion on the financial statements of these entities based on the audit. The City issued a request for proposal for external audit services, including the Toronto Public Library Board, for the 2025 to 2029 financial statements, and [KPMG was the successful proponent](#). The fees for 2025 to 2029 will total \$295,000, inclusive of expenses and exclusive of Harmonized Sales Tax. The contract with KPMG will conclude with the audit of the December 31, 2029, financial statements. TPL will continue to leverage the City audit services over this time period.

COMMENTS

As part of the annual audit process, KPMG is required to provide an annual audit findings report to the Board upon completion of the audit. KPMG's Audit Findings Report to the Board for the audit of the financial statements for the year ended December 31, 2025, is appended as Attachment 1. KPMG's report includes audit highlights; status of the audit; any significant risks, control deficiencies or other significant findings in its areas of focus; policies and practices; specific topics that would require attention; compliance with its need to maintain independence; and appendices covering various other accounting matters that may be relevant to TPL. The purpose of KPMG's report is to assist the TPL Board in its review of the results of the audit of TPL's 2025 financial statements.

In the section entitled *Audit highlights* (page 4 of Attachment 1) KPMG had no matters to report related to significant internal control deficiencies and KPMG did not identify any uncorrected and corrected audit misstatements.

KPMG will issue an unqualified opinion on the TPL 2025 financial statements when certain remaining procedural matters are completed including completion of discussions with the members of the Board, evidence of Board approval of the financial statements, receipt of the signed management representation letter dated as of May 25, 2026 (the Board meeting approval date), as well as completion of any subsequent events procedures.

The Financial Statements are prepared by applying accounting standards of the Public Sector Accounting Board (PSAB) and provide a particular view of TPL's financial results as at the end of the 2025 fiscal year. The operating and capital budget monitoring reports, presented to the Board throughout the year, are the primary tools which demonstrate how the Council-approved budgets are being managed and expended.

CONTACT

Marco Cuoco; Director, Finance & Chief Financial Officer; Tel: 416-397-5946;
Email: mcuoco@tpl.ca

SIGNATURE

Moe Hosseini-Ara
City Librarian

ATTACHMENTS

Attachment 1: Toronto Public Library Board – Audit Findings Report for the Year Ended December 31, 2025



