TORONTO

REPORT FOR ACTION

City of Toronto Audit Planning Report for the Year Ended December 31, 2025

Date: January 27, 2026
To: Audit Committee
From: Controller & Chief Accountant
Wards: All

SUMMARY

This report presents the external auditor (KPMG LLP)'s audit planning report for the City of Toronto (City)'s audited consolidated financial statements for the year ended December 31, 2025.

RECOMMENDATIONS

The Controller & Chief Accountant recommends that:

- Audit Committee receive KPMG LLP's audit planning report for the City of Toronto's audited consolidated financial statements for the year ended December 31, 2025 for information.

FINANCIAL IMPACT

There are no financial implications arising from this report. Total fees of $650,000 for the audit of the City's 2025 consolidated financial statements were already included in the 2026 budget.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

As required by Section 233 of the City of Toronto Act, 2006, the City's annual consolidated financial statements are subject to an audit.

City Council appointed KPMG LLP as the City's external auditor for fiscal years 2025 to 2030 (inclusive) on July 23, 2025:

Agenda Item History - 2025.AU9.17

COMMENTS

The City's external auditor, KPMG LLP, will be completing an audit of the City's consolidated financial statements for the year ended December 31, 2025.

The audit planning report provides an overview of the external auditor's materiality (a threshold used to assess whether accounting misstatements could reasonably be expected to influence the economic decisions of financial statement users), audit strategy, risk assessment, and key milestones and deliverables.

CONTACT

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SIGNATURE

Jason Li
Controller & Chief Accountant

ATTACHMENTS

Attachment 1 - KPMG LLP 2025 Audit Planning Report for City of Toronto Consolidated Financial Statements