The City of Toronto

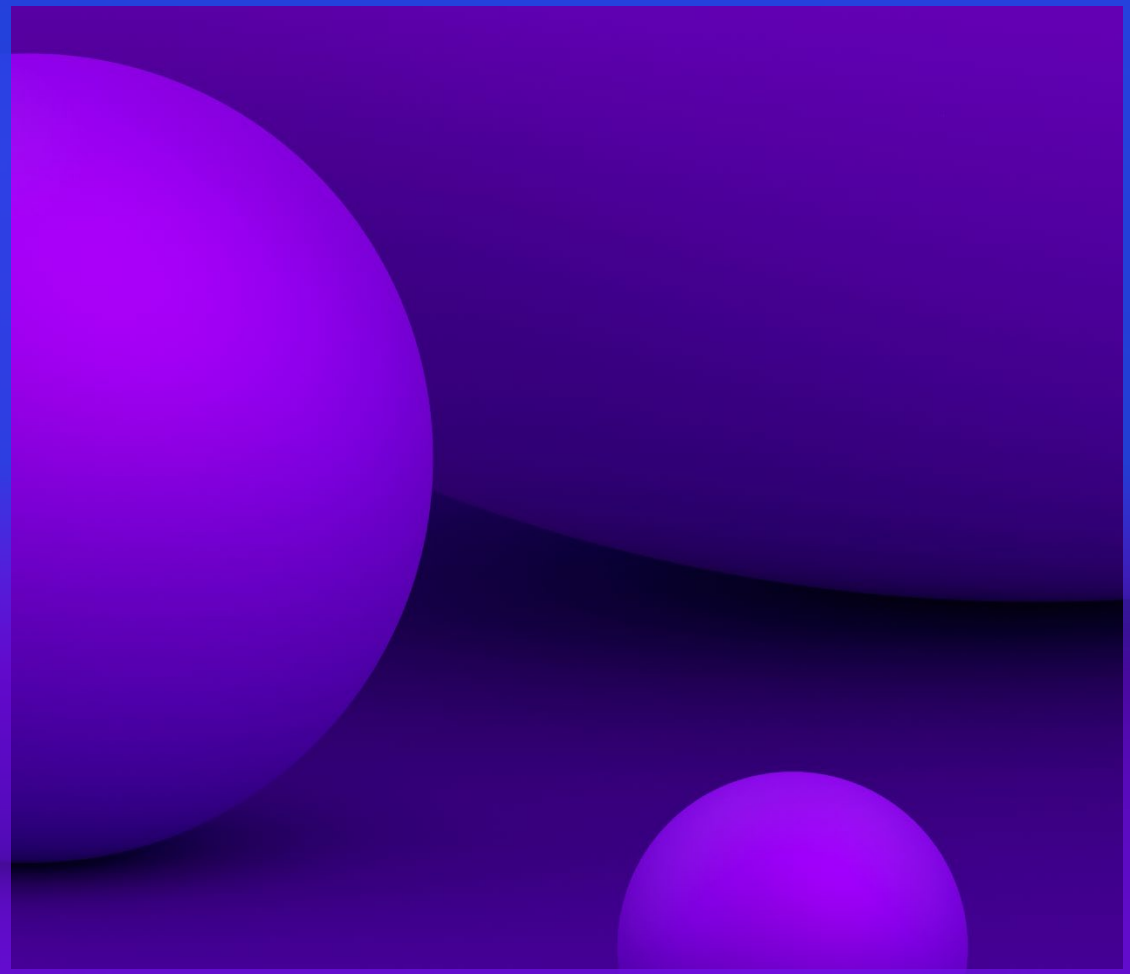
Audit Planning Report for the year ending December 31, 2025

KPMG LLP

Licensed Public Accountants

Prepared as of January 5, 2026, for presentation to the Audit Committee on February 12, 2026

kpmg.ca/audit



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Digital use information

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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.

Audit highlights

No matters to report

Matters to report – see link for details

Scope

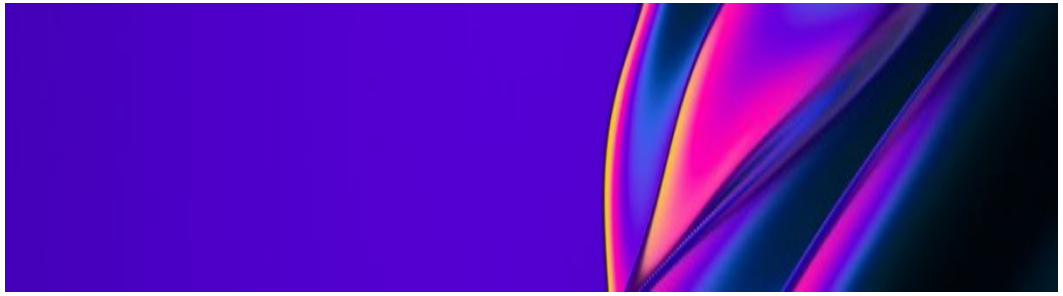
Our audit of the consolidated financial statements ("financial statements") of The City of Toronto ("the City") as of and for the year, ending December 31, 2025, will be performed in accordance with Canadian generally accepted auditing standards.

Audit strategy

- **Materiality: $364M**
- Updates to our prior year audit plan
- Involvement of others

Required communications

- Required inquiries of the Audit Committee



Risk assessment

- Risk of management override of controls
- Consolidation Process
- Presumed risk of fraudulent revenue recognition
- Other areas of focus

- Cash and Investments
- Other revenue sources
- Tangible capital assets
- Expenses – salaries and benefits
- Investments in Government Business Enterprises (GBEs)
- Employee benefit liabilities
- Accounts payable, accrued liabilities and expenses
- Commitments and contingencies
- Asset retirement obligations
- Long-term debt
- Trust funds (stand alone financial statement audit)
- Sinking fund debt (stand alone financial statement audit)
- System conversion

The purpose of this report is to assist you, as a member of the Audit Committee, in your review of the plan for our audit of the financial statements. This report is intended solely for the information and use of Management, the Audit Committee, and City Council 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 to the Audit Committee has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Updates to our prior year audit plan

New significant risks

No new significant financial reporting risks identified.

Other significant changes

Newly effective accounting standards

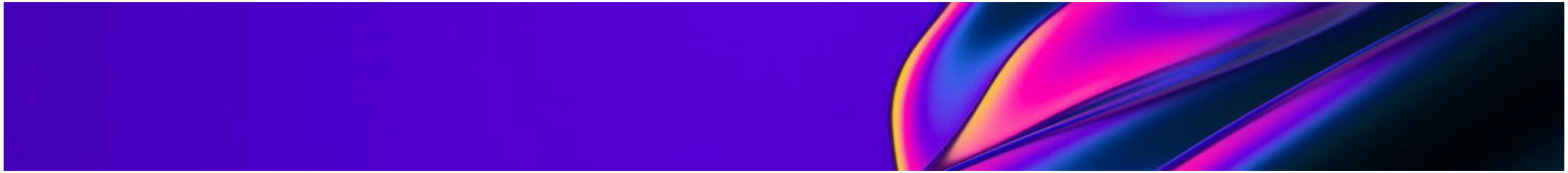
There are no changes to the accounting standards impacting 2025 audit. Refer to Appendix B for future changes in accounting standards.

Newly effective accounting standards

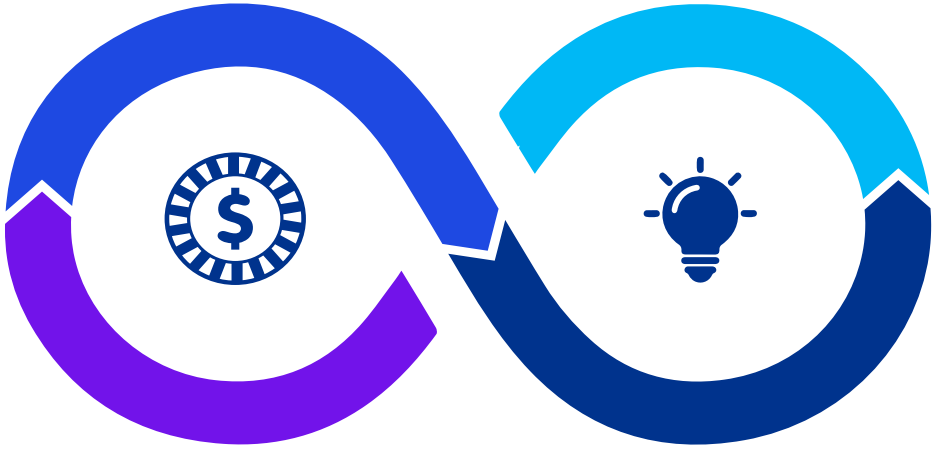
Newly effective auditing standards

Refer to Appendix C for new standards impacting the fiscal 2025 audit.