Attachment 1

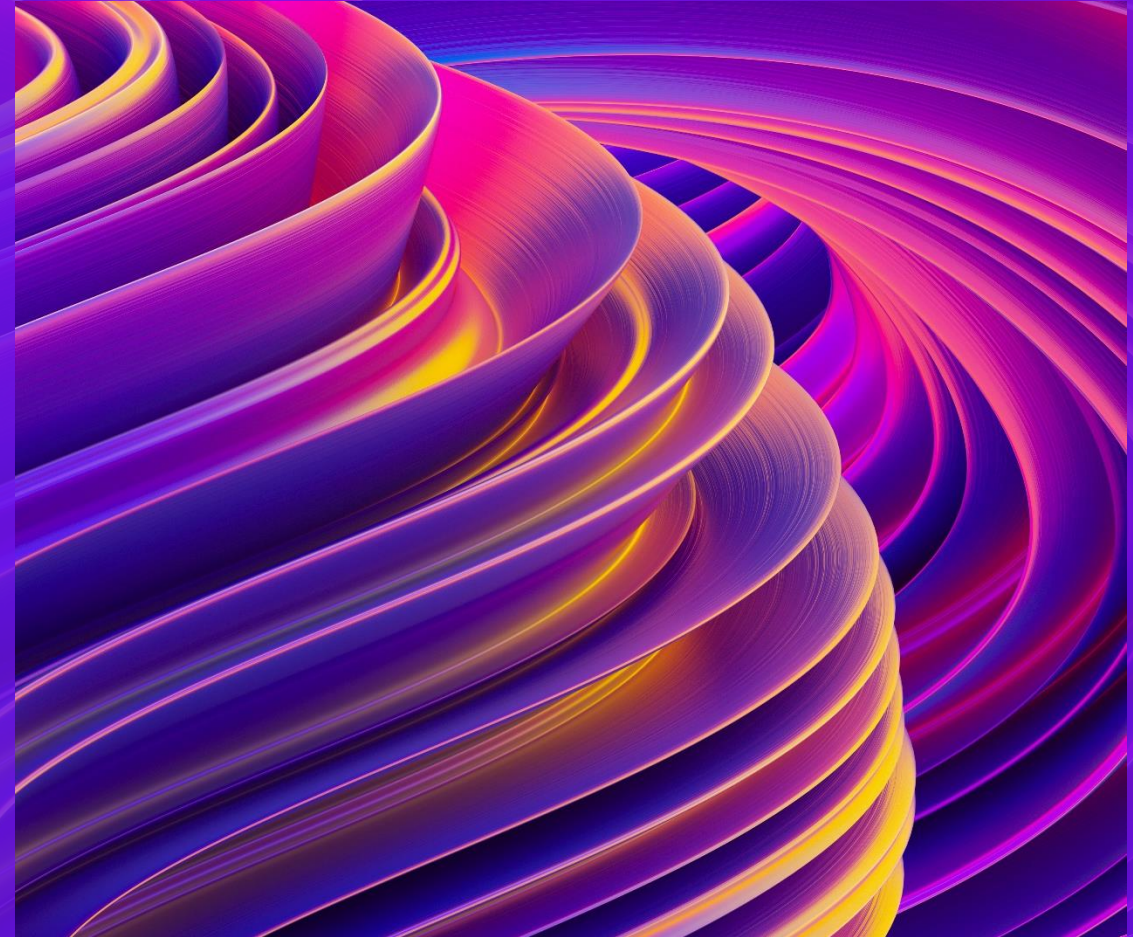
Toronto Public Library Board

**Audit Findings Report
for the December 31, 2025**

KPMG LLP

Prepared as of April 20, 2026 for presentation to the Board of
Directors May 25, 2026

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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Highlights

