For Action

KPMG LLP Audit Findings Report on the Toronto Transit Commission Consolidated Financial Statements for the Year Ended December 31, 2025

Date: May 26, 2026
To: Audit, Finance and Risk Management Committee
From: Interim Chief Financial Officer

Recommendations

It is recommended that the Audit, Finance and Risk Management Committee:

1. Receive the KPMG LLP Audit Findings Report on the Toronto Transit Commission Consolidated Financial Statements for the Year Ended December 31, 2025 in Attachment 1.

2. Forward a copy of this report to the TTC Board for its meeting on June 3, 2026 and subsequently to the City Clerk for appropriate handling to the next City Audit Committee meeting.

Summary

This report appends the Audit Findings Report from KPMG LLP's (KMPG) audit of the TTC's consolidated financial statements for the year ended December 31, 2025. The KPMG Audit Findings Report, in addition to providing an overview of the audit results, specifically details any key audit risks identified, testing procedures performed to address them, and resulting conclusions. KPMG proposes to issue an unqualified Independent Auditor's Report on the TTC's consolidated financial statements for the year ended December 31, 2025.

Background and Analysis

This report presents the financial audit results of the consolidated financial statements of the TTC for the fiscal year ended December 31, 2025.

The consolidated financial statements of the TTC for the year ended December 31, 2025 were prepared by Management. They were audited by KPMG in accordance with the audit plan approved by the Audit, Finance and Risk Management Committee at its December 1, 2025 meeting.
KPMG LLP's Audit Plan for Year Ended December 31, 2025

The attached report was prepared by KPMG and it presents its findings of the audit, including any comments regarding significant accounting, auditing, and reporting matters.

KPMG proposes to issue an unqualified Independent Auditor's Report on the 2025 consolidated financial statements (see Appendix 2 within Attachment 1) once the outstanding items noted on page six have been completed.

Kevin Travers, the Audit Partner from KPMG, will attend the Audit, Finance and Risk Management Committee meeting to present this report and address any specific areas related to the 2025 audit findings report for the year ended December 31, 2025.

Diversity, Equity and Inclusion Matters
This report has no accessibility or equity issues or impacts.

Financial Impact

There are no financial implications resulting from the adoption of this report. The attachment summarizes KPMG's findings from the audit of the TTC's 2025 consolidated financial statements.

Contact

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Attachments

Attachment 1 – Decision History
Attachment 2 – Toronto Transit Commission Audit Findings Report for the year ended December 31, 2025

Attachment 1 – Decision History

The City of Toronto Act requires the city auditor (KPMG) to audit the accounts and transactions of the City and its local boards and to express an opinion on their financial statements on an annual basis.

At its meeting on April 16, 2026, the TTC Board approved the revised Terms of Reference for the Audit, Finance and Risk Management Committee, which includes a requirement to “review the results of the external audit, including any difficulties encountered, and review all matters required to be communicated to the Committee under generally accepted auditing standards.”

The Audit, Finance and Risk Management Committee’s terms of reference can be accessed by the following link:
Terms of Reference - Audit, Finance and Risk Management Committee