Newly effective auditing standards



Materiality



We ***initially determine materiality*** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of ***professional judgment***, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We ***reassess materiality*** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We ***initially determine materiality*** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

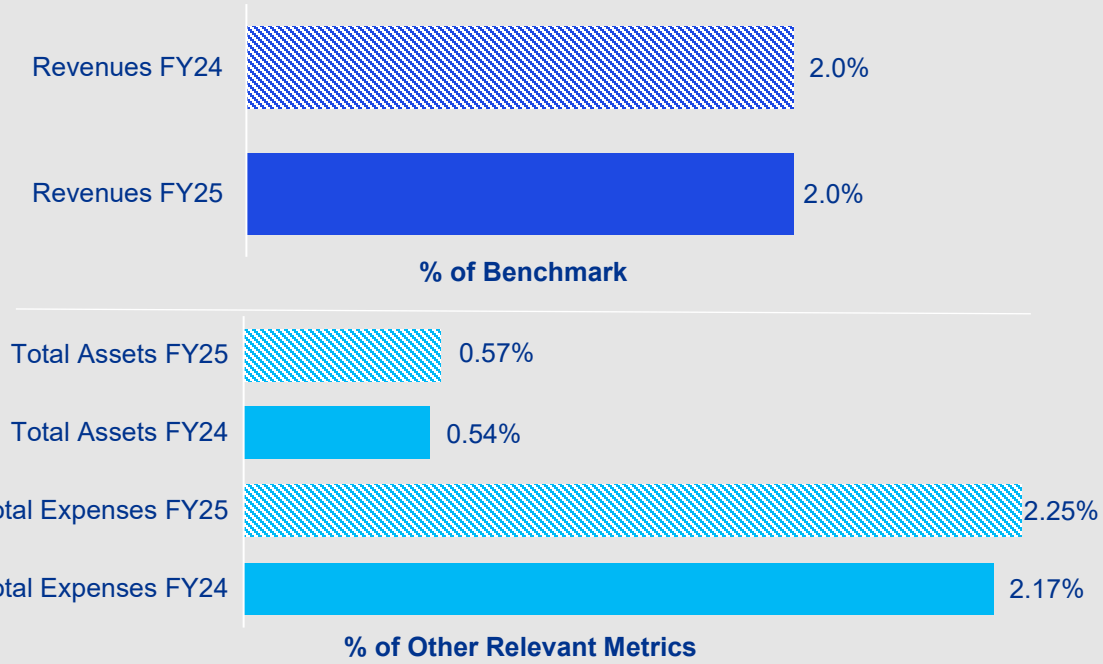
Evaluate the effect of misstatements

We also ***use materiality*** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.

Initial Materiality – Group Materiality (Consolidated City)

Materiality
$364M
(2024:$327M)



Prior Year Total Revenues
$18.20B
(2024 : $16.32B)

Prior Year Total Assets
$64.11B
(2024 : $60.60B)

Prior Year Total Expenses
$16.19B
(2024 : $15.07B)

Component Materiality – Non-Consolidated City

City Component Materiality

$339 million

(2024: $307 million)

City Component Performance Materiality

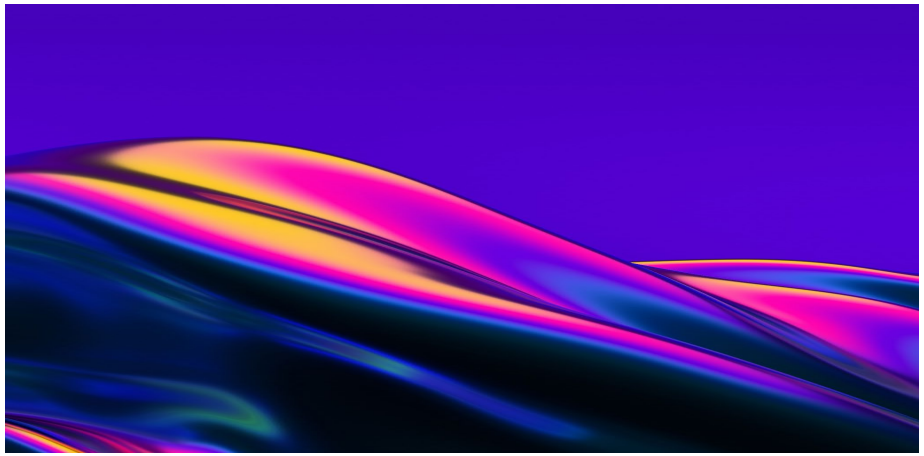
$254 million

(2024: $230 million)

City Component AMPT

$16,950,000

(2024: $15,350,000)



Involvement of others

The following parties are involved in the audit of the financial statements:

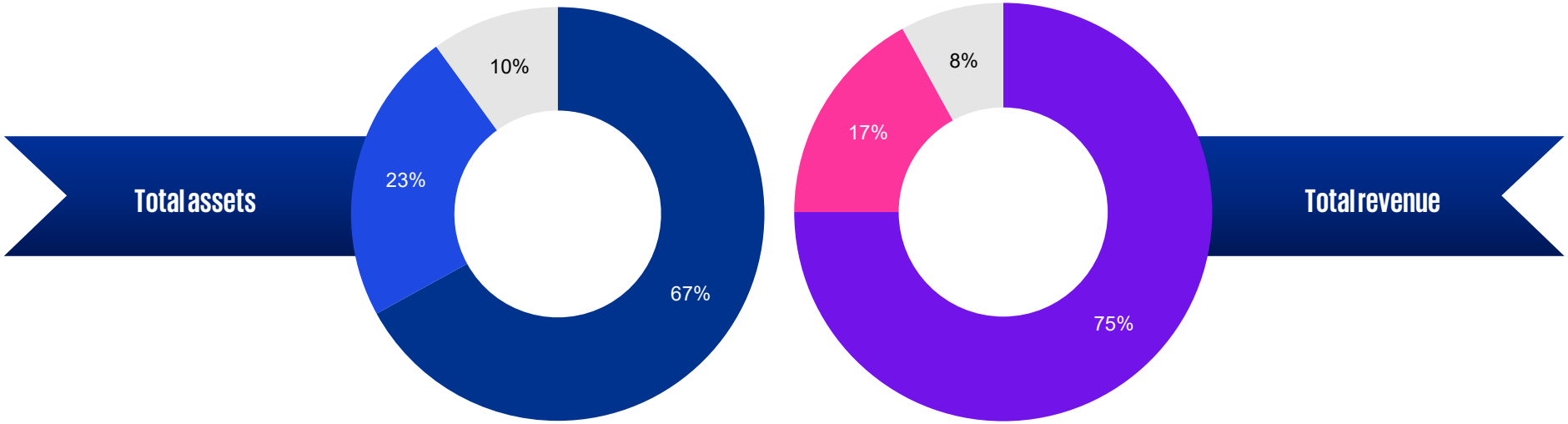
Involved party	Nature and extent of planned involvement
Management's specialists	**Employee Future Benefits Actuarial Firm, engaged by the City** Actuary provides the valuation for the employee future benefits obligation. **Liability Claims Actuarial Firm, engaged by the City** Actuary provides the analysis of general and auto liability claims as of year end. **Deloitte, engaged by the City** Firm provides a model for the City's Private Debt Valuation.

Involved party	**Nature and extent of planned involvement**
KPMG professionals with specialized skill or knowledge	**Life and Pension Actuarial Specialist** KPMG actuarial specialists to evaluate the reasonability of assumptions used by management's actuarial specialists to derive the valuations of the City's employee future benefits, WSIB, and retirements and sick leave benefits obligations and related amortization amounts. **Actuarial Specialist – Insurance** KPMG actuarial specialists to evaluate the reasonability of assumptions used by management's actuarial specialists to derive the valuations of the City's unpaid claim liabilities. **Valuation** KPMG valuations specialist to evaluate the reasonability of assumptions used by management's expert in deriving the fair value of the City's debt and investments. **IT Audit Team** KPMG specialists to evaluate the City's IT environment and IT application controls in place.

Group audit – Scoping

We respond to identified and assessed risks of material misstatement to the group by performing further audit procedures.

Further audit procedures to be performed by:	Total assets	Total revenue
Total group auditor	67%	75%
Total component auditor	23%	17%
Total tested	**90%**	**92%**
Not subject to further audit procedures (i.e., untested)	10%	8%
Total consolidated	**100%**	**100%**



Nature of our planned involvement in the work of component auditors

Our approach is summarized as follows:

Determine the nature and extent of involvement	We plan to direct, supervise and review the work of all component auditors. The nature and extent of our direction, supervision and review of the work performed by component auditors is affected by: • whether the risk assessment procedures that we perform at the group level provide us with enough information to identify and assess the group risks at the component; • the nature and circumstances (e.g. significance of the risks, judgments and size) of the component to the group audit; • the competence and capabilities of the component auditor; and • significant matters arising from communications with the component auditor.

Robust direction through instructions and two-way communication	As part of our direction, we plan to issue detailed group audit instructions to component auditors, which will cover:
	• the component auditor's responsibilities, including:
	  • compliance with the relevant ethical requirements, including those related to independence, applicable to the group audit
	  • the performance of risk assessment procedure at the component (when the risk assessment procedures that we perform at the group level do not provide us with enough information to identify and assess group risks of materiality misstatement at the component)
	  • the performance of further audit procedures (e.g., control testing and/or substantive testing) on specific risks of material misstatement to the group financial statements, such as the significant risks communicated to you in the Risk Assessment section of this Audit Planning Report.
	• matters relevant to their work and instructions relating to its performance.
	
	As part of our direction, we plan to involve component auditors in the group audit risk assessment and planning discussions.

Comprehensive supervision and review through two-way communications	As part of our supervision and review, we plan to request the component auditor to communicate matters throughout the audit process that are relevant to the group audit, including: • confirmations relating to having appropriate resources to perform the work • compliance with relevant ethical requirements including independence • the results of the performance of the work requested in our instructions, including those related to risk assessment and further audit procedures • significant matters arising from their work, such as control deficiencies and misstatements identified. In addition, we plan to review the underlying documentation of certain component auditors, either remotely or physically, based on quantitative factors (e.g., size of the components total assets or revenue to the group) and qualitative factors (e.g., the significance of the risks of material misstatement being addressed at the component).

Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the City and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the City's components of its system of internal control, including our business process understanding.

We use advanced technologies in performing our risk assessment procedures.

