

AGENDA – AUDIT COMMITTEE MEETING

Monday, May 3, 2021 – 6:00 PM

Limestone Education Centre

220 Portsmouth Avenue, Kingston, ON

Virtual Link: <http://bit.ly/LDSBAuditMay3>

PRIVATE SESSION – 5:30 PM

**In accordance with the Education Act, Section 207(2) a meeting of a committee of a board including a committee of the whole board, may be closed to the public when the subject under consideration involves,*

- a) *The security of the property of the board;*
- b) *The disclosure of intimate, personal or financial information in respect of a meeting of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;*
- c) *The acquisition or disposal of a school site;*
- d) *Decisions in respect of negotiations with employee of the board; or*
- e) *Litigation affecting the board.*

MOTION TO MOVE INTO PRIVATE SESSION

DECLARATION OF CONFLICT OF INTEREST

FOR INFORMATION

- a) Strategic Risk Assessment Final Report, Genevieve Segu, Regional Internal Audit Manager (report appended, pages 3-14)
- b) Procurement Data Analytics Review Final Report, Genevieve Segu, Regional Internal Audit Manager & Pasquale L'orfanio, Internal Auditor (report appended, pages 15-19)
- c) 2020-2021 Follow-up Procedures Final Report, Genevieve Segu, Regional Internal Audit Manager & Pasquale L'orfanio, Internal Auditor (report appended, pages 20-24)

Limestone District School Board

Limestone District School Board is situated on traditional territories of the Anishinaabe & Haudenosaunee.

- d) Verbal update: Quality Assurance Review Internal Audit, Genevieve Segu, Regional Internal Audit Manager

REPORT TO PUBLIC SESSION

PUBLIC MEETING - 6 PM

Acknowledgement of Territory: “The Limestone District School Board is situated on the traditional territories of the Anishinaabe and Haudenosaunee. We acknowledge their enduring presence on this land, as well as the presence of Métis, Inuit and other First Nations from across Turtle Island. We honour their cultures and celebrate their commitment to this land.”

ADOPTION OF AGENDA

DECLARATION OF CONFLICT OF INTEREST

PRIVATE SESSION REPORT

Reports For Information

- e) Regional Internal Audit Update, Genevieve Segu, Regional Internal Audit Manager & Pasquale L’orfano, Internal Auditor (report appended, pages 25-27)
- f) KPMG 2020-2021 Engagement Letter (letter appended, pages 28-48)
- g) 2020-2021 Audit Planning Report, Lori Huber, KPMG, External Auditor (report appended, pages 49-78)

OTHER BUSINESS

OTHER MEETINGS

September 13, 2021, 5:30 pm
November 8, 2021, 5:30 pm
May 2, 2022, 5:30 pm

ADJOURNMENT

<p>Subject:</p> <p>Presented by:</p> <p>Meeting Date:</p>	<p>Regional Internal Audit Update – Public Session</p> <p>Geneviève Segu, Regional Internal Audit Manager</p> <p>Pasquale L'orfano, Internal Auditor</p> <p>May 3, 2021</p>									
<p>Purpose</p>	<p>To provide the Audit Committee with an update from the Regional Internal Audit Manager (RIAM) on the progress of the 2020-21 RIAT work.</p> <p>This report links with Regulation 361/10 in relation to the Audit Committee's duties to the Internal Auditor 9(3) and the Board's Internal Controls 9(2).</p>									
<p>Content</p>	<p>2020-2021 Regional Internal Audit Plan Update</p> <p>The Audit Committee approved the 2020-21 Audit Plan at the September 14, 2020 meeting. The following presents an update on the engagements:</p> <table border="1" data-bbox="418 913 1495 1673"> <thead> <tr> <th data-bbox="418 913 610 995">Status</th> <th data-bbox="610 913 1044 995">Audit & Scope</th> <th data-bbox="1044 913 1495 995">Schedule</th> </tr> </thead> <tbody> <tr> <td data-bbox="418 995 610 1476">Complete</td> <td data-bbox="610 995 1044 1476"> <p>Strategic Risk Assessment</p> <p>This is a region-wide initiative.</p> <p>The goal is to facilitate the risk assessment at a high level in order to (i) provide Management with a risk register and (ii) align RIAT's work with the main risks identified.</p> </td> <td data-bbox="1044 995 1495 1476"> <p>15 Jan 2020: Region-Wide In-Person Workshop</p> <p>26 Oct 2020: Local Virtual Workshop</p> <p>November 16 2020: Presented results of the risk assessment workshop to Executive Council</p> <p>May 2021: Report to Audit Committee</p> </td> </tr> <tr> <td data-bbox="418 1476 610 1673">Complete</td> <td data-bbox="610 1476 1044 1673"> <p>Procurement Data Analytics</p> <p>RIAT is currently in the process of validating results with Management.</p> </td> <td data-bbox="1044 1476 1495 1673"> <p>May 2021: Report to Audit Committee</p> </td> </tr> </tbody> </table>	Status	Audit & Scope	Schedule	Complete	<p>Strategic Risk Assessment</p> <p>This is a region-wide initiative.</p> <p>The goal is to facilitate the risk assessment at a high level in order to (i) provide Management with a risk register and (ii) align RIAT's work with the main risks identified.</p>	<p>15 Jan 2020: Region-Wide In-Person Workshop</p> <p>26 Oct 2020: Local Virtual Workshop</p> <p>November 16 2020: Presented results of the risk assessment workshop to Executive Council</p> <p>May 2021: Report to Audit Committee</p>	Complete	<p>Procurement Data Analytics</p> <p>RIAT is currently in the process of validating results with Management.</p>	<p>May 2021: Report to Audit Committee</p>
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	Complete	<p>Follow-up Procedures</p> <p>RIAT continues to follow-up on the remaining recommendations, as they come due.</p>	May 2021: Report to Audit Committee
	Not Initiated	<p>Management Request Engagement</p> <p>To cover any important items that may be required to during the school year.</p>	None requested this year to-date
	Report	<p>Cyber Security Review</p> <p>This engagement aligns with the region-wide Strategic Risk Assessment which identified Cybersecurity as both a risk and an opportunity to promote the School Boards ability to safeguard IT systems to protect information and avoid service disruption.</p> <p>The goal of the virtual workshop was to identify business drivers, critical assets, and perform an IT risk assessment.</p> <p>The output will provide the school board with a list of controls to prioritize in the cybersecurity framework.</p>	<p>February 2020: Presentation of the project to Eastern Ontario IT (EOIT) Managers</p> <p>8 & 9 October 2020: Virtual workshop with EOIT Managers</p> <p>22 January 2021: Region-wide risk assessment workshop results presentation to EOIT Managers.</p> <p>March 12, 2021: Met with school board's IT Manager to validate and prioritize the implementation of the recommendations</p> <p>April 2021: compiling results from all 11 DSBs</p> <p>Next Steps:</p> <p>September 2021: Report to Audit Committee</p>

	Postponed	<p>Critical Positions Engagement</p> <p>This engagement aligns with the preliminary Strategic Risk Assessment which identified Succession Planning as one of the top risks in the portfolio.</p> <p>The scope is to provide Management with a current state assessment/inventory of all positions, outside of the schools. Each position is critical, key, support or specialist.</p>	<p>March 2021: Met with Management to discuss objective, logistics and possible timeframe.</p> <p>Next Steps:</p> <p>Postponed to 2020-21 school year upon Management's request.</p>
Recommendation	That the Limestone District School Board Audit Committee receives for information the May 3 rd 2021 RIAT update.		

Mr. Craig Young
Superintendent of Business
Limestone District School Board
220 Portsmouth Avenue
Kingston ON K7M 0G2

Ms. Laurie French
Audit Committee Chair
Limestone District School Board
220 Portsmouth Avenue
Kingston ON K7M 0G2

April 21, 2021

Dear Mr. Young and Ms. French:

The purpose of this letter is to outline the terms of our engagement to audit the consolidated annual financial statements ("financial statements") of Limestone District School Board ("the Entity"), commencing for the year ending August 31, 2021.

This letter supersedes our previous letter to the Entity dated April 27, 2020.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Terms and Conditions and any exhibits, attachments and appendices hereto and subsequent amendments form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the "Engagement Letter").

Financial Reporting Framework for the Financial Statements

The financial statements will be prepared and presented in accordance with the basis of accounting described in note 1 of the consolidated financial statements (hereinafter referred to as the "financial reporting framework").

The annual financial statements will include an adequate description of the financial reporting framework.

Management's Responsibilities

Management responsibilities are described in [Appendix A – Management's Responsibilities](#).

An audit does not relieve management or those charged with governance of their responsibilities.

Auditor's Responsibilities

Our responsibilities are described in [Appendix B – Auditor's Responsibilities](#).

If management does not fulfill the responsibilities above, we cannot complete our audit.

Auditor's Deliverables

The auditors' report will be in writing and the expected content of our auditors' report is provided in [Appendix C – Expected Form of Report](#). However, there may be circumstances in which a report may differ from its expected form and content.

In addition, if we become aware of information that relates to the financial statements after we have issued our audit report, but which was not known to us at the date of our audit report, and which is of such a nature and from such a source that we would have investigated that information had it come to our attention during the course of our audit, we will, as soon as practicable: (1) communicate such an occurrence to those charged with governance; and (2) undertake an investigation to determine whether the information is reliable and whether the facts existed at the date of our audit report. Further, management agrees that in conducting that investigation, we will have the full cooperation of the Entity's personnel. If the subsequently discovered information is found to be of such a nature that: (a) our audit report would have been affected if the information had been known as of the date of our audit report; and (b) we believe that the audit report may have been distributed to someone who would attach importance to the information, appropriate steps will be taken by KPMG, and appropriate steps will also be taken by the Entity, to advise of the newly discovered facts and the impact to the financial statements.

General Tax Advisory Services

Our deliverables regarding general tax advisory services are described in [Appendix D – General Tax Advisory Services](#).

Additional Responsibilities regarding “Other Information”

“Other information” is defined in professional standards to be the financial or non-financial information (other than the financial statements and the auditors' report thereon) included in the “annual report”. An “annual report” is defined in professional standards to comprise a document or combination of documents. Professional standards also indicate that:

- an annual report is prepared typically on an annual basis in accordance with law, regulation or custom (i.e., is reoccurring)
- an annual report contains or accompanies the financial statements and the auditors' report thereon
- an annual report's purpose is to provide owners (or similar stakeholders) with information on the Entity's:
 - operations; and/or
 - financial results and financial position as set out in the financial statements.

Based on discussions with management, there are no documents, or combination of documents, expected to meet the definition of an “annual report” under professional standards.

Fees

[Appendix E – Fees for Professional Services](#) to this letter lists our fees for professional services to be performed under this Engagement Letter.

We are available to provide a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.