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Appendices



Audit highlights



No matters to report



Matters to report – see link for details

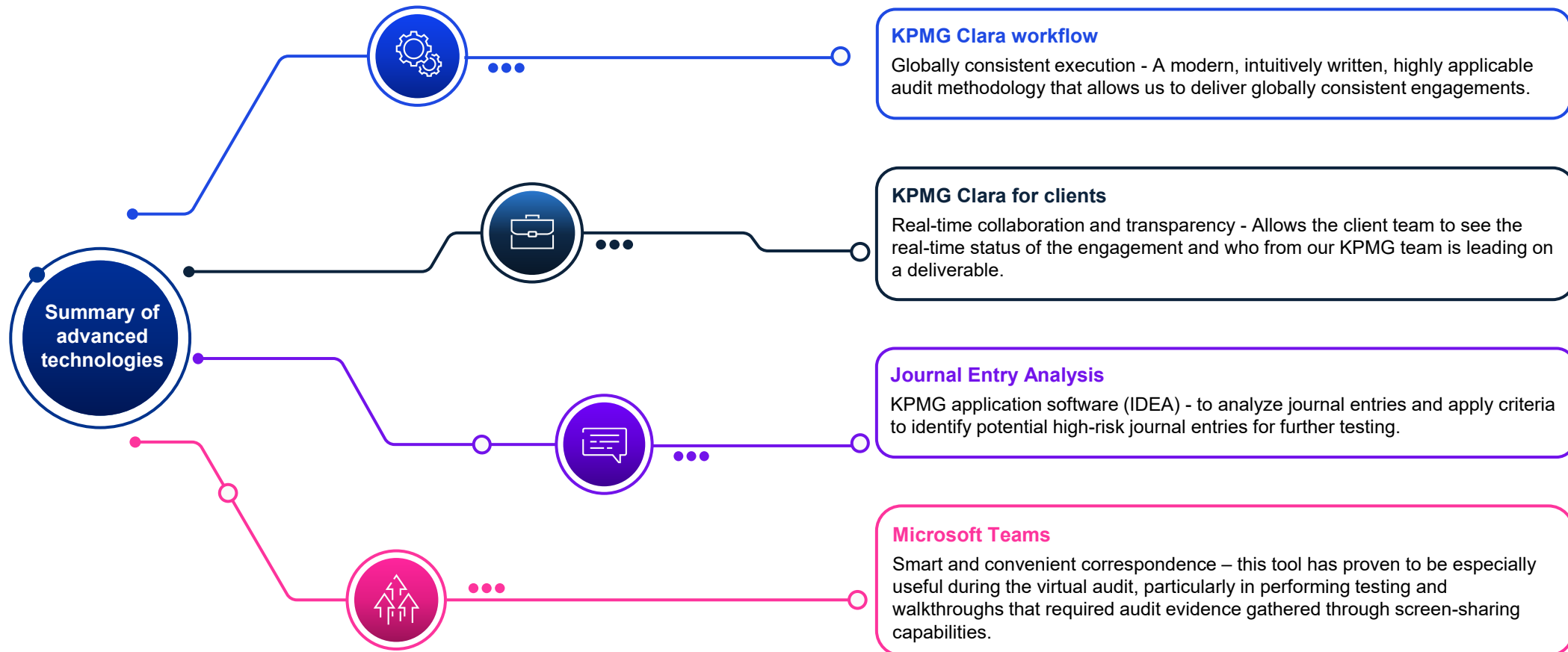
Status	<p>We have completed the audit of the financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.</p>	Misstatements - uncorrected	<input type="checkbox"/> Uncorrected misstatements
Risks and results & Significant unusual transactions	<p><input checked="" type="checkbox"/> Significant risks</p> <ul style="list-style-type: none"> Management override of controls. Refer to slide 7. <p><input checked="" type="checkbox"/> Other risks of material misstatement</p> <ul style="list-style-type: none"> Refer to Slide 8 <p><input type="checkbox"/> Going concern matters</p> <p><input type="checkbox"/> Significant unusual transactions</p>	Misstatements - Corrected	<input type="checkbox"/> Corrected misstatements
		Control deficiencies	<input type="checkbox"/> Significant deficiencies
		Audit Quality	<input checked="" type="checkbox"/> Learn more about how we deliver audit quality.
		Independence	<input type="checkbox"/> Annual Statement of Compliance

The purpose of this report is to assist you, as a member of the Board of Directors, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Technology highlights

As previously communicated in our audit planning report, we have utilized technology to enhance the quality and effectiveness of the audit.



KPMG's software audit tools are intended to be used as internal enablement tools in conjunction with the performance of audit services. Information resulting from use of software audit tools may not be used as a basis for management's conclusions as to the fairness of presentation of its financial statements or form a part of the internal control.



Status

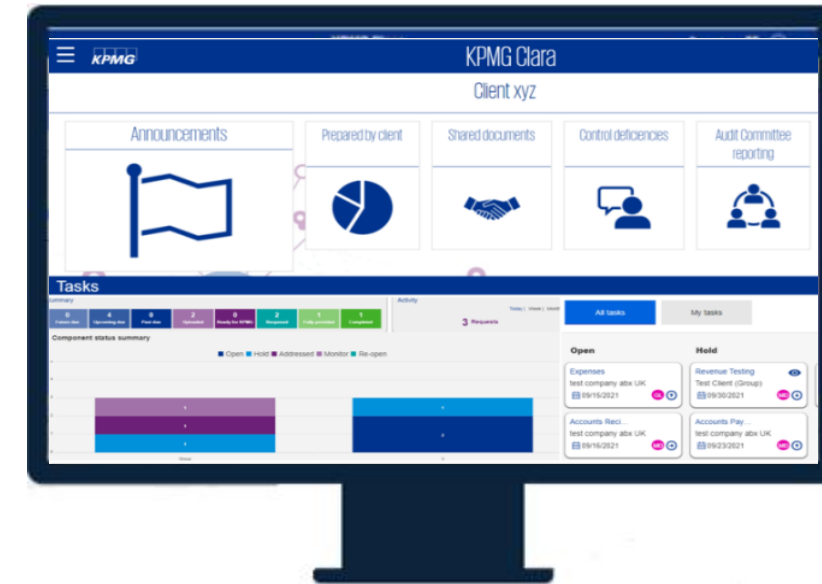
As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Members of the Board
- Obtaining evidence of the Board of Director's approval of the financial statements
- Receipt of the signed management representation letter (dated upon evidence of the Board's approval of the financial statements)
- Completion of subsequent events procedures, up to the date of approval of the financial statements

We will update the Members of the Board on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's report, will be dated upon the completion of any remaining procedures.