	Area of focus	Risk of fraud	Risk of error
●	Management override of controls	✓	
●	Presumed risk of fraudulent revenue recognition	✓	
●	Consolidation Process		✓
●	Cash and investments		✓
●	Other revenue sources		✓
●	Expenses – salaries and benefits		✓
●	Tangible capital assets		✓
●	Investments in Government Business Enterprises (GBEs)		✓
●	Employee benefit liabilities		✓
●	Accounts payable, accrued liabilities and expenses		✓
●	Commitments and contingencies		✓
●	Asset retirement obligations		✓
●	Sinking fund (stand-alone financial statement audit)		✓
●	Trust fund (stand-alone financial statement audit)		✓
●	System conversion		✓

● SIGNIFICANT RISK ● PRESUMED RISK OF MATERIAL MISSTATEMENT ● OTHER AREAS OF FOCUS

Significant risks

Management Override of Controls (non-rebuttable significant risk of material misstatement)

RISK OF FRAUD

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

Why is it significant?

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.

Our planned 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.
- evaluating the completeness of the journal entry population through a roll-forward of all accounts.

We will focus on journal entries, especially those which are unusual adjustments, manual in nature and are made in the closing process for the year.

Advanced technologies

Our **KPMG Clara Journal Entry Analysis Tool** assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focusses our audit effort on journal entries that are riskier in nature.

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Significant risks

Consolidation process

RISK OF ERROR

Significant risk	Estimate?	New or changed?
Risk of material misstatement related to the consolidation process due to complex organizational structure and the manual process (in excel spreadsheets) followed by the City.	No	No

Relevant inherent risk factors affecting our risk assessment

Complexity and volume of transactions within the consolidation process.

Our audit approach

- We will evaluate the design and implementation of selected relevant controls in place over the consolidation and financial reporting process.
- We will perform substantive procedures over the consolidation workbooks including material adjustments booked as part of the consolidation process.
- We will involve our IT Audit specialists to gain an understanding of the automated inputs into the consolidation process, as relevant.
- We will gain an understanding of the consolidation process at the City and various elements and inputs for the consolidation. We will obtain supporting schedules to understand the inputs into the consolidation workbook and perform further audit procedures related to these supporting schedules.
- We will perform procedures on the completeness of reporting the City's interest in all entities under its control including those that qualify as
- Government Business Entities which are accounted for using the modified equity basis (Toronto Hydro Corporation and Toronto Parking Authority) and entities subject to joint control, which are accounted for using the proportionate consolidation method (Toronto Waterfront Revitalization Corporation)
- We will audit the consolidation workbook for accuracy through recalculation and reperformance of the key aspects of consolidation exercise.
- We will test significant manual journal entries by obtaining supporting documentation for the amounts calculated for these manual journal entries.
- We will test consolidation information related to the significant components to source records for these respective significant components. We will obtain financial information of these significant components from the respective component audit teams to ensure we are using the audited information for the purposes of the consolidation.

Advanced technologies

Our **KPMG Clara DataSnipper** is an automated vouching tool uses advanced Optical Character Recognition to automatically vouch unstructured data like invoices and contracts with a click of a button! This tool will be used throughout the audit allowing our teams to focus more attention on areas of higher risk.

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Significant risks

Presumption of the risk of fraud involving improper revenue recognition

RISK OF FRAUD

Significant risk	Estimate?	New or changed?
This is a presumed risk of material misstatement due to fraud. We have considered the type and complexity of revenue transactions, and the perceived opportunities and incentives to fraudulently misstate revenue for the Entity and its subsidiaries. The fraud risk resides within overstatement of revenue through posting manual journal entries and other adjustments relating to deferred revenue from obligatory reserves and government transfers.	No	No

Relevant inherent risk factors affecting our risk assessment

Complexity and magnitude of obligatory deferred revenue calculations and government transfers.

Our audit approach

- Our audit approach consists of evaluating the design and implementation of selected relevant controls over the manual journal entries and other adjustments.
- We will be performing substantive procedures on manual journal entries and other adjustments associated with deferred revenue (including obligatory) and government transfers.
- We have a comprehensive audit approach related to revenue:
  - Deferred Revenue (including obligatory):
  - Update our understanding of the activities over the initiation, authorization, processing, recording and reporting related to deferred revenue (including obligatory reserves).
  - Obtain detailed continuity for deferred revenue (including obligatory reserves). Test a sample of cash receipts and revenue recognized using representative sampling techniques.
- Obtain the supporting documentation related to the samples tested for the cash receipts and revenue recognized and assess the support to ensure that recognition for revenue is in accordance with the PSAS.
- Government Transfers:
  - Obtain a listing of government transfer revenue reported by the City and perform test of details including a combined approach of substantive analytical and representative sampling methods.
  - Obtain supporting documentation for the eligibility criteria for the sample selected to determine if the government transfers reported in the financial statements meet the criteria outlined in the PSAS.

Advanced technologies

Our **KPMG Clara DataSnipper** is an automated vouching tool uses advanced Optical Character Recognition to automatically vouch unstructured data like invoices and contracts with a click of a button! This tool will be used throughout the audit allowing our teams to focus more attention on areas of higher risk.

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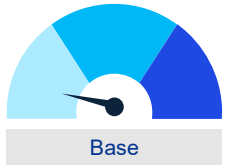
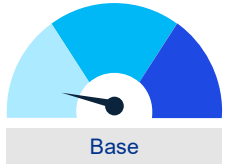
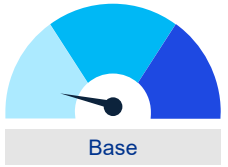
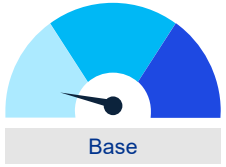
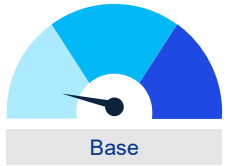
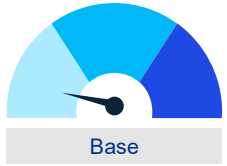
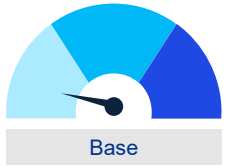
Other risks of material misstatement

Areas	Level of risk due to error	Our planned response
Cash and Investments		• Perform test of details over significant reconciling items for cash and investments. • Perform substantive test of details over the additions and disposals of investments and for any derivative financial instruments included in City's financial statements. • Obtain supporting documentation regarding the investment income earned on deferred revenue to ensure appropriate revenue recognition. • Perform substantive test of details over the reported fair value of investments. • Obtain confirmations from third party financial institutions. • Review of financial statement note disclosure in line with the Public Sector Accounting Standard (PSAS)
Other revenue sources		• Update our understanding of the activities over the initiation, authorization, processing, recording and reporting of other revenue. • Obtain the City-prepared calculation of other revenue balances and perform test of details using a combination of substantive analytical and representative sampling approaches.
Expense – salaries and benefits		• Update our understanding of the activities over the initiation, authorization, processing, recording and reporting of other revenue. • Obtain the City-prepared calculation of other revenue balances and perform test of details using a combination of substantive analytical and representative sampling approaches.

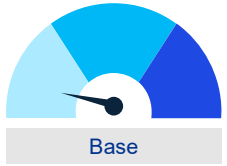
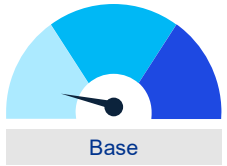
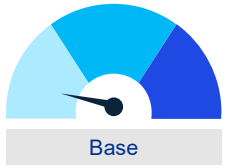
Other risks of material misstatement

Areas	Level of risk due to error	Our planned response
Tangible capital assets		• Perform substantive test of details over additions and disposals • Obtain the amortization policy, verify the mathematical accuracy of amortization and assess reasonableness of the estimated useful lives in use to address the requirements of CAS 540, Auditing Accounting Estimates and Related Disclosure related to useful lives. • Review assets under construction to ensure amounts are properly transferred to correct capital asset classes and amortization commences on a timely basis. • Obtain an understanding of asset write-downs during the year and the rationale behind these write-downs. • Review of financial statement note disclosure in line with the PSAS.
Investments in Government Business Enterprises (GBEs)		• Obtain a listing and assessment of the GBEs as prepared by management of the City including any changes from prior year, including impairment assessment. • Obtain support for adjustments made to the investments in GBEs including income from operations, dividends received, distributions to City and any other adjustments. • Review financial statement disclosures in accordance with PSAS.

Other risks of material misstatement

Areas	Level of risk due to error	Our planned response
Employee benefit liabilities		• Update our understanding of the activities over the quality of information used, the assumptions made, the qualifications, competence and objectivity of the actuaries engaged by the City (preparer of the estimate), and the historical accuracy of the estimates. • Obtain an actuarial report prepared by management's expert (actuaries engaged by the City) for the year ended December 31, 2025. • Perform audit procedures on method, data and, assumptions used by actuary and management to address the CAS 540, Auditing Accounting Estimates and Related Disclosure requirements related to employment benefit liabilities. • Engage KPMG actuarial specialists to complete audit procedures related to assumptions used by management and management's expert • Review financial statement disclosures in accordance with PSAS.
Accounts payable, accrued liabilities and expenses		• Perform search for unrecorded liabilities. • Examine significant accrued liabilities for existence, accuracy and completeness and to address the requirements of CAS 540, Auditing Accounting Estimates and Related Disclosure requirements related to accrued liabilities. • Perform substantive test of details on selected non-payroll expenditures.
Commitments and contingencies		• Perform a detailed review of Council Meeting minutes. • Directly communicate with the internal legal counsel (and external as necessary) to ensure significant contingent liabilities are appropriately disclosed and/or recorded. • Significant findings review with management during planning and completion stage of the audit engagement.