We are proud to provide you with the services outlined above and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements and terms are acceptable, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,



Lori Huber, CPA, CA, Licensed Public Accountant
Partner, responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body
613-541-7320

klh

Enclosure

The terms of the engagement set out are as agreed:

Name and Title _____

Date (dd/mm/yy) _____

Name and Title _____

Date (dd/mm/yy) _____

Appendix A – Management’s Responsibilities

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework referred to above.
- (b) providing us with all information of which management is aware that is relevant to the preparation of the financial statements (“relevant information”) such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of trustees, and committees of the board of trustees that may affect the financial statements. All significant actions are to be included in such summaries.
- (c) providing us with unrestricted access to such relevant information.
- (d) providing us with complete responses to all enquiries made by us during the engagement.
- (e) providing us with additional information that we may request from management for the purpose of the engagement.
- (f) providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence.
- (g) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (h) ensuring that all transactions have been recorded and are reflected in the financial statements.
- (i) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.

Appendix B – Auditor’s Responsibilities

Our function as auditors of the Entity is:

- to express an opinion on whether the Entity's annual financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above
- to report on the annual financial statements

We will conduct the audit of the Entity's annual financial statements in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable “professional standards”).

We will plan and perform the audit to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entity and its environment, including the Entity's internal control. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks
- form an opinion on the Entity's annual financial statements based on conclusions drawn from the audit evidence obtained
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards.

Appendix C – Expected Form of Report

INDEPENDENT AUDITORS' REPORT

To the Trustees of The Limestone District School Board

Opinion

We have audited the consolidated financial statements of The Limestone District School Board (the Entity), which comprise:

- the consolidated statement of financial position as at August 31, 2021
- consolidated statements of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at end of August 31, 2021, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with the basis of accounting as described in note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Presentation

We draw attention to note 1 to the financial statements which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting as described in note 1 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

Date

Appendix D –General Tax Advisory Services

This letter details the general tax advisory services to be provided to the Limestone District School Board (“the Entity”) for the year ended August 31, 2021 and in the future. If there are tax services to be delivered outside the scope of those described in this letter, we will require a separate engagement letter for those services.

General tax advisory services

Our advice generally falls under one of the following situations:

- 1) On an ongoing basis, we will provide advisory services of a general nature relating to various income, capital, payroll and indirect tax matters as they arise. This type of service generally arises on a periodic basis as a result of preliminary inquiries made by you. In rendering these services, it is important to recognize that the advice provided is dependent on the detail of the information provided and the environment in which it is rendered. When professional judgment suggests written confirmation of the facts and advice is necessary, we will draft the appropriate correspondence to ensure the appropriate standard of care is met by all parties.
- 2) Periodically, you will seek detailed advice from us in connection with a specific transaction or undertaking you are contemplating. In such a situation, our advice will be based on the information provided to us. It is the responsibility of the Entity to ensure we are provided with all the information necessary in order for us to render the advice sought. Our tax advice will most likely be communicated to you, or your designate, in writing.

Our tax advisory services, both written and oral, will be based on the facts and assumptions submitted to us. We will not independently verify this information. Inaccuracy or incompleteness of the information could have a material effect on our conclusions.

The anti-avoidance rule under subsection 55(2) of the Income Tax Act, Canada, that can result in a tax-deductible inter-corporate dividend being re-characterized as a capital gain was significantly expanded by legislation on June 22, 2016 for inter-corporate dividends received after April 20, 2015.

Although the rule has been expanded, the safe income exception still applies. Under this exception, if certain conditions are satisfied, the anti-avoidance rule will not apply to the extent that the dividend does not exceed the safe income on hand that contributes to the capital gain that could be realized on a fair market value disposition of the share on which the dividend is paid. In general terms, safe income on hand approximates tax paid retained earnings. The Canada Revenue Agency recommends that taxpayers calculate safe income on hand to determine if the safe income exception is available, given that the expanded rule can apply in more situations than before including situations where dividends are paid between related corporations. We have discussed this matter with you and you have advised us that you understand the potential implications of the newly expanded rule but you do not wish to engage KPMG to prepare a safe income on hand calculation.

Our advice will be limited to the conclusions specifically set forth in our reporting letter and KPMG will not express an opinion with respect to any other federal, provincial or foreign tax or legal aspect of the transactions described therein. It should be noted that the Canada Revenue Agency and/or the relevant provincial tax authority and/or any other governmental tax authority (collectively a Tax or Revenue Authority) could take a different position with respect to these transactions, in which case it may be necessary for you to defend this position on appeal from an assessment or litigate the dispute before the

courts, including one or more appellate courts, in order for our conclusions to prevail. If a settlement were reached with a Tax or Revenue Authority or if such appeal and litigation were not, or were not entirely, successful, the result would likely be different from the views we express in our reporting letter. Unless expressly provided for, KPMG's services do not include representing Client in the event of a challenge by a Tax or Revenue Authority or litigation before any court.

To be of greatest assistance to the Entity, we should be advised in advance of any proposed transactions. If such matters exceed the scope of this engagement letter, we will issue additional engagement letters to confirm the particular scope and terms.

Appendix E – Fees for Professional Services

Regarding our audit as described in this letter, the Board and KPMG agree to an estimated fee of \$45,500 for this service based on our most recent fee proposal dated April 6, 2021.

Interest on overdue invoices as described in the terms and conditions (“Fee Arrangements”) shall be 1% per month, calculated and compounded monthly (effective annual rate of 12.683%).

Harmonized Sales Tax (HST) will be computed and shown separately on our invoices, together with our firm’s HST registration number, so that you will have the information required to claim input tax credits and input tax refunds, if applicable.

Appendix F – COVID 19 Rider

1. During the engagement, each party shall keep the other party reasonably informed of any events which:
 - i. relate to the notifying party and the COVID-19 situation;
 - ii. are not existing or reasonably foreseeable at the date of this agreement; and
 - iii. which will materially and adversely affect the notifying party's ability to perform its obligations under the engagement.

2. Each party will implement mitigation measures to enable the Services to be performed so far as reasonably practicable in the circumstances, including:
 - i. reducing travel (particularly international travel) and in-person meetings to the minimum necessary level;
 - ii. at the party's premises, implementing such infection control procedures as are recommended or required by official bodies in the applicable location;
 - iii. implementing internal corporate policies which permit and encourage individual remote working, and technical systems to enable individual remote working; and
 - iv. implementing telepresence, audio conference, videoconference, and other systems for collaborative working.

3. If, as a result of the global COVID-19 virus situation, performance by a party of its obligations under the engagement are rendered impossible or impracticable, the time for performance of such obligations shall be extended by such period as is reasonable in the circumstances, PROVIDED THAT the party in question is complying, and continues to comply, with its obligations pursuant to paragraphs 1 and 2 above.



These Terms and Conditions are an integral part of the accompanying engagement letter or proposal from KPMG that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). The Engagement Letter supersedes all written or oral representations on this matter. The term "Entity" used herein has the meaning set out in the accompanying engagement letter or proposal. The term "Management" used herein means the management of Entity.

1. DOCUMENTS AND LICENSES.

a. All working papers, files and other internal materials created or produced by KPMG in relation to this engagement and all copyright and intellectual property rights therein are the property of KPMG.

b. Only in connection with the services herein, Entity hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all logos, trademarks and service marks of Entity solely for presentations or reports to Entity or for internal KPMG presentations and intranet sites. Further, Entity agrees that KPMG may list Entity as a customer in KPMG's internal and external marketing materials, including KPMG websites and social media, indicating the general services rendered (e.g., "Client is an Audit, Advisory, and/or Tax client of KPMG LLP").

2. ENTITY'S RESPONSIBILITIES.

a. Entity agrees that all management responsibilities will be performed and all management decisions will be made by Entity, and not by KPMG.

b. Entity's provision of documents and information to KPMG on a timely basis is an important factor in our ability to issue any reports under this Engagement Letter. KPMG is not responsible for any consequences arising from Entity's failure to deliver documents and information as required.

c. To the extent that KPMG personnel are on Entity's premises, Entity will take all reasonable precautions for their safety.

d. Entity understands and acknowledges that KPMG's independence may be impaired if any KPMG partner, employee or contractor accepts any offer of employment from Entity.

e. Except as required by applicable law or regulation, Entity shall keep confidential the terms of this Engagement Letter, and such confidential information shall not be distributed, published or made available to any other person without KPMG's express written permission.

f. Management agrees to promptly provide us with a copy of any comment letter or request for information issued by any securities or other regulatory authority in respect of information on which KPMG reported, including without limitation any continuous disclosure filings.

3. FEE AND OTHER ARRANGEMENTS.

a. KPMG's estimated fee is based in part on the quality of Entity's records, the agreed-upon level of preparation and assistance from Entity's personnel, and adherence by Entity to the agreed-upon timetable. KPMG's estimated fee also assumes that Entity's financial statements and/or other financial information, as applicable, are prepared in accordance with the relevant financial reporting framework or the relevant criteria, as applicable, and that there are no significant changes to the relevant financial reporting framework or the relevant criteria, as applicable; no significant new or changed accounting policies; no significant changes to internal control; and no other significant issues.

b. Additional time may be incurred for such matters as significant issues, significant unusual and/or complex transactions, informing management about new professional standards, and any related accounting advice. Where these matters arise and require research, consultation and work beyond that included in the estimated fee, Entity and KPMG agree to revise the estimated fee. Our professional fees are also subject to an additional charge to cover information technology infrastructure costs and administrative support of our client service personnel. Disbursements for items such as travel, accommodation and meals will be charged based on KPMG's actual disbursements.

c. KPMG's invoices are due and payable upon receipt. Amounts overdue are subject to interest. In order to avoid the possible implication that unpaid fees might be viewed as creating a threat to KPMG's independence, it is important that KPMG's bills be paid promptly when rendered. If a situation arises in which it may appear that KPMG's independence is threatened because of significant unpaid bills, KPMG may be prohibited from signing any applicable report and/or consent.

d. Fees for any other services will be billed separately from the services described in this Engagement Letter and may be subject to written terms and conditions supplemental to those in the Engagement Letter.

e. Canadian Public Accountability Board ("CPAB") participation fees, when applicable, are charged to Entity based on the annual fees levied by CPAB.

4. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS; STORAGE AND USE OF INFORMATION.

a. KPMG is a member firm of the KPMG International Cooperative ("KPMG International"). Entity acknowledges that in connection with the provision of services hereunder, KPMG may use the services of KPMG International member firms, as well as other third party service providers or subcontractors, and KPMG shall be entitled to share with them all documentation and information related to the engagement, including Entity's confidential information and personal information ("information"). KPMG may also: (i) directly, or using such aforementioned KPMG International member firms, third party service providers or subcontractors, perform data analytics in respect of the information; and (ii) retain and disclose to KPMG International member firms the information to share best practices or for knowledge sharing purposes. In all such cases, such information may be used, retained, processed, or stored outside of Canada by such KPMG International member firms, other third party service providers or subcontractors, and may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG represents that such KPMG International member firms, other third party service providers or subcontractors have agreed or shall agree to conditions of confidentiality with respect to Entity's confidential information, and that KPMG is responsible to ensure their compliance with those conditions. Any services performed by KPMG International member firms or other third party service providers or subcontractors shall be performed in accordance with the terms of this Engagement Letter, but KPMG remains solely responsible to Entity for the delivery of the services hereunder. Entity agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms or other third party service providers or subcontractors referred to above.

b. Certain information (including information relating to time, billing and conflicts) collected by KPMG during the course of the engagement may be used, retained, processed and stored outside of Canada by KPMG, KPMG International member firms or third party service providers or subcontractors providing support services to KPMG for administrative, technological and clerical/organizational purposes, including in respect of client engagement acceptance procedures and maintaining engagement profiles; and to comply with applicable law, regulation or professional standards (including for quality performance reviews). Such information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG may also share information with its legal advisers and insurers for the purposes of obtaining advice.

c. Entity acknowledges that KPMG aggregates anonymous information from sources including the Entity for various purposes, including to monitor quality of service, and Entity consents to such use. KPMG may also use Entity's information to offer services that may be of interest to Entity.

5. PERSONAL INFORMATION CONSENTS AND NOTICES.

KPMG may be required to collect, use and disclose personal information about individuals during the course of the engagement. Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. Entity represents and warrants that (i) it will obtain any consents required to allow KPMG to collect, use and disclose personal information in the course of the engagement, and (ii) it has provided notice to those individuals whose personal information may be collected, used and disclosed by KPMG hereunder of the potential processing of such personal information outside of Canada (as described in Section 4 above). KPMG's Privacy Officer noted in KPMG's privacy policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.



6. THIRD PARTY DEMANDS FOR DOCUMENTATION AND INFORMATION / LEGAL AND REGULATORY PROCESSES.

a. Entity on its own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to acknowledge that KPMG or a foreign component auditor which has been engaged in connection with an assurance engagement ("component auditor") may from time to time receive demands from a third party (each, a "third party demand"), including without limitation (i) from CPAB or from professional, securities or other regulatory, taxation, judicial or governmental authorities (both in Canada and abroad), to provide them with information and copies of documents in KPMG's or the component auditor's files including (without limitation) working papers and other work-product relating to the affairs of Entity, its subsidiaries and affiliates, and (ii) summons for production of documents or information related to the services provided hereunder; which information and documents may contain confidential information of Entity, its subsidiaries or affiliates. Except where prohibited by law, KPMG or its component auditor, as applicable, will advise Entity or its affiliate or subsidiary of the third party demand. Entity acknowledges, and agrees to cause its subsidiaries and affiliates to acknowledge, that KPMG or its component auditor, as applicable, will produce documents and provide information in response to the third party demand, without further authority from Entity, its subsidiaries or affiliates.

b. KPMG will use reasonable efforts to withhold from production any documentation or information over which Entity asserts privilege. Entity must identify any such documentation or information at the time of its provision to KPMG by marking it as "privileged". Notwithstanding the foregoing, where disclosure of such privileged documents is required by law, KPMG will disclose such privileged documents. If and only if the authority requires such access to such privileged documents pursuant to the laws of a jurisdiction in which express consent of Entity is required for such disclosure, then Entity hereby provides its consent.

c. Entity agrees to reimburse KPMG for its professional time and any disbursements, including reasonable legal fees and taxes, in responding to third party demands.

d. Entity waives and releases KPMG from any and all claims that it may have against KPMG as a result of any disclosure or production by KPMG of documents or information as contemplated herein.

e. Entity agrees to notify KPMG promptly of any request received by Entity from any third party with respect to the services hereunder, KPMG's confidential information, KPMG's advice or report or any related document.

7. CONNECTING TO THE ENTITY'S IT NETWORK; EMAIL AND ONLINE FILE SHARING AND STORAGE TOOLS.

a. Entity authorizes KPMG personnel to connect their computers to Entity's IT Network and the Internet via the Network while at the Entity's premises for the purpose of conducting normal business activities.

b. Entity recognizes and accepts the risks associated with communicating electronically, and using online file sharing, storage, collaboration and other similar online tools to transmit information to or sharing information with KPMG, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Entity assumes all responsibility or liability in respect of the risk associated with the use of the foregoing, and agrees that KPMG is not responsible for any issues that might arise (including loss of data) as a result of Entity using the foregoing to transmit information to or otherwise share information with KPMG and, in the case of online tools other than email, KPMG's access to and use of the same in connection with obtaining Entity information and documents.

8. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. SUBJECT TO SECTION 14, KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. LIMITATION ON LIABILITY AND INDEMNIFICATION.

a. Subject to Section 14: (i) Entity agrees that KPMG shall not be liable to Entity for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Claims") in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the lesser of one million dollars (\$1,000,000) or two times the fees paid by Entity to KPMG under the engagement; and (ii) on a multi-phase engagement, KPMG's liability shall be based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.

b. Subject to Section 14, in the event of a Claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Entity will indemnify and hold harmless KPMG from all such Claims, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.

c. Subject to Section 14: (i) in no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, liabilities, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs); (ii) in any Claim arising out of the engagement, Entity agrees that KPMG's liability will be several and not joint and several; and (iii) Entity may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.

d. For purposes of this Section 9, the term KPMG shall include its subsidiaries, its associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section 9 shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

10. CONSENT TO THE USE OF THE KPMG NAME OR KPMG REPORT.

Except as otherwise specifically agreed in this Engagement Letter, KPMG does not consent to:

i. the use of our name or our report in connection with information, other than what we have reported on as part of this Engagement Letter or our report thereon, that contains, incorporates by reference, or otherwise accompanies our report or our name;

ii. the use of our report in another language, or the use of our report in connection with information that we reported on that has been translated into another language, or the use of our name in connection with information that we reported on that has been translated into another language;

iii. the use of our report in connection with an offering document or other securities filing, including continuous disclosure filings; or

iv. the use of our name or our report in connection with the interim financial statements (or other interim financial information) or any statement by the Entity regarding the services that we provided on the interim financial statements or other interim financial information.

Any communication, report, statement or conclusion on the interim financial statements may not be included in, or otherwise referred to in any public document or public oral statements except when the interim review conclusion contains a modified conclusion, in which case our interim review report will accompany the interim financial statements.

If the Entity wishes to obtain KPMG's consent regarding the matters above or other matters not otherwise specifically covered by this Engagement Letter, we will be required to perform procedures as required by applicable professional standards, and such procedures would be a separate engagement and subject to separate engagement terms.

11. ALTERNATIVE DISPUTE RESOLUTION.

Any dispute or claim between the parties arising under or relating to this Engagement Letter or the services provided hereunder (the "Dispute") shall be submitted to non-binding mediation. If mediation is not successful within 90 days after the issuance by a party of a request for mediation, then the Dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada in force at that time. The Seat of Arbitration shall be the province where KPMG's principal office performing this engagement is located. The language of the arbitration shall be English. The Arbitral Tribunal shall be made up of a single Arbitrator. The arbitration award shall be final, conclusive and binding upon the parties, and not subject to appeal.



12. POTENTIAL CONFLICTS OF INTEREST.

a. KPMG is or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that, without further notice or disclosure to Entity, KPMG may: (i) accept or continue such engagements on matters unrelated to KPMG's engagement for Entity; and (ii) provide advice or services to any other person or entity making a competing bid or proposal to that of Entity whether or not KPMG is providing advice or services to Entity in respect of Entity's competing bid or proposal.

b. In accordance with professional standards, KPMG will not use any confidential information regarding Entity in connection with its engagements with other clients, and will establish confidentiality and other safeguards to manage conflicts, which may include, in KPMG's sole discretion, the use of separate engagement teams and data access controls.

c. In no event shall KPMG be liable to Entity, or shall Entity be entitled to a return of fees or disbursements, or any other compensation whatsoever as a result of KPMG accepting or continuing a conflicting engagement in accordance with the terms of this Engagement Letter.

d. Entity agrees that KPMG may, in its sole discretion, disclose the fact and nature of its engagement for Entity to (i) KPMG International member firms to inform conflict searches, and (ii) to the extent reasonably required in order to obtain the consent of another entity or individual in order to permit KPMG to act for such entity or individual, or for Entity, in connection with the engagement or any future engagement.

e. In the event that circumstances arise that place KPMG into a conflict of interest as between Entity and a pre-existing client, which in KPMG's sole opinion cannot be adequately addressed through the use of confidentiality and other safeguards, KPMG shall be entitled to immediately terminate the engagement with Entity, without liability.

f. Other KPMG International member firms are or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that (i) it will not assert that other KPMG International member firms are precluded from being engaged by those other entities or individuals, and (ii) those engagements of other KPMG International member firms do not conflict with KPMG's engagement for Entity.

13. LOBBYING.

Unless expressly stated in this Engagement Letter, KPMG will not undertake any lobbying activity, as that term is defined in all applicable federal,

provincial and municipal lobbyist registration statutes and regulations, in connection with the engagement. In the event that KPMG and Entity agree that KPMG will undertake lobbying activity in connection with the engagement, such agreement shall be set out in an amendment to this Engagement Letter.

14. SEVERABILITY.

The provisions of these Terms and Conditions and the accompanying proposal or engagement letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of the provisions of these Terms and Conditions or the accompanying proposal or engagement letter are determined to be invalid, void or unenforceable, the remaining provisions of these Terms and Conditions or the accompanying proposal or engagement letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall remain valid and in effect and be enforceable and binding on the parties to the fullest extent permitted by law.

15. GOVERNING LAW.

This Engagement Letter shall be subject to and governed by the laws of the province where KPMG's principal office performing this engagement is located (without regard to such province's rules on conflicts of law).

16. LLP STATUS.

KPMG is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation.

17. INDEPENDENT LEGAL ADVICE.

Entity agrees that it been advised to retain independent legal advice at its own expense prior to signing this Engagement Letter (including without limitation with respect to Entity's rights in connection with potential future conflicts) and agrees that any failure on its part to retain such independent legal counsel shall not affect (and it shall not assert that the same affects) the validity of the provisions of this Engagement Letter.

18. SURVIVAL.

All sections hereof other than Section 7(a) shall survive the expiration or termination of the engagement.



1. TERMS AND CONDITIONS.

- a. These Terms and Conditions are an integral part of the accompanying Proposal or Engagement Letter from KPMG that identifies the engagement to which they relate.
- b. In the event of conflict between the Proposal or Engagement Letter and these Terms and Conditions, these Terms and Conditions shall prevail unless specific reference to a provision of the Terms and Conditions being varied is made in the Proposal or Engagement Letter. Other capitalized words in these Terms and Conditions shall have the meanings given to them in the Proposal or Engagement Letter.