KPMG Clara for Clients (KCC)



Real-time collaboration and transparency

We leveraged **KCC** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCC to coordinate requests with management.

[Learn more](#)



Significant risks and results

We highlight our significant findings in respect of **significant risks**.



Presumption of the risk of fraud resulting from management override of controls

RISK OF



ERROR FRAUD

Significant risk

Estimate?

Key audit matter?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

No

Our response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- testing of journal entries and other adjustments,
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

Significant findings

- We did not note any significant control deficiencies in our evaluation of the design and implementation and test operating effectiveness of selected relevant controls over financial reporting.
- We tested manual and automated journal entries and other adjustments by using Data & Analytics routines. Using extractions from the complete general ledger, we selected a sample of journal entries meeting pre-determined high-risk criteria and verified if they were supported by proper documentation and appropriately recorded in the general ledger. We also followed the journal entry initiation and approval controls and process in place.
- We did not identify any issues or concerns after performing our review of estimates.
- We did not identify any significant unusual transactions or any specific additional risks of management override during our audit.



Other Areas of Focus

We highlight our significant findings in respect of other areas of focus as well as any additional areas of focus identified

Area of Focus	Audit Procedures
1 Cash and cash equivalents	<ul style="list-style-type: none"> • Obtained confirmations of the year-end cash and saving balances from third parties. • Reviewed bank reconciliations and vouched significant reconciliation items to supporting documentation. • Reviewed financial statements disclosures.
2 Revenue and accounts receivable	<ul style="list-style-type: none"> • Revenue recognition considerations (deferred vs. recognized). • Reconciliation of accounts receivable and review sub-ledger for credit balances. • Assessed the reasonability of the Allowance for Doubtful Accounts balance. • Selected samples from fines and user charges, donations and other grants, and other revenue. Agreed to supporting documentation and ensured revenue recognition was appropriate.
3 Deferred revenue	<ul style="list-style-type: none"> • Inquired of management on the nature of various deferral revenue. • Selected samples of inflows for deferred revenues, agreed to supporting documentation and ensured appropriate deferrals were made. • Selected samples of outflow for deferred revenues, agreed to supporting documentation and ensured appropriate revenue recognitions or refund reversals were made.

We did not identify any notable findings related to risk of error associated with the above mentioned areas of focus.



Other Areas of Focus

Area of Focus

Audit Procedures

4

Due to/from the City, City of Toronto Revenue and Province of Ontario Revenue



- Obtained an understanding over the revenue recognition policy and controls in place.
- Obtained confirmation from City of Toronto to ensure existence, accuracy and completeness of the intercompany receivable/payable balance and revenue received.
- Obtained grant approval letters to ensure the existence, accuracy and completeness of Province of Ontario Revenue received.

5

Accounts payable and operating expenses



- Performed a search for unrecorded liabilities by extracting lists of subsequent payments and accounts payable details and selected samples for testing.
- Selected a sample of expense transactions and agree to original invoices to ensure the proper classification of expenses.
- Reviewed supporting documentation for significant accruals.

6

Legal claim liability



- Reviewed Board meeting minutes.
- Discussed any outstanding litigations and claims with management.
- Obtained direct confirmation with the City and third party legal counsel.
- Evaluated whether significant contingent liabilities are appropriately disclosed and/or recorded.

We did not identify any notable findings related to risk of error associated with the above mentioned areas of focus.



Other Areas of Focus

Area of Focus

Audit Procedures

7**Tangible capital assets**

- Selected a sample of additions and agreed to original invoices to ensure proper accounting treatment.
- Assessed the reasonableness of amortization expense.
- Useful lives are based on corporate policies and did not change from prior year. KPMG reviewed the useful lives used in amortization calculation and ensured that all were in line with the Board's policy. The estimation uncertainty related to useful lives does not result in a risk of material misstatement.
- Reviewed the financial statement note disclosures.