Other risks of material misstatement

Areas	Level of risk due to error	Our planned response
Sinking fund debt (stand-alone financial statement audit)		• Obtain and review any amendments to the agreement for the sinking fund debt issued by the City and obtain confirmation of the sinking fund debt as at year-end. • Perform audit procedures on the actuarial requirement to achieve planned growth to pay the debt. • Review the accounting treatment and the related disclosures in accordance with PSAS.
Trust funds (stand-alone financial statement audit)		• Direct confirmation of cash and investment year-end balances with relevant third parties. • Vouching of selected revenue and expense transactions to source documents. • Review the accounting treatment and the related disclosures in accordance with PSAS.
System conversion		• Obtain an understanding of management's system conversion process, review steps taken by management to perform the system conversion and obtain an understanding of controls in place. • Review the mapping of general ledger accounts to respective financial statement line items in the new and old system to ensure consistency and to ascertain any reclassification. • Audit the system conversion by ensuring the values were transferred appropriately between the old and new system.

Required inquiries of the audit committee

Inquiries regarding risk assessment, including fraud risks

- What are the Audit Committee's views about fraud risks, including management override of controls, in the City? And have you taken any actions to respond to any identified fraud risks?
- Is the Audit Committee aware of, or has the Audit Committee identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
  - If so, have the instances been appropriately addressed and how have they been addressed?
- How does the Audit Committee exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Is the Audit Committee aware of any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- Is the Audit Committee aware of any correspondence with regulators or licensing authorities?
- Is the Audit Committee aware of any additional matters relevant to the audit?

Inquiries regarding City processes

- Is the Audit Committee aware of or have they received tips or complaints regarding the City's financial reporting (including those received through the Audit Committee's internal whistleblower program, if such programs exist)? If so, what was the Audit Committee's responses to such tips and complaints?
- Has the City complied with all covenants during the financial statement period and before the date of the auditor's report? Have there been any events of default during the financial statement period and before the dates of the auditor's report?

Inquires regarding related parties and significant unusual transactions

- Is the Audit Committee aware of any instances where the City entered into any significant unusual transactions?
- What is the Audit Committee's understanding of the City's relationships and transactions with related parties that are significant to the City?
- Is the Audit Committee concerned regarding relationships or transactions with related parties? If so, what is the substance of those concerns?

Key milestones and deliverables

Sept – Oct 2025

Planning & Risk Assessment

- Audit planning discussion timing:
  - September 10, 2025

Nov – Dec 2025

Interim work

- Interim field work timing:
  - October 27 – November 14, 2025
  - Interim SAP financial

Jan – March 2026

Fieldwork

- Presentation of Audit Planning Report: February 12, 2026
- Year-end audit fieldwork for Toronto Agencies and Corporations

April – June 2026

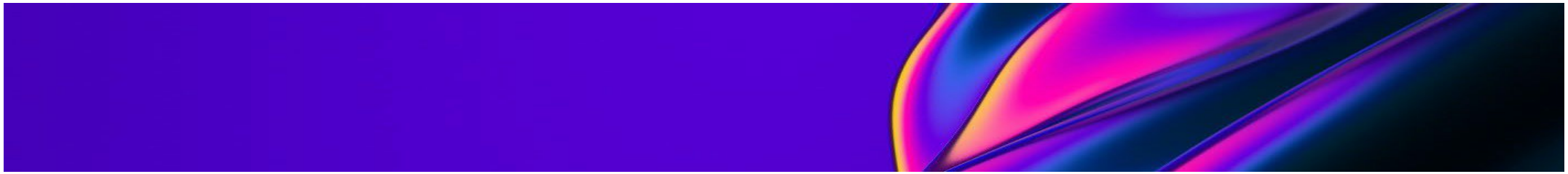
Final Fieldwork

- Final City of Toronto Consolidation Fieldwork
  - March 30 – May 29, 2026.
- Closing meetings: June 2026

July – Aug 2026

Reporting & Debrief

- Presentation of Audit Findings Report: July 2026
- Audit Debrief meeting: July 2026
- Approval of financial statements: July 2026
- Finalize post-audit Management letter



Accelerating work

We have established target due dates for key activities to complete much of our planning & risk assessment work by November 2025, interim controls work by December 2025 and substantially all of our interim controls work by December 2025.

Key target due dates for completion of procedures:

Determination of Materiality	September 30, 2025
Group audit scoping	September 30, 2025
Communication of Audit Plan	September 30, 2025
Entity-wide risk assessment procedures	November 14, 2025
Process walkthroughs, process level risk assessment and evaluation of design & implementation of controls as follows:	November 14, 2025

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?

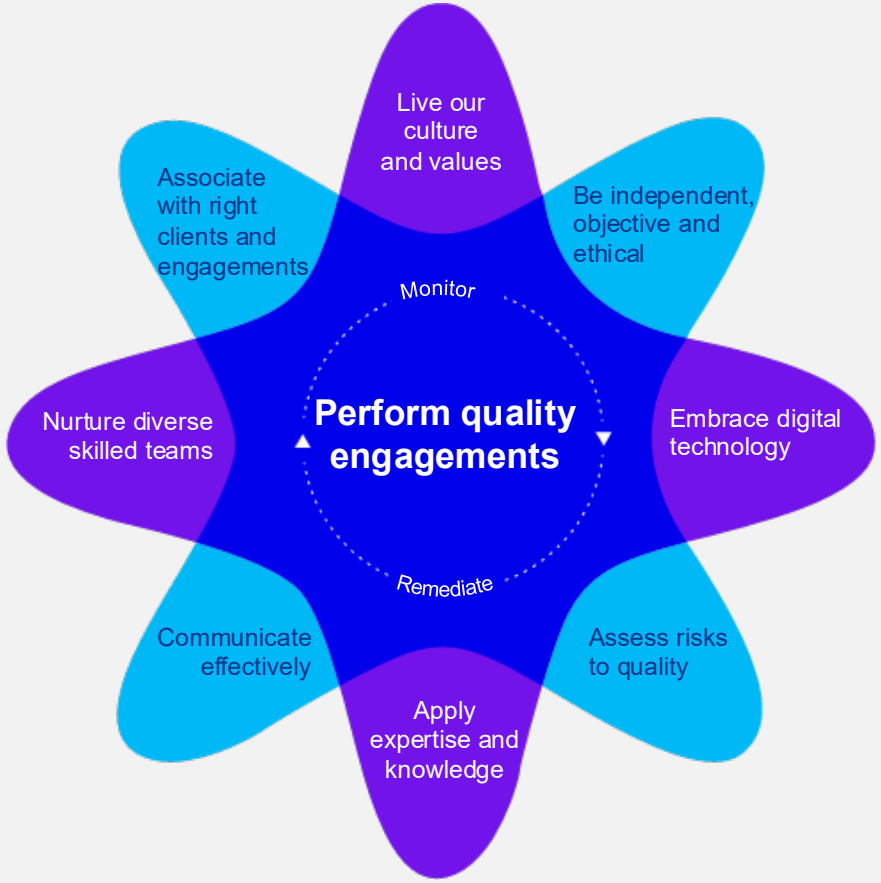
Quality essentially means doing the right thing and remains our highest priority.

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.

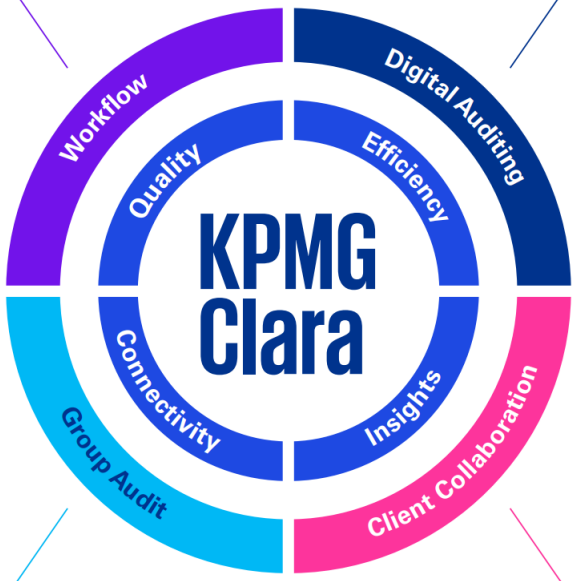
The KPMG Audit

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.

- Data and AI-driven
- Audit & Assurance including ESG
- Global, risk-based methodology

- "Risk-to-response" analytics
- Gen AI integration
- Search knowledge base



- Enhanced two-way communication
- Tailored scoping
- Group audit connectivity

- Real-time alerts and task tracking
- Interaction with audit team
- Access to insights

- Methodology aligned with professional standards, laws and regulations
- Standardised methodology and guidance
- Deep technical expertise and knowledge
- Quality and risk management policies

- Meeting the applicable standards, including International Standards on Auditing (ISA), Public Sector Accounting Standards (PSAS) – supplemented by KPMG firms to comply with additional local auditing standards and regulatory or statutory requirements.
- Identifying risks of material misstatements and the necessary audit response.

Appendices

Appendix A: Regulatory communications

CPAB communication protocol

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

- CPAB Regulatory Oversight Report: 2022 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2023 Interim Inspections Results
- CPAB Regulatory Oversight Report: 2023 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2024 Interim Inspections Results
- CPAB Regulatory Oversight Report: 2024 Annual Inspections Results

Appendix B: Future changes in accounting standards

Standard	Summary and implications

Financial Statement Presentation	• The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*. PS 1202 *Financial statement presentation* will apply to fiscal years beginning on or after April 1, 2026 *(the City's December 31, 2027 year-end)* to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.
	• The 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.

Concepts Underlying Financial Performance	• The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 *(the City's December 31, 2027 year-end)* with earlier 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.