2. SERVICES.

KPMG will use reasonable efforts to complete the performance of the services within any agreed-upon time-frame. It is understood and agreed that KPMG's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. KPMG will not perform management functions or make management decisions for Client. Nothing in these Terms and Conditions or Engagement Letter (or Proposal) shall be construed as precluding or limiting in any way the right of KPMG to provide services of any kind or nature whatsoever to any person or entity as KPMG in its sole discretion deems appropriate.

3. CLIENT RESPONSIBILITIES.

- a. Client agrees to cooperate with KPMG in the performance of the services under the Engagement Letter and shall provide or arrange to provide KPMG with timely access to and use of the personnel, facilities, equipment, data and information necessary for KPMG to perform the services under the Engagement Letter. To the extent that KPMG personnel are on Client premises, Client will take all reasonable precautions for the safety of KPMG partners and employees at Client premises. Client shall be responsible for the performance of its employees and agents and for the accuracy and completeness of all data and information provided to KPMG for purposes of the performance by KPMG of its services hereunder. The Proposal or Engagement Letter may set forth additional responsibilities of Client in connection with the engagement. Client acknowledges that Client's failure to perform these obligations could adversely impact KPMG's ability to perform its services.
- b. Client agrees that Client, and not KPMG, shall perform the following functions: (i) make all management decisions and perform all management functions; (ii) designate an individual who possesses suitable skill, knowledge and experience, preferably within senior management, to oversee the performance of the services under the Engagement Letter, and to evaluate the adequacy and results of such services; (iii) accept responsibility for the results of such services; and (iv) establish and maintain internal controls over the processes with which such services are concerned, including, without limitation, monitoring ongoing activities.
- c. Client acknowledges and agrees that KPMG will, in performing the services, base its conclusions on the facts and assumptions that Client furnishes and that KPMG may use data, material, and other information furnished by or at the request or direction of Client without any independent investigation or verification and that KPMG shall be entitled to rely upon the accuracy and completeness of such data, material and other information. Inaccuracy or incompleteness of such data, material and other information furnished to KPMG could have a material effect on KPMG's conclusions.
- d. Client acknowledges that information made available by it, or by others on Client's behalf, or otherwise known to partners or staff of KPMG who are not engaged in the provision of the services hereunder shall not be deemed to have been made available to the individuals within KPMG who are engaged in the provision of the services hereunder. Client undertakes that, if anything occurs after information is provided by Client to KPMG to render such information untrue, unfair or misleading, Client shall promptly notify KPMG.

4. REPORTING.

- a. All oral and written communications by KPMG to Client with respect to the engagement, including, without limitation, drafts and those communications occurring prior to the execution of the Engagement Letter will be subject to the terms and conditions of the Engagement Letter and these Terms and Conditions. During the performance of the services, KPMG may supply oral, draft or interim advice, reports or presentations but in such

circumstances KPMG's written advice or final written report shall take precedence. No reliance should be placed by Client on any oral, draft or interim advice, reports or presentations. Where Client wishes to rely on oral advice or oral presentation, Client shall inform KPMG and KPMG will provide documentary confirmation of the advice concerned.

- b. Subsequent to the completion of the engagement, KPMG will not update its advice, recommendations or work product for changes or modification to the law and regulations, or to the judicial and administrative interpretations thereof, or for subsequent events or transactions, unless Client separately engages KPMG to do so in writing after such changes or modifications, interpretations, events or transactions occur.

5. WORKING PAPERS AND USE OF REPORTS; USE OF NAME AND LOGO

- a. KPMG retains all rights in all methodologies, know-how, knowledge, applications and software developed by KPMG either prior to or during the engagement. KPMG also retains all rights (including, without limitation, copyright) in all reports, written advice and other working papers and materials developed by KPMG during the engagement. Unless contemplated by the Engagement Letter, all reports and written advice are confidential and intended solely for Client's internal use (or the use of Client's management, as applicable) to assist with this specific matter or transaction, and, where applicable, government taxation authorities, and are not for general use, circulation or publication. Such reports and written advice shall not be edited, referred to, circulated, reproduced, distributed, published, made available, used for any other purpose or relied upon by any other person without KPMG's express written permission and on such terms and conditions as KPMG may require in its sole discretion. If such permission is given, Client shall not publish any extract or excerpt of KPMG's written advice or report or refer to KPMG without providing the entire advice or report at the same time. Notwithstanding the foregoing, Client may disclose in whole any report or written advice given to Client by KPMG hereunder solely to Client's legal and professional advisors for the purposes of Client seeking advice in respect of the transaction or matter to which the engagement relates, provided that when doing so Client informs such advisors that: (i) disclosure by them (except as permitted herein) is not permitted without KPMG's prior written consent; and (ii) KPMG accepts no responsibility or liability to such advisors in connection with such reports or written advice. Subject to the restrictions of Section 6, KPMG is entitled to use or develop the knowledge, experience and skills of general application gained through performing the engagement.

- b. Client shall not refer to KPMG or use KPMG's name or logo in any manner or medium without the prior written permission of KPMG in each instance, which permission may be unreasonably withheld by KPMG.

- c. The contents of this Section 5 may be reproduced in any report or written advice of KPMG, in whole or in part, at KPMG's sole discretion. Any failure of KPMG to include any such language shall not derogate from the obligations set out in this Section 5.

6. CONFIDENTIALITY.

- a. Except as described in Section 5 above, Client will treat in confidence any information provided by KPMG to Client, including but not limited to KPMG methodologies, know-how, knowledge, application or software, and will not use or disclose any such confidential information of KPMG to others.

- b. Except as expressly set forth herein, KPMG will treat as confidential all proprietary information and personal information obtained from Client in the course of the engagement.

- c. The restrictions in subsections 6 (a) and (b) above shall not apply to any information that: (i) is required by law or professional standards applicable to KPMG to be disclosed; (ii) that is in or hereafter enters the public domain; (iii) that is or hereafter becomes known to Client or KPMG, as the case may be, without breach of any confidentiality obligation; or (iv) that is independently developed by KPMG.

- d. KPMG shall be entitled to include a description of the services rendered in the course of the engagement in marketing and research materials and disclose such information to third parties, provided that all such information will be rendered anonymous and not subject to association with Client.

- e. KPMG shall be entitled to share all information with all other member firms of KPMG International Cooperative ("KPMG International"). KPMG may also use such information to offer services that may be of interest to Client. KPMG may retain and may disclose to other KPMG International



member firms, subject to terms of this Section 6, such information required for compliance with applicable professional standards or internal policies or for quality reviews or to share best practices.

f. Professional standards require KPMG personnel performing any audit or assurance services for clients to discuss or have available to them all information and materials that may affect the audit or assurance engagement. Client authorizes, if Client is or becomes an assurance Client, KPMG personnel performing services under the engagement to make available to the KPMG assurance engagement team and other KPMG personnel, the findings, observations and recommendations from the engagement and agrees that KPMG may use all such findings, observations and recommendations in KPMG's assurance engagement.

g. Except as required by applicable law or regulation, Client shall keep confidential the existence and terms of the Proposal or the Engagement Letter (as applicable) and these Terms and Conditions. Such confidential information shall not be distributed, published or made available to any other person without KPMG's express written permission. Further, for purposes of the services described in the Engagement Letter only, the Client hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all logos, trademarks and service marks of Client solely for presentations or reports to the Client or for internal KPMG presentations and intranet sites.

7. PERSONAL INFORMATION CONSENTS AND NOTICES.

Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. KPMG may be required to collect, use and disclose personal information about individuals during the course of the engagement. Client represents and warrants that: (i) it will obtain from individuals all consents required by law to permit KPMG to collect, use and disclose all personal information reasonably required in the course of the engagement, and (ii) it has provided notice of KPMG's potential processing of information outside of Canada (as described in Section 8 below) to all individuals whose personal information is disclosed to KPMG.

8. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS.

Personal and/or confidential information collected by KPMG during the course of the engagement may be used, processed and stored outside of Canada by KPMG, KPMG International member firms providing services hereunder, KPMG subsidiaries, affiliates and related parties or third party service providers to provide professional services and administrative, analytical and clerical support and to comply with applicable law, regulations and professional standards. Client also understands and agrees that KPMG aggregates Client's information with information from other sources for the purpose of improving quality and service, and for use in presentations to clients and non-clients, in a form where such information is sufficiently de-identified so as not to be attributable to Client. KPMG represents to Client that each KPMG International member firm; KPMG subsidiary, affiliate and related party and third party service provider providing services hereunder has agreed or shall agree to conditions of confidentiality with respect to Client's information to the same or similar extent as KPMG has agreed pursuant to Section 6. Further, KPMG is responsible to Client for causing such KPMG subsidiaries, affiliates, related parties and third party service providers to comply with such conditions of confidentiality, and KPMG shall be responsible to Client for their failure to comply and failure of each KPMG International member firm providing services hereunder to comply with its obligations of confidentiality owed to KPMG. Any services performed by KPMG subsidiaries, affiliates, related parties and third party service providers shall be performed in accordance with the terms of the Engagement Letter, including Section 6, but KPMG shall remain responsible to Client for the performance of such services and services performed by each KPMG International member firm providing services hereunder. Such personal and/or confidential information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG's Privacy Officer noted in KPMG's Privacy Policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

9. TAXES/BILLING/EXPENSES/FEEES.

a. All fees and other charges do not include any applicable federal, provincial, or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by Client without deduction from the fees and charges hereunder.

b. Bills will be rendered on a regular basis as the engagement progresses. Our professional fees are also subject to a technology and support charge to cover information technology infrastructure costs and administrative support of our client service personnel which are not included in our client service personnel fee. The technology and support fee covers costs such as our client service personnel computer hardware and customized KPMG software, telecommunications equipment, client service professional administrative support, IT programming, professional services and other client support services. Other direct out-of-pocket costs, such as travel, will be charged separately based on our actual costs. For certainty, Client acknowledges that to the extent a subsidiary, affiliate or related party of KPMG is engaged by KPMG to assist KPMG in providing the services hereunder, Client may receive bills from such subsidiary, affiliate or related party of KPMG for such services. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice.

c. Without limiting its rights or remedies, KPMG shall have the right to halt or terminate entirely its services until payment is received on past due invoices.

d. In the event that the engagement is terminated and Client proceeds to complete the transaction or financing within 18 months from the termination date, then the full amount of any Completion Fee shall be payable on closing of the transaction or the completion of financing, regardless of whether KPMG provided further service.

10. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. LIMITATION ON LIABILITY.

a. Client agrees that KPMG shall not be liable to Client for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Claims") in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the fees paid by Client to KPMG under the engagement. On a multi-phase engagement, KPMG's liability shall be based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.

b. In the event of a Claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Client will indemnify and hold harmless KPMG from all such Claims, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.

c. In no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, liabilities, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). In any Claim arising out of the engagement, Client agrees that KPMG's liability will be several and not joint and several. Client may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.

d. For purposes of this Section 11, the term KPMG shall include its subsidiaries, its associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section 11 shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.



12. LEGAL PROCEEDINGS.

a. Client agrees to notify KPMG promptly of any request received by Client from any court or applicable regulatory authority with respect to the services hereunder, KPMG's confidential information, KPMG's advice or report or any related document.

b. If KPMG is required by law, pursuant to government regulation, subpoena or other legal process to produce documents or personnel as witnesses arising out of the engagement and KPMG is not a party to such proceedings, Client shall reimburse KPMG at standard billing rates for professional time and expenses, including, without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance.

c. If Client requests that KPMG produce documents or personnel as witnesses in any proceedings in any way related to the engagement or services provided by KPMG hereunder and KPMG is not a party to such proceedings, KPMG may agree to produce documents or personnel as witnesses on such terms and conditions as KPMG may, in its sole discretion, determine. Without limiting the generality of the foregoing, Client shall reimburse KPMG at standard billing rates for professional time and expenses, including, without limitation, reasonable legal fees, expenses and taxes, incurred in responding to such Client requests.

d. Client acknowledges that KPMG may from time to time receive requests or orders from professional, securities or other regulatory, judicial or governmental authorities (both in Canada and abroad) to provide them with information and copies of documents in KPMG's files including, without limitation, working papers and other work-product relating to Client, which information and documents may contain confidential information of Client. Except where prohibited by law, KPMG will advise Client of the request or order. Client hereby acknowledges that KPMG will provide these documents and information without further reference to, or authority from Client.

Client must mark any document over which it asserts privilege as "privileged". When such an authority requests access to KPMG's working papers and other work-product relating to Client's affairs, KPMG will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed KPMG at the time of delivery that the Client asserts privilege (by the Client marking such document as "privileged" as contemplated in the foregoing sentence). Notwithstanding the foregoing, where disclosure of documents is required by law, KPMG will disclose such privileged documents. If and only if the authority requires such access to such privileged documents pursuant to the laws of a jurisdiction in which express consent of the Client is required for such disclosure, then Client hereby provides its consent.

Where privileged Client documents are disclosed by KPMG as contemplated above, KPMG is directed to advise the authority that Client is permitting disclosure only to the extent required by law and for the limited purpose of the authority's exercise of statutory authority. KPMG is directed to advise the authority that Client does not intend to waive privilege for any other purpose and that Client expects its documents to be held by the authority as privileged and confidential material. For greater certainty, Client and KPMG hereby agree that this acknowledgement (and, if required, consent) does not negate or constitute a waiver of privilege for any purpose and Client expressly relies upon the privilege protections afforded under statute and otherwise under law.

13. LIMITATION PERIOD.

No proceeding arising under or relating to the engagement, may be brought by either party more than one year after the cause of action has accrued or in any event not more than five years after completion of the engagement in the case of an advisory services engagement and not more than eight years after completion of the engagement in the case of a tax services engagement, except that a proceeding for non-payment may be brought by KPMG at any time following the date of the last payment due to KPMG hereunder. For purposes of this Section 13, the term KPMG shall include its subsidiaries and associated and affiliated entities and their respective

current and former partners, directors, officers, employees, agents and representatives.

14. TERMINATION.

Unless terminated sooner in accordance with its terms, the engagement shall terminate on the completion of KPMG's services hereunder, which completion shall be evidenced by the delivery by KPMG to Client of the final invoice in respect of the services performed hereunder. Should Client not fulfill its obligations set out herein or in the Engagement Letter and in the absence of rectification by Client within 10 days, KPMG may, upon written notice, terminate its performance and will not be responsible for any loss, cost or expense resulting therefrom. If at any time during the engagement it is determined by KPMG, in its sole discretion, that there may be an actual or potential breach by KPMG of applicable professional standards, KPMG may terminate the engagement, without liability, immediately on notice to Client. The engagement may be terminated by either party at any time by giving written notice to the other party not less than 30 calendar days before the effective date of termination. Upon early termination of the engagement, Client shall be responsible for the payment to KPMG for KPMG's time and expenses incurred up to the termination date, as well as reasonable time and expenses to bring the engagement to a close in a prompt and orderly manner.

15. E-MAIL COMMUNICATION.

Client recognizes and accepts the risks associated with communicating by Internet e-mail, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless Client requests in writing that KPMG does not communicate by Internet e-mail, Client assumes all responsibility or liability in respect of the risk associated with its use.

16. POTENTIAL CONFLICTS OF INTEREST.

a. For purposes of this Section 16, "KPMG" means KPMG LLP and KPMG subsidiaries, affiliates and related parties providing services hereunder, if applicable. KPMG is engaged by a wide variety of entities and individuals, some of whom may be creditors, investors, borrowers, shareholders, competitors, suppliers or customers of Client, or other parties with conflicting legal and business interests to Client, including, without limitation, in relation to the audit, tax or advisory services provided to Client by KPMG. KPMG's engagements with such companies and individuals may result in a conflict with Client's interests.

b. As a condition of KPMG's engagement by Client, Client agrees that: (i) without further notice or disclosure, KPMG may accept or continue engagements on unrelated matters to KPMG's engagement for Client in which KPMG may act contrary to Client's interests even if those unrelated matters are materially and directly adverse to Client; and (ii) without further notice or disclosure, KPMG may provide advice or services to any other person or entity making a competing bid or proposal to that of Client whether or not KPMG is providing advice or services to Client in respect of Client's competing bid or proposal.

c. In accordance with professional standards, and except as set out below, KPMG will not use any confidential information regarding Client in connection with its engagements with other clients, and will establish confidentiality and other safeguards to manage conflicts, which may include, in KPMG's sole discretion, the use of separate engagement teams and data access controls. In no event shall KPMG be liable to Client or shall Client be entitled to a return of fees and disbursements incurred on behalf of Client or any other compensation whatsoever as a result of KPMG accepting or continuing a conflicting engagement.

d. Client further agrees that KPMG may, in its sole discretion, disclose the fact or general nature of its engagement for Client to (i) KPMG International and other KPMG International member firms in order to check against potential conflicts of interest, and (ii) to the extent reasonably required in order to obtain the consent of another entity or individual in order to permit KPMG to act for such entity or individual, or for Client, in connection with the engagement or any future engagement.

e. Where another party has engaged KPMG to deliver services before Client has done so, and subsequently circumstances change such that there is a conflict, which in KPMG's sole opinion cannot be adequately managed through the use of confidentiality and other safeguards, KPMG shall be entitled to terminate the engagement for Client, without liability, immediately upon notice.



f. Other KPMG International member firms are engaged by many entities and individuals, including, without limitation, entities and individuals that may enter into transactions or may have disputes with Client or Client's related or affiliated entities. Client agrees that (i) it will not assert that other KPMG International member firms are precluded from being engaged by those other entities or individuals, and (ii) those engagements of other KPMG International member firms do not conflict with KPMG's engagement for Client.

g. Client will indemnify and hold harmless KPMG, its subsidiaries and associated and affiliated entities, and their respective current and former partners, directors, officers, employees, agents and representatives from any Claim by any third party (including, without limitation, reasonable legal fees) that alleges that KPMG was in a conflict of interest by providing services hereunder. The provisions of this subsection 16(g) shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

h. KPMG encourages Client to obtain legal advice with respect to Client's rights in connection with potential future conflicts prior to entering into the engagement.

17. FORCE MAJEURE.

Neither Client nor KPMG shall be liable for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

18. INDEPENDENT CONTRACTOR.

It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, distributor or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

19. SURVIVAL.

Sections 1, 4(b), 5-16, 18-30, 31(a) and (c)-(g), and 33-34 hereof shall survive the expiration or termination of the engagement.

20. SUCCESSORS AND ASSIGNS.

These Terms and Conditions and the accompanying Proposal or Engagement Letter shall be binding upon the parties hereto and their respective subsidiaries and associated and affiliated entities and their respective partners, directors, officers and employees and successors and permitted assigns. Except as provided below, neither party may assign, transfer or delegate any of the rights or obligations hereunder without the prior written consent of the other party. KPMG may assign its rights and obligations hereunder to any affiliate or successor in interest to all or substantially all of the assets or business of the relevant KPMG practice, without the consent of Client. In addition, KPMG may arrange for or engage (as applicable) KPMG affiliates, subsidiaries, related parties, independent contractors and KPMG International member firms to assist KPMG in performing the services hereunder.

21. SEVERABILITY.

The provisions of these Terms and Conditions and the accompanying Proposal or Engagement Letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of these Terms and Conditions and the attached Proposal or Engagement Letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall be valid and enforceable to the fullest extent permitted by law.

22. ENTIRE AGREEMENT.

These Terms and Conditions and the accompanying Proposal or Engagement Letter including, without limitation, Exhibits, constitute the entire agreement between KPMG and Client with respect to the engagement and supersede all other oral and written representation, understandings or agreements relating to the engagement.

23. GOVERNING LAW.

These Terms and Conditions and the accompanying Proposal or Engagement Letter shall be subject to and governed by the laws of the

province in which KPMG's principal Canadian office performing the engagement is located (without regard to such province's rules on conflicts of law).

24. PUBLICITY.

Upon the closing of a transaction, KPMG will have the right (but shall not be obliged), at its expense, to publicize its association with the transaction by way of public announcement in "tombstone" or similar format, subject to prior review of the wording for any such announcement with Client.

25. KPMG INTERNATIONAL MEMBER FIRMS.

In the case of multi-firm engagements, all KPMG International member firms performing services hereunder shall be entitled to the benefits of these Terms and Conditions. Client agrees that any Claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms or such third party service providers referred to in Section 8 above.

26. SARBANES-OXLEY ACT.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's assessment of internal control over financial reporting or Client's evaluation of disclosure controls and procedures, or its compliance with its principal officer certification requirements under Section 302 of the *Sarbanes-Oxley Act of 2002* (the "Act"). The engagement shall not be construed to support Client's responsibilities under Section 404 of the Act requiring each annual report filed under Section 13(a) or 15(d) of the *Securities Exchange Act of 1934* to contain an internal control report from management.

27. NATIONAL INSTRUMENT 52-109.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's evaluation of disclosure controls and procedures and internal control over financial reporting, or its compliance with its CEO/CFO certification requirements under *National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings*, including those related to the design of disclosure controls and procedures and internal control over financial reporting.

28. SPECIFIC ACCOUNTING AND OTHER ADVICE.

Except as set forth in the Engagement Letter, the engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and facts and circumstances of Client. Such services, if requested, would be provided pursuant to a separate engagement.