8**Employee future benefits**

- Obtained confirmation of balances directly with third party actuaries.
- Evaluated the data, method and assumptions applied in the valuations and perform trend analysis on the liability.
- Evaluated the discount rate in comparison with rates issued by the Canadian Institute of Actuaries and KPMG LLP.
- Assessed the qualifications, competence and objectivity of the actuaries as required by the Canadian auditing standards.
- Reviewed the financial statement note disclosures.

We did not identify any notable findings related to risk of error associated with the above mentioned areas of focus.



Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

No matters to report.



Our commitment to delivering audit quality

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

Businesses are integrating technology in ways once unimaginable. Geopolitical changes and inflationary pressures continue to drive uncertainty, and businesses need to take action to respond to societal threats like climate change.

The pace and scale of change only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG.

Through sustained innovation, we aim to consistently deliver superior audit quality. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to our system of quality management to drive audit and assurance quality, enabling us to meet the requirements of the International Standard on Quality Management 1 (ISQM 1).
- We are utilising powerful technologies on audit and assurance engagements, including artificial intelligence, and leveraging our alliances with technology leaders such as Microsoft to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigour, quality, consistency and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, across the global organization we have deployed an assurance methodology, KPMG Clara workflow and learning tools to upskill and build teams to provide assurance on ESG reporting that helps our clients build a more sustainable future.

We encourage you to read our Transparency Report to learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:



[KPMG Canada Transparency Report](#)



How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.



'**Perform quality engagements**' sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.



Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.



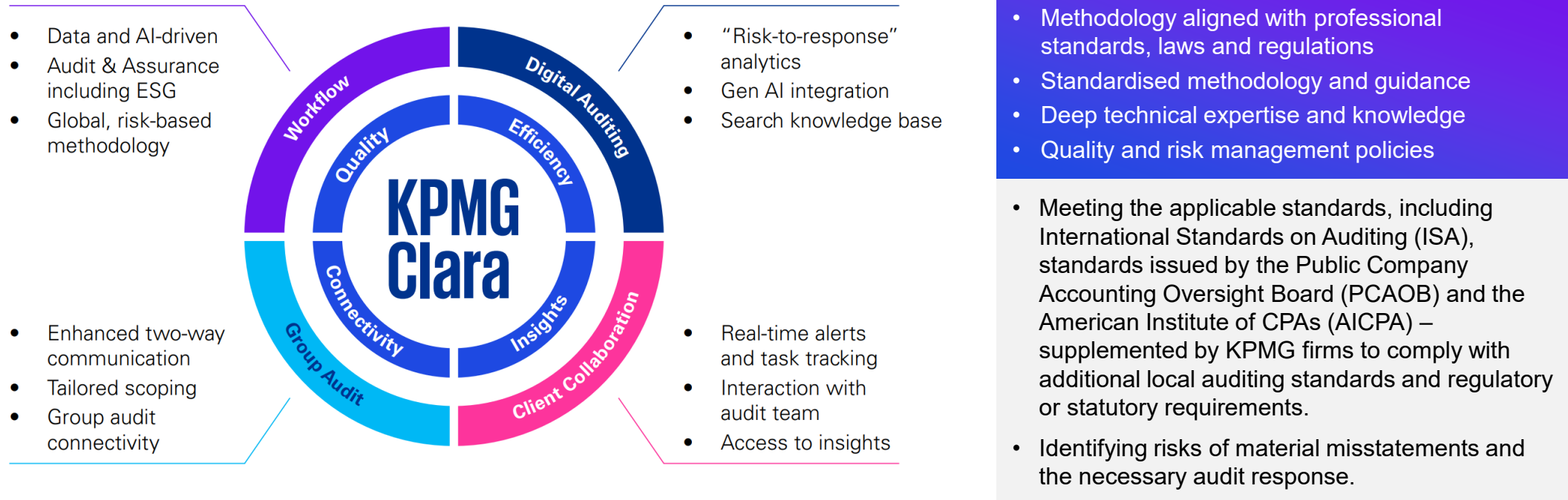
Doing the right thing. Always.