Appendix B: Future changes in accounting standards (continued)

Standard	Summary and implications
Employee benefits	• The Public Sector Accounting Board has initiated a review of sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*. • The intention is to use principles from International Public Sector Accounting Standard 39 *Employee benefits* as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emergingissues. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft. • The proposed section PS 3251 *Employee benefits* will replace the current sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*. Final approval of the standard is expected in Spring 2026 with an effective date of April 1, 2029 (*the City's December 31, 2030 year-end)*. Early adoption will be permitted and guidance applied retroactively.

Appendix B: Future changes in accounting standards (continued)

Standard	Summary and implications
2024-2025 Annual Improvements to Public Sector Accounting Standards	• The Public Sector Accounting Board has issued an exposure draft proposing terminology updates and amendments to align various sections of the PSA Handbook with PSAB's Conceptual Framework and Reporting Model. • The comment period is closed. Final amendments are expected to be issued in November 2025, with an effective date of April 1, 2026 (*the City's December 31, 2027 year-end*)

Tangible Capital Assets	• The Public Sector Accounting Board has issued amendments to Section PS 3150 in May 2025 as part of implementing its Government Not-for-Profit Strategy, which incorporates the PS 4200 series into public sector accounting standards with potential customizations.
	• The amendments add:
	  • a new criterion to the definition of a tangible capital asset;
	  • a new definition of a collection;
	  • new disclosure requirements for works of art, historical treasures and/or collections;
	  • new guidance for situations where an entity purchases a tangible capital asset at substantially below fair value; and
	  • new guidance for situations where an entity receives contributed materials and/or labour when constructing or developing a tangible capital asset
	• For public sector entities that have not applied the PS 4200 series, the amendments to this Section are effective for fiscal periods beginning on or after April 1, 2030 (*the City's December 31, 2031 year-end*).
	• The amendments would be applied retroactively with restatement of prior periods except for the amendments related to purchases of tangible capital assets at substantially below fair value and including in the cost of a constructed or developed tangible capital asset, the contributed materials and/or labour, which are applied only to new transactions or events from the date of change.

Appendix B: Future changes in accounting standards (continued)

Standard	Summary and implications

Elevation of GAAP Designation of Application Guidance	• The Public Sector Accounting Board has issued amendments to elevate the level of generally accepted accounting principles (GAAP) designated for four CPA Canada Public Sector Accounting Handbook Appendices (i.e., what level of GAAP an appendix comprises).
	• The GAAP designation level (i) per GAAP hierarchy in paragraph 03(d) of Section PS 1150, Generally Accepted Accounting Principles has been specified and paragraphs renumbered as AG.02, AG.02, etc. for four application guidance appendices:
	  • Appendix A to Section PS 3400, *Revenue*;
	  • Appendix B to Section PS 3410, *Government Transfers*;
	  • Appendix A to Section PS 3450, *Financial Instruments*; and
	  • Appendix A to Section PS 4270, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*.
	• The elevation of the GAAP designation of these four application guidance appendices is effective for fiscal years beginning on or after April 1, 2026 (*the City's December 31, 2027 year-end*).

Lessee Accounting for Operating Leases of Tangible Capital Assets	• The Public Sector Accounting Board has issued the following amendments to PSG-2, *Leased Tangible Capital Assets*
	  • deleted an outdated cross-reference to Section 3065, *Leases* in former Part V of the CPA Canada Handbook – Accounting, pre-changeover accounting standards, in Appendix A to PSG-2, *Leased Tangible Capital Assets*;
	  • renamed Appendix A as the glossary is no longer identified as an appendix, consistent with other glossaries in the PSA Handbook;
	  • added paragraphs PSG-2.4A-4C of to set out minimal requirements for lessee accounting for operating leases of tangible capital assets; and
	  • replaced the deleted cross-reference in the appendix with a reference to new paragraphs PSG-2.4A-4C
	• These changes do not comprise a change in practice and are effective immediately.

Appendix B: Future changes in accounting standards (continued)

Standard	Summary and implications
Intangible Assets, Proposed Section 3155	• The Public Sector Accounting Board has issued an exposure draft proposing a new intangible assets standard that will replace Public Sector Guideline (PSG) 8, Purchased Intangibles. • The proposed standard provides foundational guidance on intangible assets including the definition, recognition, measurement and required disclosures of intangible assets. • The proposed standard covers both acquired and internally generated intangible assets. • PSG-8 content has been incorporated into the new section, ensuring continuity of recognition for purchased intangibles. • The scope of the proposed standard excludes intangible assets addressed in other Sections of the PSA Handbook, as well as other intangible items such as exploration and extraction costs for non-renewable resources or intangible assets related to insurance contracts. • In alignment with PSAB's international strategy, the proposed guidance leveraged principles from the existing International Public Sector Accounting Standard (IPSAS) 31, Intangible Assets. • The comment period is closed and under review.

Appendix C: 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 D: Audit and assurance insights

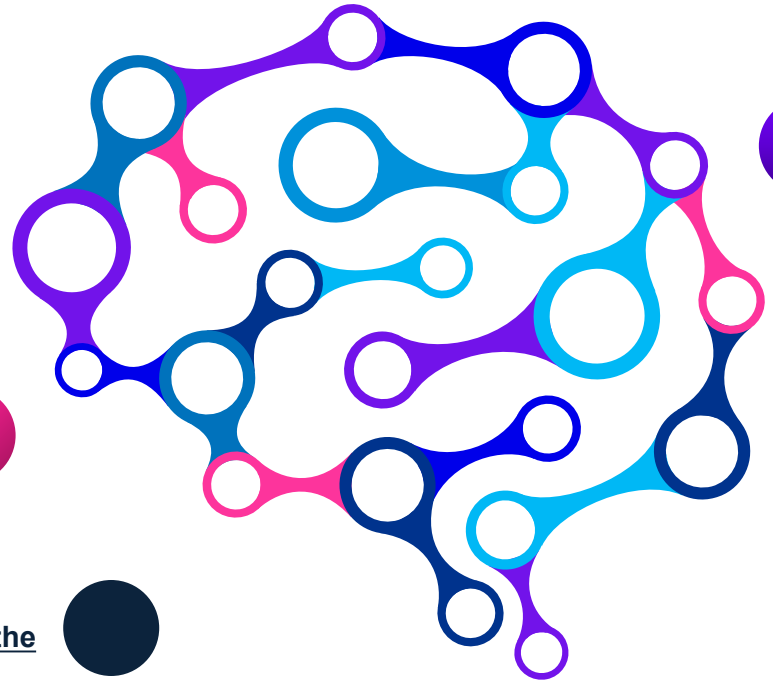
Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards



Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

IFRS Breaking News

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

Current Developments

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

Audit Committee Guide – Canadian Edition

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

Accelerate - The key issues driving the audit committee agenda

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

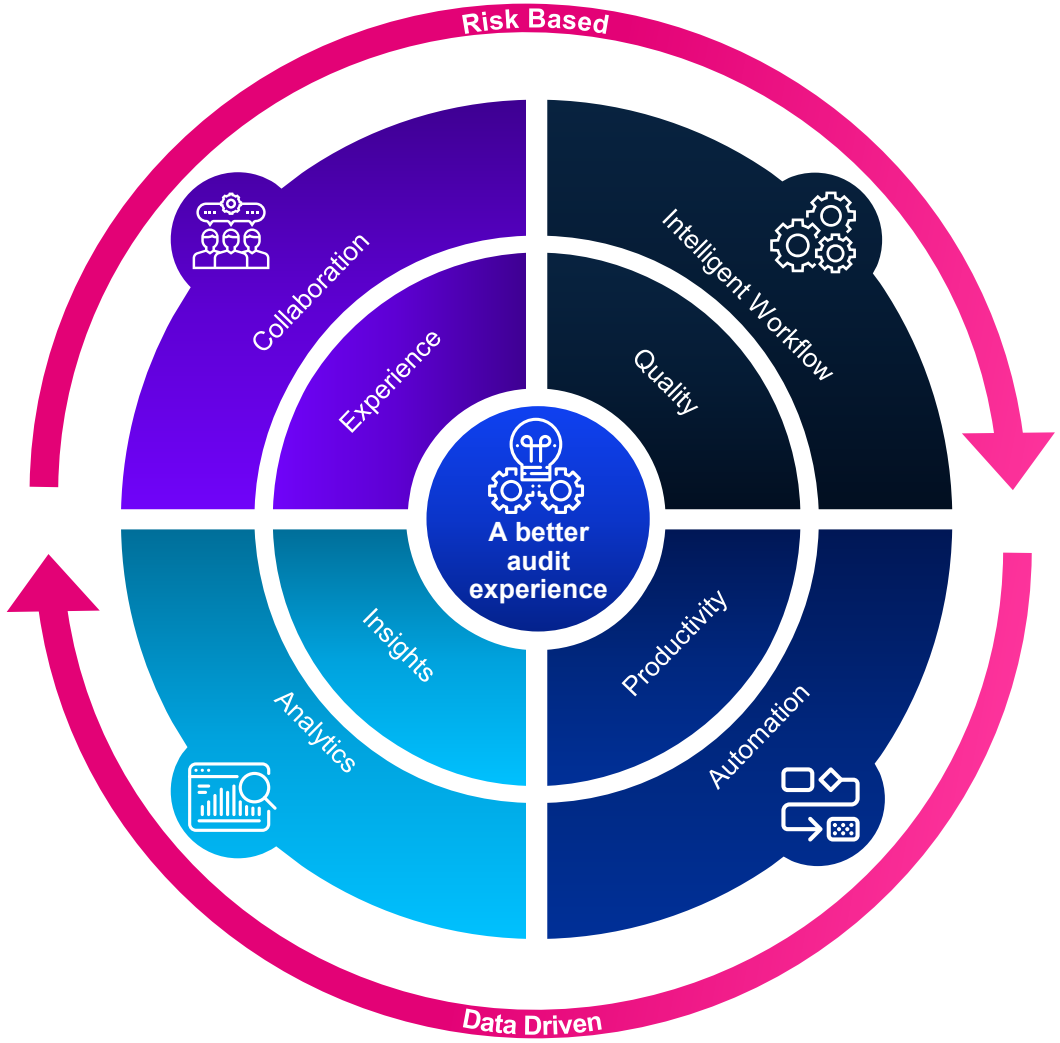
Appendix E: Our technology story

Streamlined client experience
And deeper insights into your business, translating to a better audit experience.