Client should consult with and/or engage legal counsel for the purpose of advising on legal aspects of matters on which KPMG provides its advice and drafting any legal documents and/or agreements that may be required. To the extent legal counsel or other professional service providers are required, Client is exclusively responsible for engaging and paying such service providers.

29. TAX SERVICES.

a. If tax work is specifically requested by Client, KPMG will perform the procedures in accordance with this Section 29. KPMG will base its findings exclusively on the facts and assumptions provided to KPMG by Client and Client's personnel and advisors. KPMG will consider the applicable provisions of the relevant taxing statutes, the regulations thereunder, applicable tax treaties and judicial and administrative interpretations thereof. In the case of Canadian tax services only, KPMG will also take into account all specific proposals to amend such statutes, regulations and treaties publicly announced prior to the date of KPMG's reports, based on the assumption that these amendments will be enacted substantially as proposed. For certainty, in the case of US tax services, KPMG shall not take into account any specific proposals to amend such statutes, regulations and treaties. The authorities referred to in this subsection 29(a) are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of KPMG's findings and may result in incremental taxes, interest or penalties. KPMG's findings will not otherwise take into account or anticipate any changes in law or practice, by way of judicial, governmental



or legislative action or interpretation. Unless Client specifically requests otherwise, KPMG will not update tax work to take any such changes into account.

b. KPMG will use professional judgment in providing advice, and will, unless Client instructs otherwise, take the position most favourable to Client whenever reasonable. All returns are subject to examination by tax authorities, and KPMG's advice may be audited and challenged by a tax authority. Client understands that KPMG's conclusions are not binding on tax authorities or the courts and should not be construed as a representation, warranty or guarantee that the tax authorities or courts will agree with KPMG's conclusion.

c. Client is also responsible for ensuring that KPMG's advice is implemented strictly in accordance with KPMG's recommendations. KPMG is not responsible for any penalties or interest assessed against Client as a result of a failure by Client to provide KPMG with accurate and complete information.

d. Unless expressly provided for, KPMG's services do not include representing Client in the event of a challenge by the Canada Revenue Agency or other tax or revenue authorities.

30. TAX SERVICES FOR SEC REGISTERED AUDIT CLIENTS AND/OR US TAX SERVICES

a. In circumstances where the services provided by KPMG hereunder: (i) involve the delivery of any tax services, Client is or is an affiliate of (whether at the time of the engagement or at any point thereafter) an entity that is registered with the United States Securities and Exchange Commission ("SEC"), and Client or such affiliate is audited by KPMG; or (ii) involve the delivery of US tax services, then the prohibition regarding the distribution of KPMG's reports and written advice set out in Section 5 of these Terms and Conditions shall not apply and no provision of the Engagement Letter is or is intended to be construed as a condition of confidentiality in relation to the tax services to which (i) and/or (ii) above are applicable. Further, in respect of the services to which (i) and/or (ii) above are applicable, no provision in the Engagement Letter or these Terms and Conditions is or is intended to be construed as a condition of confidentiality within the meaning of Internal Revenue Code ("IRC") sections 6011, 6111, 6112 or the regulations thereunder, or under any similar or analogous provisions of the laws of a state or other jurisdiction. In particular, Client (and each employee, representative, or other agent of Client) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of any transaction within the scope of the engagement and all materials of any kind (including opinions and other tax analyses) that are provided to Client relating to such tax treatment and tax structure. Client also agrees to use commercially reasonable efforts to inform KPMG of any conditions of confidentiality imposed by third party advisors with respect to any transaction on which KPMG's advice is requested. Such notification must occur prior to KPMG providing any advice with respect to the transaction.

b. For certainty, Section 5 of these Terms and Conditions shall continue to apply in its entirety, and this Section 30 shall not apply, to any tax services to which subsection 30(a)(i) and/or (ii) above are not applicable. In this Section 30, the term "affiliate" is interpreted as that term is used by the SEC with reference to auditor independence rules.

c. In respect of any tax services to which subsection 30(a)(i) or (ii) above are applicable, any reports or advice ("Tax Deliverable") released to Client in any form or medium shall be supplied by KPMG on the basis that it is for Client's benefit and use only. If Client refers to or discloses in whole or in part any Tax Deliverable to any third party, Client shall notify such third party in writing as follows: that (i) the tax services performed by KPMG for Client were designed to meet Client's agreed requirements only, as determined by Client's needs at the time; (ii) any product of the tax services should not be regarded as suitable to be used or relied upon by any party wishing to acquire any rights against KPMG other than Client; (iii) KPMG does not assume any responsibility in respect of the tax services performed for Client, any product of the tax services, or any judgments, conclusions, opinions, findings or recommendations that KPMG may have formed or made, to any party except Client; (iv) to the fullest extent permitted by law, KPMG accepts no liability in respect of any such matters to any other person; and (v) should any person or entity except Client choose to rely on the tax services or any product thereof, that person or entity will do so at their own risk. Notwithstanding the foregoing, (A) in the event of a disclosure made by Client that is required by law, that is made to a regulatory authority having

jurisdiction over Client, or that is made pursuant to subsection 30(a) above, no such notification shall be required and (B) no such notification shall be required with respect to disclosures expressly authorized by the Engagement Letter.

d. If Client refers or discloses in whole or in part any Tax Deliverable to any third party but does not notify such third party in writing as required in subsection 30(c) above, Client shall compensate KPMG and reimburse KPMG for and protect, indemnify and hold harmless KPMG against any Claim incurred by KPMG (including, without limitation, reasonable legal fees) as a result of, arising from or in connection with any such reference or disclosure, unless KPMG has agreed in writing with such third party to accept responsibility and liability to that third party in respect of the tax services and the Tax Deliverable. If any payment is made by Client under this subsection 30(d), Client shall not seek recovery of that payment from KPMG at any time. In this subsection 30(d), "KPMG" shall include KPMG and its subsidiaries, its associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives, and "Client" shall include Client, Client's affiliates and any other beneficiaries of KPMG's tax services. The foregoing indemnification obligations shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

e. Treasury regulations under IRC section 6011 require taxpayers to disclose to the IRS their participation in reportable transactions and IRC section 6707A imposes strict penalties for noncompliance. Client agrees to use commercially reasonable efforts to inform KPMG if Client is required to disclose any transaction covered by the Engagement Letter as a reportable transaction to the IRS or to any state or other jurisdiction adopting similar or analogous provisions. IRC section 6111 requires a material advisor with respect to a reportable transaction to disclose information on the transaction to the IRS by a prescribed date, and IRC section 6112 requires the material advisor to maintain, and make available to the IRS upon request, a list of persons and other information with respect to the transaction. KPMG will use commercially reasonable efforts to inform Client if KPMG provides Client's identifying information to the IRS under IRC section 6111 or 6112, or to any state or other jurisdiction adopting similar or analogous provisions.

f. For engagements where services will be provided by a KPMG International member firm with offices located in California, Client acknowledges that certain of KPMG's personnel who may be considered "owners" under the California Accountancy Act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. sections 51 and 51.1) and who may provide services in connection with the engagement, may not be licensed as certified public accountants under the laws of any of the various states.

31. DUE DILIGENCE SERVICES (TAX AND TRANSACTION SERVICES)

a. The procedures KPMG will perform are limited to those referred to in the Engagement Letter and its appendices. The procedures KPMG will perform are limited in nature and extent to those determined by Client to meet its needs and, as such, will not necessarily disclose all significant matters about Target or reveal errors in the underlying information, instances of fraud, or illegal acts, if any. KPMG provides no assurance and makes no representation regarding the sufficiency of the procedures either for the purpose of the proposed transaction in the context of which KPMG has been engaged or for any other purpose. KPMG's findings will not constitute recommendations to Client as to whether or not Client should proceed with any proposed transactions. In performing the procedures and reporting its findings, KPMG will rely exclusively upon information provided to KPMG by Target, its personnel and advisors, Client's advisors, and Client, and any publicly available information KPMG obtains, and will not independently verify the accuracy or completeness of such information. KPMG's procedures with respect to Target's financial information will be substantially less in scope than any audit or other attestation standards, including without limitation those established by the Auditing and Assurance Standards Board and the Chartered Professional Accountants of Canada. Consequently, KPMG expresses no opinion and will provide no other form of assurance on Target's prospective financial information, financial statements or Target's internal control over financial reporting.

b. Client agrees to review reports promptly and to advise KPMG on a timely basis of any additional procedures Client would like KPMG to perform or areas to address.



c. In the event KPMG performs procedures related to future-oriented financial information, KPMG will not compile, examine, or apply other assurance procedures to such information and, accordingly, will express no opinion or any other form of assurance or representations concerning its accuracy, completeness or presentation format. Future-oriented financial information is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

d. Unless specifically requested by Client, KPMG is not obligated to provide a copy of the report to Target for the purpose of confirming Target's representations concerning the accuracy of the factual information presented in the report. If Client would like Target to review the report, KPMG will require Client and Target to indemnify KPMG for any Claims arising out of or relating to such review on such terms and conditions specified by KPMG in its sole discretion. In certain instances, Client may request that KPMG's report be distributed to a third party for informational purposes. KPMG will consider consenting to distribution based on such factors as the identity of the third party and the third party's intended use of the report. If KPMG agrees to the distribution of the report to a third party, Client agrees to execute and agrees to require the third party to execute an agreement in the form provided by KPMG regarding the release of information.

e. Client expressly acknowledges and agrees that if Client and Target (as such terms are defined in the Engagement Letter) are the same entity, that all references herein to "Target" shall be deemed to be references to "Client".

f. The provisions of subsections 3(c)-(d) and Section 6 shall apply to information about Target provided to KPMG in the course of performing the services under the Engagement Letter. Client agrees to use all reasonable efforts to arrange for KPMG's access to Target's personnel and advisors, business offices and financial information as required for KPMG to perform the services contemplated by the Engagement Letter.

g. If KPMG serves as independent auditors of Target or another party disclosed to Client, or provides any other audit or attestation services to Target or such other party (such as the target of a contract compliance review or a party having a connection to an investigation or proceeding), Client hereby acknowledges and agrees that KPMG may be in possession of confidential information concerning Target or such other party that may be relevant to Client's due diligence procedures or other services KPMG is providing to Client under the Engagement Letter and that such information will not be disclosed to Client unless Target or such other party provides prior written consent to such disclosure or provides such information directly to Client or to the KPMG engagement team serving Client for purposes of the services under the Engagement Letter.

32. LOBBYING

Unless expressly stated in the Engagement Letter, KPMG will not undertake any lobbying activity, as that term is defined in all applicable federal, provincial and municipal lobbyist registration statutes and regulations, in connection with the engagement. In the event that KPMG and Client agree that KPMG will undertake lobbying activity in connection with the

engagement, such agreement shall be set out in an amendment to the Engagement Letter.