The KPMG Audit

Globally consistent audit and assurance methodology and tools

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG member firms. It enables delivery of KPMG audit and assurance methodologies through data-enabled workflows, which align with the applicable audit and assurance standards and provide an improved experience to audit and assurance professionals.





Independence]

As a firm, we are committed to being and being seen to be independent. We apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada (“CPA code”) that are relevant to audits of financial statements of reporting issuers or listed entities; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA independence rules”) that are relevant to audits of financial statements of public interest entities.

The following processes and procedures have been established by the firm to ensure independence is maintained:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

Statement of Compliance

We confirm that, as of the date of this communication, **we are in compliance** with relevant ethical requirements regarding independence in Canada.



Appendices



Required communications



Draft Audit Report



Management Rep Letter



New accounting standards



New auditing standards



Insights



Technology





Appendix A: Other required communications



Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Audit Committee.



CPAB communication protocol

CPAB Communications Protocol

The reports available through the following links were published by the Canadian Public Accountability Board (CPAB) to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2025 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2025 Annual Inspections Results](#)

CPAB Public Inspection Report

The report available through the following link was published by CPAB and includes firm specific inspection results:

- [2025 Public Inspection Report - KPMG LLP](#)



Appendix B: Draft auditor's report

Refer to a copy of the draft auditor's report that is attached to the draft financial statements



Appendix C: Management representation letter(s)

A copy of the management representation letter should be part of your package.



Appendix E: Current developments

Accounting standards

Conceptual Framework for Financial Reporting in the Public Sector

Effective for years commencing on or after April 1, 2026 with early adoption permitted.

- The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.
- The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

Financial Statement Presentation

Effective for years commencing on or after April 1, 2026 with early adoption permitted.

- The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*.
- The proposed section includes the following:
 - Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
 - Separating liabilities into financial liabilities and non-financial liabilities.
 - Restructuring the statement of financial position to present total assets followed by total liabilities.
 - Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
 - Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.
 - A new provision whereby an entity can use an amended budget in certain circumstances.
 - Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.

Example of a Typical Implementation Approach

Phase 1

- Understand the existing financial reporting processes.
- Examine chart of accounts and trial balance.
- Review accounting policy.
- Gap assessment and implementation plan.

Phase 2

- Data gathering and financial data analysis.
- Budget and performance reporting.
- System and software impacts.
- Implementation and compliance adjustments



Appendix E: Current developments (continued)

Accounting standards (continued)

Employee Benefits

Effective for years commencing on or after April 1, 2029 with early adoption permitted.

- The Public Sector Accounting Board has issued a new standard PS 3251 *Employee benefits* which will replace the current sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*.
- The standard uses principles from International Public Sector Accounting Standard 39 *Employee benefits* as a basis for the Canadian standard.
- The standard results in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position.
- The standard also requires that fully funded post-employment benefit plans use a discount rate based on the expected market-based return of plan assets and underfunded plans use a discount rate based on the market yield of government bonds, high-quality corporate bonds or another appropriate financial instrument. A simplified approach to determining a plan's funding status is provided.
- The standard also requires that:
 - Deferral provisions – Remeasurement gains and losses are presented as part of accumulated remeasurement gains and losses.
 - Valuation of plan assets – Upon adoption, public sector entities may continue to recognize non-transferable financial instruments balances that meet the definition of plan assets under existing PS 3250 guidance. This transitional provision does not permit the recognition of additional amount after adoption that do not meet the revised definition of plan assets.
 - Joint defined benefit plans – Defined benefit accounting is used for measurement of the proportionate share of the plan, instead of previously proposed multi-employer plan accounting which permitted accounting based on defined contribution concepts where insufficient information exists to use defined benefit accounting.
 - Disclosure of other long-term employee benefits and termination benefits – The standard does not include prescriptive disclosure requirements for other long-term employee benefits and termination benefits.
- The standard's guidance will be applied retroactively, with or without prior period restatement.