Secure
A secure client portal provides centralized, efficient coordination with your audit team.

Intelligent workflow
An intelligent workflow guides audit teams through the audit.

Increased precision
Advanced data analytics and automation facilitate a risk-based audit approach, increasing precision and reducing your burden.



Appendix E: Expanding the use of audit technology

Analytics

- AI Transaction Scoring
- Audit Routine Catalogue
- Data Visualization
- Group Scoping Tool
- Matching Routines
- Process Mining Analytics
- KPMG Forecast Analytics Suite

Automation

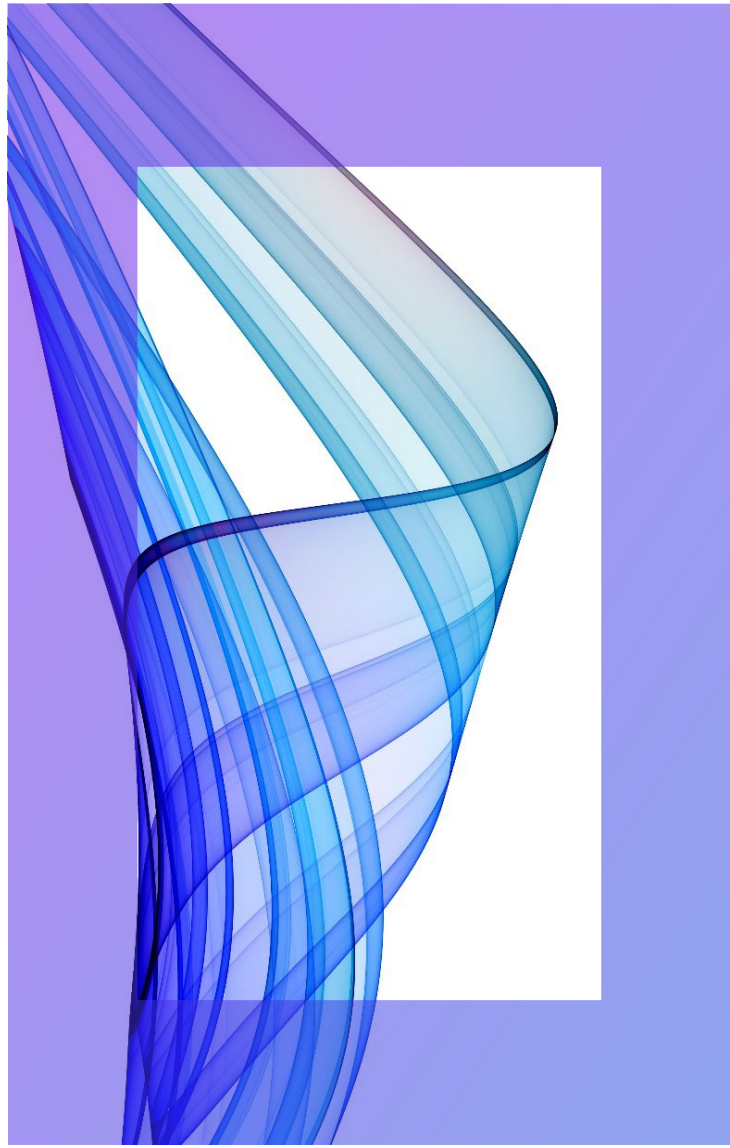
- Agentic AI with Clara AI - Chat
- Automated Industry Routines
- Confirmation
- Data Extraction Scripts
- DataShare
- DataSnipper
- Inventory Counter App
- iRadar and iNav
- Offset Remover

Collaboration

- DocuSign™
- KPMG Clara for Clients

Workflow

- KPMG Clara Workflow
- Account Analysis
- Journal Entry Analysis
- Planning Analytics



Next-generation technology

AI empowerment leading to focused insights

Insights Now

AI boosting Insights

- Generative AI Chat embedded directly in the workflow
- AI enabled assistants (compare, prepare, summarize, review)
- AI Transaction scoring and D&A to provide targeted insights

A better audit experience

Near

AI Agents working to enhance the audit experience

- AI agents embedded in the workflow
- Expanded AI transaction scoring and D&A
- AI generated process documentation

Next

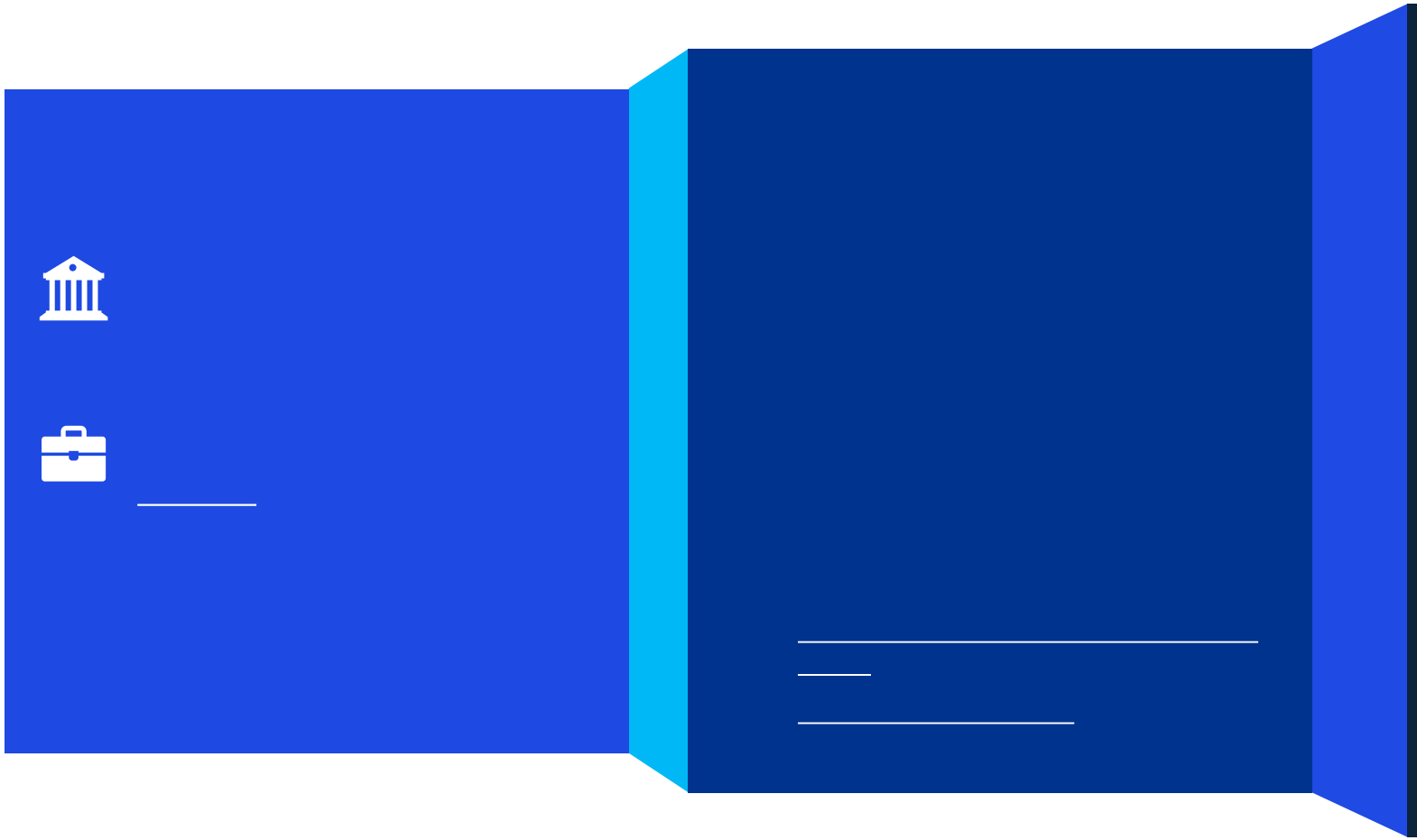
AI Vision

- Automated data extraction maximizing algorithmic testing approach
- AI enabled workflow for enhanced real-time insights
- A data driven audit that leverages embedded knowledge to help the audit team design a customized audit approach

We maximize quality and insights through a data-enabled, AI-powered platform

Appendix F : Anti-Greenwashing and ESG

Bill C-59: Key Facts & Considerations



Key Considerations

Assess your ability to substantiate environmental or social claims about your products, services and business by considering:

- What claims do we make that are specific to the company, brand or its products and services?
- What *methodologies* do we use to calculate emissions or other environmental and social effects?
- Is our net-zero plan realistic, operationally feasible, and can it be validated or proven?
- Have we allocated appropriate resources and personnel to our ESG initiatives?

Appendix F: Anti-Greenwashing and ESG (continued)

Our service offerings to clients*

Assess

- Identify and review ESG communications (ESG report, website, social media, press releases etc.)
- Assess ESG communications (product, service and company claims) against legal requirements
- Develop recommendations and action plans to mitigate ESG legal risk

Substantiate

- Analyze the feasibility of ESG targets and initiatives from technical, financial, commercial and regulatory perspectives
- Develop comprehensive plans to ensure effective implementation of ESG initiatives
- Establish metrics and manage ESG data to track performance and potential risks

Implement

- Prepare for new and emerging risks and requirements
- Enhance ESG reporting governance, processes and controls
- Incorporate ESG legal risk considerations into enterprise risk management program

In case you missed our recent webinar on this topic:

- Webinar **recording** and **slides**

*All services can be provided on a legally privileged basis for non-audit clients

Appendix F: Anti-Greenwashing and ESG (continued)

Frequently Asked Questions

When is Bill C-59 in force?