33. LLP.

KPMG LLP is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the LLP that arise from a negligent act or omission by another partner or any person under that other partner's direct supervision or control. The legislation relating to limited liability partnerships does not, however, reduce or limit the liability of the firm. The firm's insurance exceeds the mandatory professional indemnity insurance requirements established by the relevant professional bodies. Subject to the other provisions hereof, all partners of the LLP remain personally liable for their own actions and/or actions of those they directly supervise or control.

34. ALTERNATIVE DISPUTE RESOLUTION.

The parties shall, and shall cause both their and their respective subsidiaries', affiliates' and associated entities' current and former officers, partners, directors, employees, agents and representatives, to first attempt to settle any dispute arising out of or relating to the Engagement Letter or the services provided hereunder (the "Dispute") through good faith negotiations in the spirit of mutual cooperation between representatives of each of the parties with authority to resolve the Dispute. In the event that the parties are unable to settle or resolve a Dispute through negotiation within 30 days of when one of the parties has notified the other party of the Dispute by delivering a notice of dispute, or such longer period as the parties may mutually agree upon, such Dispute shall, as promptly as is reasonably practicable, be subject to mediation pursuant to the National Mediation Rules of the ADR Institute of Canada, Inc. that are in force at the time the notice of dispute is delivered. Any Dispute remaining unresolved for more than 60 days following the parties first meeting with a mediator or such longer period as the parties may mutually agree upon shall, as promptly as is reasonably practicable, be resolved by arbitration pursuant to the Arbitration Rules of the ADR Institute of Canada, Inc. (the "Arbitration Rules") that are in force at the time the Dispute is subject to arbitration. For certainty, the parties hereby waive any right they may otherwise have to bring a court action in connection with a Dispute. The parties also waive any right they may otherwise have to bring or participate in a class, collective or representative proceeding in connection with a Dispute, whether in court or before an arbitrator. The arbitrator's decision shall be final, conclusive and binding upon the parties, and the parties shall have no right to appeal or seek judicial review of the arbitrator's decision. For certainty, the parties hereby waive any right of appeal which may otherwise be available under applicable legislation or under the Arbitration Rules. The place of mediation and arbitration shall be the city in Canada in which the principal KPMG office that performed the engagement is located. The language of the mediation and arbitration shall be English.

Limestone District School Board

Audit Planning Report for the
year ending August 31, 2021

KPMG LLP

Chartered Professional Accountants,
Licenced Public Accountants

April 20, 2021

kpmg.ca/audit

KPMG



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KPMG contacts

The contacts at KPMG in connection with this report are:



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Executive summary

The purpose of this Audit Planning Report is to assist you, as a member of the Audit Committee, in your review of the planning of our audit of the consolidated financial statements (the “financial statements”) of the Limestone District School Board (the “Board”) as at and for the year ending August 31, 2021. As members of the Audit Committee, you have a significant role to play in the oversight of our audit and we welcome any and all observations you may have regarding the decisions reflected in this audit plan.

Audit quality

See page 2 for how we deliver audit quality and how you can measure our audit quality.

Audit and business risks

Our audit is risk-focused. In planning our audit we have taken into account key areas of focus for financial reporting. These include:

- Cash
- Grants including receivables and deferrals
- Capital assets and deferred capital contributions
- Accounts payable and accrued liabilities
- Employee benefit liability
- Long-term debt
- Financial reporting

See pages 3, 4 and 5.

Audit materiality

Materiality has been established by considering various metrics that are relevant to the users of the financial statements, including total revenue and total expenses. We have determined materiality to be \$7,500,000 (2020 - \$7,500,000).

See page 7.

Proposed fees

Proposed fees for the annual Board’s financial statement audit are \$45,500.

See page 11.

Newly effective accounting and/or auditing standards

There are no new accounting standards impacting financial reporting in the current year.

CAS 540 is applicable to the Board for the August 31, 2021 year-end audit relating to accounting estimates. As such, KPMG will be required to perform additional procedures over accounting estimates.

Please refer to Appendices 4 and 5 for relevant accounting and/or auditing changes relevant to the Board and relevant audit trends.

This Audit Planning Report should not be used for any other purpose or by anyone other than the Audit Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning 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.

Audit Quality: How do we deliver audit quality?



Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contribute to its delivery.

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

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 controls**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.



Doing the right thing. Always.

Audit risks

Relevant factors affecting our risk assessment

Complexity



Estimate



Related party transaction



Significant risk - professional requirements

Presumption of the risk of fraud involving improper revenue recognition

Why is it significant?

The risk has been rebutted as the Board does not have any external revenue drivers to inflate revenue being reported. Revenues are not complex and they do not involve elements of significant judgment and there are no external expectations specifically on the Board's revenue which will be used for significant financial decisions of third parties. There have been no changes on rebuttal of this risk from prior year audits.

Our audit approach

Not applicable.

Significant risk - professional requirements

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 audit approach

As the risk related to the management override of controls 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 and evaluating the business rationale of significant unusual transactions.

We also make enquiries of upper Management and the Audit Committee related to their awareness of fraud risk factors of the organization and whether the organization is currently dealing with any suspected, alleged or known fraudulent activity.

Audit approach

Areas of Audit Focus

The following accounts have been identified as significant, and our audit work will be focused on these items that represent the majority of assets, liabilities, revenue and expenses for the Board:

Accounts	Our audit approach
Cash	<ul style="list-style-type: none"> – Confirmation with third parties for cash & bank balances – Review of bank reconciliations and vouch significant reconciling items to supporting documentation – Review of restrictions and disclosures
Grants Accounts and grants receivable Deferred revenue	<ul style="list-style-type: none"> – Perform substantive analytical procedures over revenues and related accounts – Evaluate revenue recognition, revenue restrictions, deferral and presentation considerations – Vouch a selection of revenue transactions to supporting documentation to verify restrictions, if any – Direct confirmation of amounts received and receivable from the Ministry – Significant additions to and disbursements from deferred revenue vouched to supporting documentation – Ensure purpose-specific restrictions are recognized and accounted for appropriately
Tangible capital assets Deferred capital contributions	<ul style="list-style-type: none"> – Significant additions / disposals vouched to supporting documentation – Assessment of assets for write-down – Amortization of deferred capital contributions recalculated – Examination of supporting documentation related to restriction of funds intended for capital asset additions and treatment of proceeds from any disposed capital assets
Temporary borrowing Long-term liabilities Interest expense	<ul style="list-style-type: none"> – Confirmation of debt balances with third parties – Reasonability of interest expense on long-term debt including the interest accrual as at year-end
Accounts payable and accrued liabilities Non-payroll expenses	<ul style="list-style-type: none"> – Perform substantive analytical procedures over payables and non-payroll expenses – Significant accruals vouched to supporting documentation – Search for unrecorded liabilities – Evaluate completeness and valuation of the liability for contaminated sites, if any

Audit approach (continued)

Areas of Audit Focus

Accounts	Our audit approach
Salaries and benefits Employee benefit liability	<ul style="list-style-type: none"> – Test and evaluate design and operating effectiveness over controls related to payroll monitoring controls – Significant payroll-related accruals recalculated and vouched to supporting documentation – Perform substantive analytical procedures over salaries and benefits, and related accounts – Receipt and analysis of the actuarial report to independently verify employee future benefit accruals – We will review the assumptions used in the valuations and perform audit procedures on the underlying employee data provided to the actuary in the year of full valuation
Accumulated surplus	<ul style="list-style-type: none"> – Review of Board of Trustee and Audit Committee meeting minutes and legal correspondence – Direct communication with external legal counsel to ensure that all significant contingent liabilities are appropriately disclosed and/or recorded – Significant findings review with management
Contingencies and commitments	<ul style="list-style-type: none"> – Review by the engagement team of the financial statements prepared by the Board’s management to ensure the disclosure is consistent with current public sector accounting, disclosure requirements, as well as industry practice

These areas of audit focus may be revised because of new transactions or events at the Board, or changes in systems, people or structure, and/or the results of our audit procedures. KPMG will assess throughout the audit whether there are any activities that are outside the normal operations for the Board and will perform additional procedures if necessary. We will communicate any changes to the Audit Committee in our Audit Findings Report.

Additional audit-related work

KPMG will perform the following services in addition to the audit of the consolidated financial statements of the Board, either as a required deliverable per the engagement letter, or per request from the Board.

Additional audit work required to support our audit opinion on the financial statements

N/A	At this time, KPMG has not identified any additional, one-time audit procedures required to support our audit opinion of the consolidated financial statements. Any additional audit work identified during our audit will be discussed with Management and communicated to the Audit Committee in the Audit Findings Report.
Accounting Estimates	New auditing standards over auditing accounting estimates is applicable for the August 31, 2021 year-end audit. As such, additional procedures will need to be performed over estimates identified in prior years, as well as new accounting estimates have been identified in the current year under the new standards. As such, there will be additional efforts required to meet the required auditing standards. The results of the procedures will be communicated in the Audit Findings Report.
COVID-19	COVID-19 brings challenges to the financial statement audit, similar as it did in the August 31, 2020 audit. KPMG will be monitoring the environment as a result of COVID-19 until the August 31, 2021 financial statements have been issued in November 2021, and will inform Management and the Audit Committee of additionally required procedures to be performed to address risks that face the Board as a result of COVID-19. At this time, the full extent of additional procedures are not known.

Other audit-related activities

School generated funds	KPMG will perform an analysis utilizing computer-assisted audit techniques on fund balances followed by discussion with management.
School visits	In light of the pandemic, KPMG did not perform any school visits in 2020. At this time, it is unknown if such visits will be permissible and appropriate for the fiscal 2021 year. Historically, we have performed school visits at the request of management and review the processes and internal controls relevant to the school deposit, disbursement, and enrolment processes as school generated funds are consolidated into the Board's financial statement reporting.

Additional requested audit-related work

7th Month Specified Procedures	KPMG will prepare the Accountants' Report with respect to the period September 1, 2020 to March 31, 2021 7-month procedures as required by the Ministry of Education in May 2021.
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Materiality

Materiality is established to identify risks of material misstatements, to develop an appropriate audit response to such risks, and to evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality (e.g., performance materiality).

Materiality determination	Comments	Amount
Metrics	Relevant metrics include accumulated surplus, total revenue, total expenses, and other program costs.	
Benchmark	Based on prior year 2020 expenses. This benchmark is consistent with the prior year.	\$255,000,000 (2020 - \$267,000,000)
% of Benchmark	The corresponding percentage for the prior year's audit was 2.8%.	2.9%
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the consolidated financial statements. The corresponding amount for the prior year's audit was \$7,500,000.	\$7,500,000
Performance Materiality	Used 75% of materiality, and used primarily to determine the nature, timing and extent of audit procedures. The prior year amount was \$5,625,000.	\$5,625,000
Other Relevant Metric	Based on prior year 2020 revenue.	\$264,000,000
% of Other Relevant Metric	The corresponding percentage for the prior year's audit was 2.8%.	2.8%
Audit misstatement posting threshold (AMPT)	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the previous year's audit was \$375,000 or 5% of materiality.	\$375,000 or 5% of materiality

Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate. Our assessment of misstatements, if any, in amounts or disclosures at the completion of our audit will include the consideration of both quantitative and qualitative factors.