Appendix E: Current developments (continued)

Accounting standards (continued)

Intangible Assets

Proposed to be effective for years commencing on or after April 1, 2030 with early adoption permitted.

- The Public Sector Accounting Standards Board has issued proposed new standard PS 3155 *Intangible Assets* which would replace Public Sector Guideline 8 *Purchased Intangibles*.
- The standard will include foundational guidance on acquired and internally generated intangibles. It excludes intangible assets addressed in other public sector accounting standards and other intangible items such as exploration and extraction costs for non-renewable resources or intangible assets related to insurance contracts.
- The definition of “intangible assets” requires an intangible resource to be separate and identifiable from goodwill. It also requires that the entity has control over the intangible resource, future economic benefits flow from the intangible resource, and the intangible resource is the result of a past transaction and/or other events.
- Internally generated goodwill is not permitted to be recognized as an asset.
- An intangible resource is recognized when it meets the definition of an intangible asset and the asset’s cost can be measured in a faithfully representative way. The generation of the asset is classified into a research phase and a development phase. Expenditures from the research phase of an internally generated project are expensed. An intangible asset arising from the development phase can be recognized if it meets certain requirements.
- Intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired through a non-exchange transaction are measured at fair value as of the date it is acquired.

Cloud Computing Arrangements

- As part of its intangible assets project, the Public Sector Accounting Standards Board is also developing guidance on cloud computing arrangements. To ensure the development of this accounting guidance reflects current practices and needs, a survey was used to gather insights. The survey will inform the Public Sector Accounting Board about the types of cloud computing arrangements being encountered, magnitude of costs, key arrangement terms, current accounting policies and unique challenges in practice.



Appendix E: Newly effective and upcoming changes to auditing standards

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

.....
Communications
with those charged
with governance

Summary of Changes:

New requirements for the auditor to communicate:

- about the relevant ethical requirements, including those related to independence, that the auditor applied to the audit of the financial statements; and
- any enhanced independence requirement that the auditor applied specific to the audit of financial statements of certain entities.

ISA 700/CAS 700

.....
Forming an opinion
and reporting on
the financial
statements

Summary of Changes:

New requirements for the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities WHEN the ethical requirements require public disclosure.



Appendix F: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

Sustainability Reporting

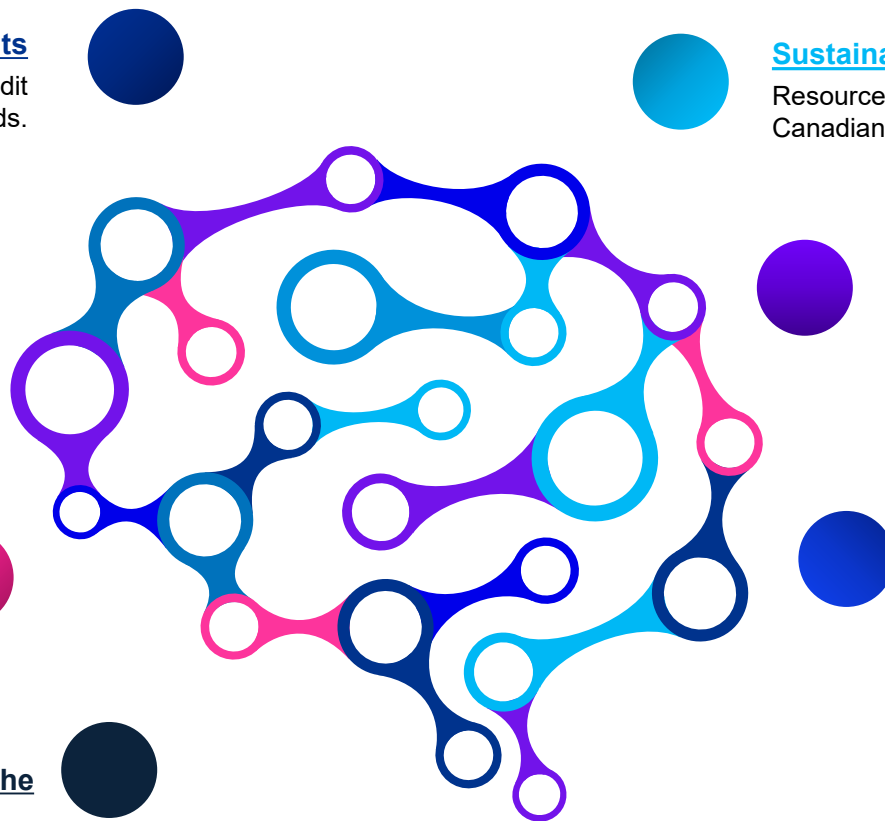
Resource centre on implementing the new Canadian reporting standards