The section specific to greenwashing (s. 236 of Bill C-59 and Subsection 74.01(1) of the Competition Act) came into force upon receiving Royal Assent on June 20, 2024. There is a one-year grace period against private rights of action with respect to s. 74.01(1). Although the Bureau has the authority to take enforcement action sooner, according to witness testimony, it is unlikely to do so prior to issuing guidelines following consultation. Some suggest this may occur in January 2026.

Can the Bureau investigate complaints retroactively (claims made before the Amendment comes into force)?

Not easily. There is a safeguard in the proposed bill, called the public interest 'leave test' (103.1 of the Act). The Tribunal will have to decide whether the case has merit (is in the public's interest) and requires investigation retroactively.

What does "adequate and proper test" and "internationally recognized methodologies" mean?

This is yet to be determined, and it is not defined in the Bill or the Act. This is something the Bureau has committed to define following consultation and further research. Importantly, the Senate Committee believes that the analysis should also include federal and other Canadian best practices, such as those set by Environment and Climate Change Canada.

What corporate documents and communications does this affect?

The Act applies to performance claims about a service, product or business interest including "any form of statement, warranty or guarantee of a product's performance, efficacy or length of life." which make take the form of "messages, pictures, or verbal communications, including online and in-store advertisements, social media messages, promotional emails". The Act does not apply in the case of collective bargaining, amateur sports, securities underwriting, or activities subject to other federal or provincial legislation. The Canadian Securities Administrators may provide guidance and national instruments related to greenwashing in securities disclosures.

Are you on top of your municipal ESG reporting requirements?

Understand how ESG impacts municipalities, what the current requirements are, and how to communicate the value you deliver through ESG reporting.

A coordinated ESG strategy is essential for municipalities

Stakeholders are increasingly putting pressure on municipalities to deliver services in a way that manages Environmental, Social and Governance (ESG) risks and opportunities, and discloses their ESG performance in alignment with global standards. A coordinated strategy is critical to enable ESG reporting, and to enhance service delivery to respond to this pressure. This will enable better informed budgeting and reporting decisions that proactively consider and account for emerging regulatory requirements, unlocking greater value for the municipal corporate entity and for stakeholders alike. Benefits of developing and implementing and ESG strategy in coordination with program and service delivery include:

- **Decreased operational costs:** Lowered costs through sustainable suppliers and other financial arrangements
- **Increased citizen engagement:** Improved reputation and engagement from citizens on ESG priorities and how you deliver on them.
- **Enhanced ability to communicate value creation through sustainability indicators** to key stakeholders

Reporting is just one step in the ESG journey. Ultimately, it begins with Discovery, and aligning your sustainability priorities with stakeholder needs.

01 ESG Discovery | 02 ESG Strategy | 03 ESG Integration | 04 ESG Reporting

How to start: ESG Discovery sessions

OVERVIEW

- **Length:** 3 hours
- **Format:** Virtual, hybrid or in-person

WHO CAN BE INVOLVED

- Leadership & management
- C-Suite (e.g., CAO; Treasurer)
- Program and service leaders
- Capital and asset managers

DISCOVER

- Insights into market dynamics, future trends and why ESG is gaining in importance
- Industry and peer ESG performance
- How to effectively integrate ESG into your strategy and service delivery model

SESSION OUTCOMES

- An **ESG trend diagnostic** highlighting the priority policies for the municipal sector
- Your **ESG maturity** across seven dimensions
- An **ESG roadmap** of your priorities

Considerations for your leadership team

- Are you able to express the value you deliver in terms the business community your stakeholders expressed their expectations regarding ESG issues?
- What are your priority ESG issues? Which will have the most impact? In one year? In five years?
- Where do you have blind spots?
- Where can you proactively mitigate future concerns?
- Do you have a central ESG strategy and vision that connects your various initiatives?
- Are decarbonation efforts effectively tied to financial budgeting and reporting?

Contact us

Book a free exploratory call with our team to assess your next steps.

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Partner, Accounting Advisory Services
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Appendix G: Cyber for Municipality

(see attachment below)

Municipalities in the news

Town of Huntsville closes municipal office for 2nd day amid cybersecurity incident

Huntsville is the 2nd Ontario municipality to report hack in 3 week

Fakiha Baig · The Canadian Press · Posted: Mar 12, 2024 11:05 AM EDT

Second Ontario municipality reports cybersecurity incident within three weeks

By Fakiha Baig · The Canadian Press
Posted March 12, 2024 10:42 am · Updated March 12, 2024 11:43 am · 2 min read

Town of Greater Napanee targeted by hackers, impact as yet unknown

By Shane Gibson · Global News
Posted January 12, 2024 6:49 pm · 1 min read

erattack shows ...icipalities need ...up digital defences: expert

TORONTO – A recent ransomware attack that knocked out several online services in one of Ontario's largest cities has brought into sharp focus the need for municipalities to have a plan to respond to what's become an unavoidable – and increasingly sophisticated – threat, a top cybersecurity expert said.

By Paola Loriggio The Canadian Press
Monday, March 11, 2024 | 3 min to read
Article was updated Mar 11, 2024

NORTHERN ONTARIO | News

'It's really a coin flip': Experts weigh in on if Sudbury will recover $1.5M lost to fraud

Cyberattack cost local town $1.3M, including $290k in Bitcoin ransom

A cyberattack on the Town of St. Marys that encrypted municipal systems and stole sensitive data cost the local government roughly $1.3 million, including a $290,000 Bitcoin ransom payment made to the hackers, officials have revealed.

Galen Simmons · Stratford Beacon Herald
Published Apr 13, 2023 · Last updated Apr

Hamilton cybersecurity breach continues to paralyze city services

Public, councillors left in the dark as to nature of incident that has hampered communications, transit and payment processing

By Teviah Moro Reporter
Matthew Van Dongen Reporter
Grant LaFleche Reporter

Email hack may have revealed personal information, B.C. city warns residents

...WARD SOLOMON

JULY 11, 2023

Nova Scotia

Personal information 'l... ...rkings County cyberattack

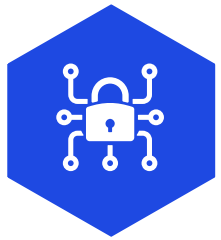
Councillors, staff and others impacted by July incident

Haley Ryan · CBC News · Posted: Aug 14, 2023 4:38 PM EDT | Last Updated: August 14, 2023

...adian city says timeline for recovery from ransomware attack 'unknown'

The city of Hamilton, Canada, is still recovering from a ransomware attack that has affected nearly every facet of government functions.

How can a cyber attack impact you?



Organizational Disruption

Technology is a main enablement tool used in our cities, many core services rely on technology to deliver services.

When access to technology is disrupted it can have severe impacts to public services, emergency services, infrastructure and sensitive information.

Associated Costs

Cyber incidents have a variety of costs associated with recovery, which include:

- Ransom Payments
- System Restoration
- Security Upgrades
- Legal & Professional Services
- Follow-on Monitoring
- Loss of Revenue
- Financial Fraud/Theft

These costs start to balloon quickly and can have long lasting effects.

Reputational Damage & Residents Impact

A cyber incident can cause significant reputational damage to a city, leading to a loss of trust among residents and potential investors, which can indirectly impact the city's financial health. For residents, the breach of their personal information can lead to a loss of confidence in the city's ability to protect their data, potentially resulting in decreased use of city services that require personal information.

What is a cyber resilient organization?

Preparation

This involves understanding your organization's risk profile, identifying business critical assets, and developing a comprehensive cybersecurity strategy. It includes training employees on cybersecurity best practices and implementing robust security measures where possible.

Protection

This entails implementing measures to prevent cyber attacks. It includes maintaining up-to-date security software, regularly patching vulnerabilities, and controlling access to sensitive information. Protecting your organization requires cybersecurity to be a part of all business conversations.

Detection

This includes continuously monitoring systems and networks for signs of a cyber attack. It calls for the use of security tools, conducting regular security audits and making consistent updates to improve detection capabilities.

Response & Recovery

This consists of having a plan in place to respond to a cyber attack and recover from it. It is made up of incident response plans, disaster recovery plans, and business continuity plans. These plans should be regularly tested and improved upon.

What is a cyber resilient municipality?

01

Risk Prioritization

To be a cyber resilient municipality, you must be able to prioritize your resources to address the risks that threaten you. To prioritize risks, you must understand all the risks currently facing your organization.

02

Implement the Basics

Implementing basic cyber security practices like training, maintaining security software, regularly patching and multifactor authentication can be cost effective ways to dramatically improve cybersecurity resilience.

03

Defence in Depth

This is a crucial strategy for municipalities as it reduces the risk of a single point of failure, enhances efficiency in threat detection and response, increase resilience to attacks, and provide protection against advanced cyber threats.

Steps to building cyber resilience

The following principles serve as the bedrock for establishing a continuous lifecycle that fosters cyber resilience. These principles provide a consistent framework of actions to progressively build and enhance cyber resilience.

1 – Understand Current State

To build a robust cyber resilience framework, it is imperative to start with a comprehensive understanding of your current cybersecurity status. This includes an evaluation of the protective measures already implemented, identification of critical assets, understanding the policies and procedures that regulate your operations, and an assessment of system vulnerabilities. By gaining these insights, you can make risk informed decisions that protect your organization and efficiently allocate the resources available.