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.





Appendix G: Continuous evolution

Our investment:

We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

Result: A better experience

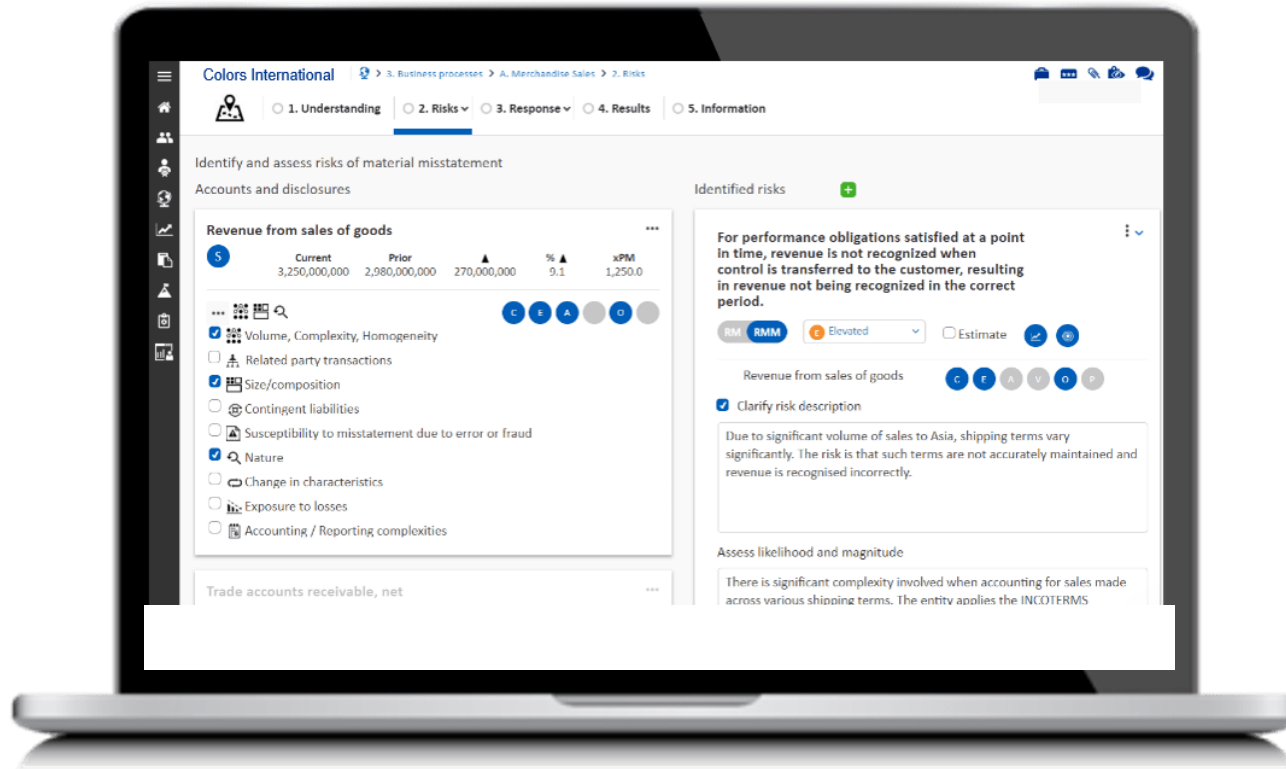
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.





Appendix G: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.



Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.



Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.



Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.



<https://kpmg.com/ca/en/home.html>

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