4 – Increase Resilience

Increasing resilience and developing business continuity is an important part of building cyber resilience. It ensures uninterrupted business operations even in the face of cyber threats and allows organizations to quickly recover from cyber incidents, minimizing downtime and associated costs. Furthermore, a robust business continuity plan demonstrates an organization's commitment to security, which can enhance its reputation among stakeholders.

2 – Test your Technology

Testing technology is crucial for building cyber resilience as it helps identify potential vulnerabilities and weaknesses in the system that could be exploited by cyber threats. It also allows organizations to evaluate the effectiveness of their current security measures and protocols. By testing your technology, you can deepen the understanding of risks your organization faces and perform ongoing risk management. These tests allow for an unbiased look at your infrastructure and contribute to a proactive prevention of unauthorized users.

3 – Validate Response

Validating response efforts is a crucial part of building cyber resilience as it ensures that the organization's incident response plan is effective and efficient. It allows for the identification of any gaps or weaknesses in the response strategy, enabling improvements to be made. Furthermore, it provides an opportunity for staff to practice and refine their skills in a controlled environment, enhancing their readiness for real cyber incidents.

Appendix H: Unleashing tomorrow – today with AI

(see attachment below)

Unleashing tomorrow, today with AI

Business strategy with AI disruption

Turn AI into a cornerstone of sustainable, competitive growth.

A comprehensive business strategy can seamlessly intertwine technology with your business's **goals, transform AI from a concept into a key driver of your objectives, strategy and ROI.**

It's not just about tech; it's about people, striving to ensure smooth transitions and unlocking human potential alongside AI innovations.

This holistic approach can extend to governance, supply chain, data analytics, implementation and more, solidifying your operations against future challenges.

Assessing opportunities
Seek to understand how AI can impact or disrupt your business and what the existing opportunities are.

Scaling AI initiatives
Scaling up existing AI projects, aligned to the overall business strategy to help ensure success.

Competitive edge
Staying competitive in a rapidly evolving market where AI is disrupting business operations is key.

Brighter business intelligence, powered by AI

Your company's strategy and business intelligence are at the heart of your business decisions. It should be intimately linked to your artificial intelligence (AI) strategy, efforts, and goals.

- Executive training
- Explore and test
- Evolving the operating model (Technology)
- Implementing solutions

Business strategy – AI disruption

Optimizing data structure

Maximizing Microsoft Copilot integration

Governing and managing risk

4 key phases of a successful AI strategy

Understand

Hyper Diagnostic
Demonstrate the ”art of the possible” and the current AI landscape, explore diverse use cases, and assess peer adoption.

AI readiness assessment
Deploy AI readiness assessment to ensure the company is prepared from a tech, data, governance and people perspective.

Perspective on AI strategy
Assess AI's disruptive potential across core and support functions, demonstrate its impact on operations and costs, and establish an initial AI strategy aligned with company priorities.

Design

Risk Assessment
Discuss the potential risks and opportunities associated with the key scenarios.

Opportunity assessment
Pinpoint quick wins, evaluating their potential benefits, and conduct a high-level feasibility assessment.

Present available subsidy and grant options for relevant AI projects.

Initiate

Stakeholder involvement
Provide recommendations for engaging internal stakeholders and collect insights on AI adoption throughout the company's value chain.

Financial implications and opportunity validation
Quantify the impact of various AI scenarios, calculating ROI. Identify and engage necessary people, processes, and technologies for execution.

Strategic roadmap
Create a concise strategic plan, encompassing vision, values, competitive advantage, key initiatives, and a roadmap with resource allocation and KPIs.

Operationalize

Transform technology services with generative AI
Assessment of current IT capabilities and the foundations necessary for the implementation of the selected generative AI solutions

Define the IT delivery model for solutions.

Enterprise architecture adapted to AI
Support for the integration of Gen AI into the enterprise architecture and into the organization's roadmap.

Define a Target Operating Model

Orchestrate business capabilities
Orchestration of all business practices and underlying IT capabilities necessary for operationalization.

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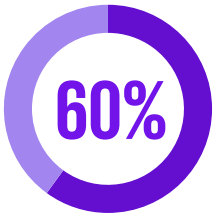
AI Education and Training for executives and boards

Start your AI journey with confidence.

Embrace the future with AI, the driving force of the new economy, set to help transform your business model. This transformative power can drive your organization's position in the market. Consider the impending changes and strategize for the years ahead, helping to ensure a seamless and secure integration of this groundbreaking technology.



of organizations plan to adopt generative AI within 6 to 12 months*.

Change starts with you

01 Understand the impact and trends of generative AI adoption in your organization and industry

02 Foster a continuous learning culture and manage change for successful AI implementation

03 Discover the commercial and competitive potential of working with AI

04 Learn how to manage AI risk and governance as a business leader

05 Identify your productivity and automation challenges and take corrective action

06 Redefine your business model holistically

A first step in the adoption of AI in your business

Implementing generative AI starts with your business priorities, supported by executive and board engagement to drive a transformation aligned with your corporate ambitions.

Executive and board training

- Presentation to various executive committees
- Presentation to the Board of Directors
- Role and responsibilities around AI as a board member and executive
- Workshop on concrete business potential
- AI strategic plan

AI strategy and value

Use case development

Implement AI solutions

Governing and managing risk (Trusted AI)

Workforce transformation and adoption

AI Data & Cloud infrastructure

*KPMG survey of 300 executives on generative AI, March 2023

A three-part training program

Discover real-life uses of generative AI, tailored to your business sector

Updated overview of this fast-paced technology

- Learn what is new in the world of AI
- Explore industry-specific use cases that could benefit your organization
- Manage AI risk and governance adequately

Technology demonstrations

- See the impact of generative AI on the future of your organization through concrete, contextualized demonstrations
- Assess the potential benefits for your organization

Brainstorming workshops

- Identify organizational priorities for AI adoption and how to prepare your teams for change upstream
- Educate and empower key stakeholders to drive AI strategy and the governance framework at the executive level

KPMG, a leader in generative AI

200+

Professionals dedicated to generative AI recognized for their technical skills and innovative strategic vision.

800+

Tailor made use cases for all business sectors.

50+

Board and executive education and training sessions delivered in the last year. Our team understands the challenges you face as an executive or board member and can help you build confidence and accelerate the value AI can bring to your business.

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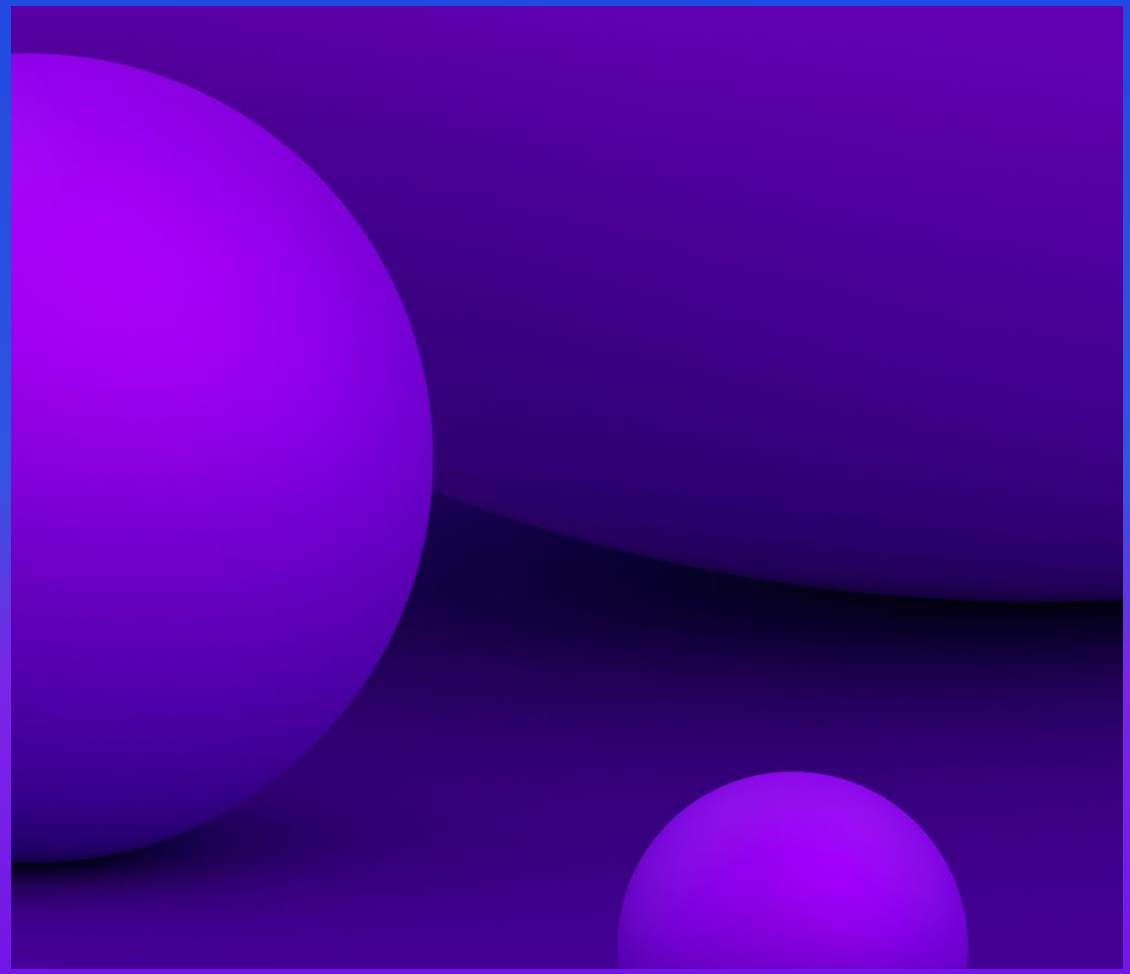

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