We will report to the Audit Committee:







Corrected audit misstatements

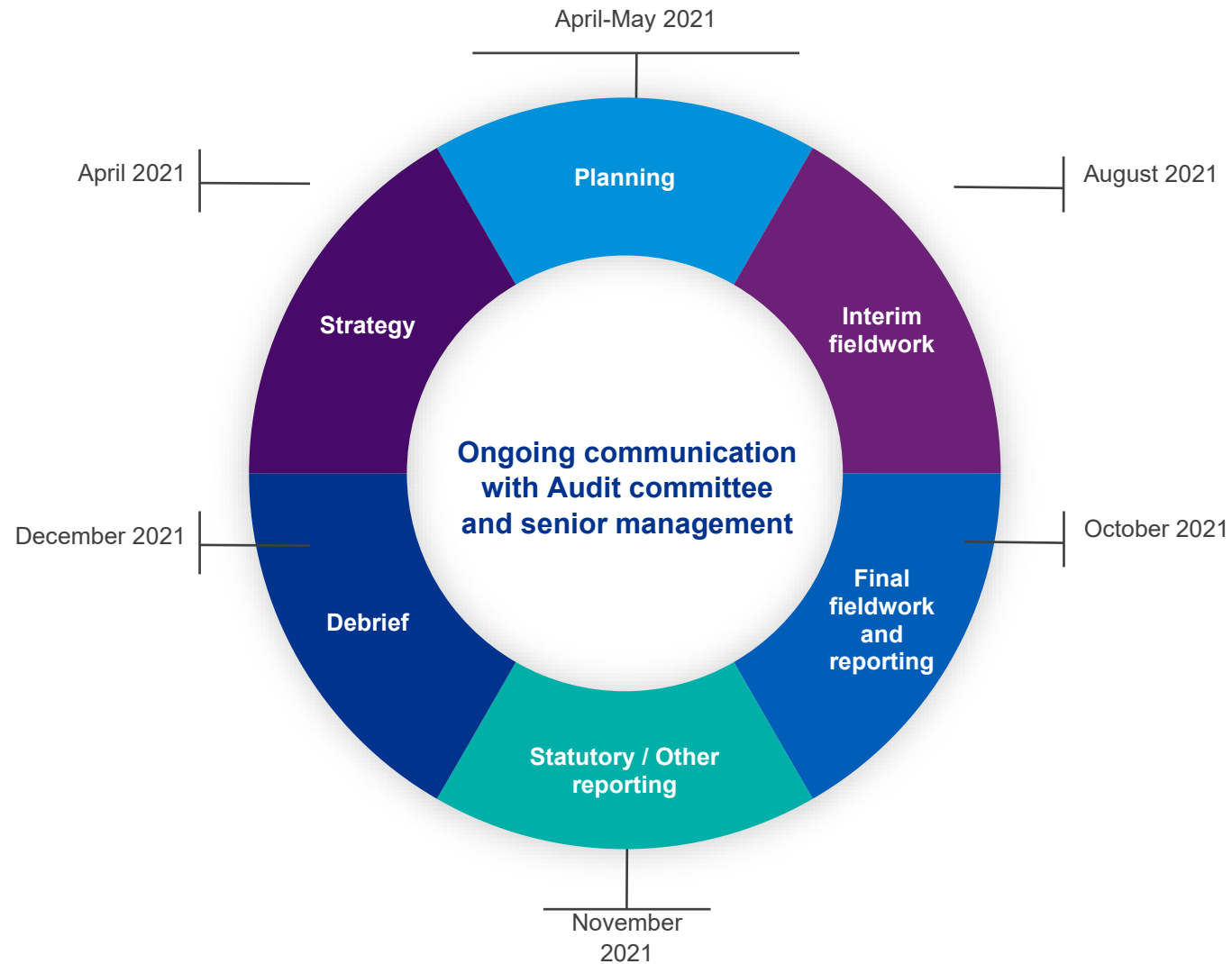


Uncorrected audit misstatements

Highly talented and experienced team

Team member	Background / experience	Discussion of role
 <p>Lori Huber, CPA, CA, LPA Lead Audit Engagement Partner Tel: 613-541-7320 lahuber@kpmg.ca</p>	<p>Lori has more than 20 years of public accounting experience, including extensive expertise auditing public sector and non-profit organizations including two local school boards. Lori's experience involves leading all aspects of audit planning, control and reporting.</p>	<ul style="list-style-type: none"> – Lori will be responsible for the quality and timeliness of our work and the conclusions reached by the engagement team. – She will provide the overall direction for audit and related services and will have frequent and direct contact with the Board. – Lori will help ensure the entity receives the full benefit of our audit and specialist resources on a timely and effective basis.
 <p>Anoop Sebastian Michael, CPA, CGA, FCCA (UK) Audit Manager Tel: 613-541-7327 anoopmichael@kpmg.ca</p>	<p>Anoop is a Manager and has experience working with a variety of public sector and not-for-profit audit clients including Limestone District School Board specifically.</p>	<ul style="list-style-type: none"> – Anoop will work closely with Lori in developing and executing the audit strategy. – He will be responsible for the overall engagement and project management including direct supervision and management of the audit, the development of the detailed audit approach in consultation with Lori, the identification of financial reporting and operational efficiency issues, as well as review of the audit.
 <p>Carmen Louie Audit Senior Accountant Tel: 613-541-7334 clouie@kpmg.ca</p>	<p>Carmen is a Senior Accountant in the audit practice and has successfully completed her professional examinations. Carmen has three years of experience working with a variety of public sector and not-for-profit audit clients including Limestone District School Board.</p>	<ul style="list-style-type: none"> – Carmen will also be responsible for the direct supervision of the audit, including the execution of the detailed audit approach in consultation with Lori and Anoop and the identification of financial reporting and operational efficiency issues, as well as review of the audit. – Carmen will be your main point of contact throughout the remote audit fieldwork.
 <p>Steve Hu, CISA, CPA, CA Senior Manager, IT Audit Tel: 613-212-3732 stevehu@kpmg.ca</p>	<p>Steve specializes in providing IT audit and Data & Analytics services to organizations in various industries (higher education, municipal and federal government, not-for-profit, private and public companies). As a leader for IT audit and a designated Digital Champion for KPMG Canada, Steve assists audit teams across Eastern Canada in implementing IT audit and D&A within their financial statement audits.</p>	<ul style="list-style-type: none"> – Steve will assist the audit team in our understanding of the Board's significant IT systems. – Steve will also provide guidance on Data & Analytics in the audit, as needed.

Key deliverables and milestones



Newly effective audit standards

New auditing standards that are effective for the current year are as follows:

Standard	Key observations	Reference
<p>CAS 540, Auditing Accounting Estimates and Related Disclosures</p> <p>Effective for audits of Entities with year-ends on or after December 15, 2020</p>	<p>This revised auditing standard is required to set a globally consistent approach for the audit profession. As estimates become more complex, the revised standard will assist auditors in critically assessing estimates and their elements and design sufficient and appropriate procedures to address those elements.</p> <p>Expected impact on the audit:</p> <ul style="list-style-type: none"> — more emphasis on the need for exercising professional skepticism — more granular risk assessment to address each of the components in an estimate (method, data, assumptions) — more granular audit response designed to specifically address each of the components in an estimate (method, data, assumptions) — more focus on how we respond to levels of estimation uncertainty — more emphasis on auditing disclosures related to accounting estimates — more detailed written representations required from Management 	<p>CPA Canada Client Briefing</p>

The relevant accounting estimates that we have currently identified for the Board's August 31, 2021 audit include, but are not limited to:

- allowance for doubtful receivables
- amortization of capital assets and deferred capital contributions;
- employee future benefits; and
- any accrued compensation.

In addition to the above identified accounting estimates, Management will provide self identified additional accounting estimates not already noted. Additional accounting estimates identified during the interim audit and from Management will be noted in the Audit Findings Report. For each relevant accounting estimate identified, KPMG will need to consult with Management to determine how each relevant accounting estimate has been developed and will perform independent testing to assess the reasonableness of Management's assumptions and data used in the development of the accounting estimate.

Proposed fees

In determining the fees for our services, we have considered the nature, extent and timing of our planned audit procedures as described above. Our fee analysis has been reviewed with and agreed upon by Management.

Our fees are estimated as follows:

	Current period (budget)	Prior period (actual)
Audit of the annual consolidated financial statements of the Limestone District School Board	\$45,500	\$45,000
Audit of the Specified Procedures Report	\$ 8,150	\$ 8,000

Matters that could impact our fee

The proposed fees outlined above are based on the assumptions described in the engagement letter.

The following factors could cause a change in our fees:

- Audit readiness, including delays in the receipt of requested working papers, audit samples, inquiries and financial statements information from the agreed upon timelines, and the books and records being properly closed at the start of our year-end audit work;
- The availability, participation and responsiveness of key Board team members during the audit;
- Significant changes to the relevant financial reporting framework;
- Significant new or changed accounting policies or application thereof;
- Significant changes to internal control over financial reporting;
- Significant changes in the nature or size of the operations of the Board beyond those contemplated in our planning processes;
- Significant unusual and/or complex transactions;
- New audit standards or requirements arising as a result of changes in audit standards;
- Changes in the timing of our work;
- Other significant issues (e.g. cyber security breaches);
- Any accounting advice; and
- Additional COVID-19 procedures.

Appendices

Content

Appendix 1: Required communications

Appendix 2: Use of technology in the audit

Appendix 3: Insights to enhance your business

Appendix 4: Current developments

Appendix 5: Audit and Assurance Insights

Appendix 1: Required communications

Independent Auditor's Report	Engagement letter
<p>A draft independent auditor's report will be provided at the meeting of the Audit Committee when the draft financial statements are presented by Management. The signed auditor's report will be provided upon the approval of the financial statements by the Board of Trustees, receipt of the signed management representation letter from Management and completion of all required audit procedures.</p>	<p>The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter and any subsequent amendment letters available through Management.</p>
Reports to the Audit Committee	Representations of management
<p>Audit planning report – as attached.</p> <p>At the completion of the audit, we will provide our findings report to the Audit Committee.</p>	<p>We will obtain from management certain representations at the completion of the annual audit. In accordance with professional standards, copies of the representation letter will be provided to the Audit Committee.</p>
Control deficiencies	Audit Quality
<p>On a timely basis, identified significant deficiencies and material weaknesses will be communicated to the audit committee in writing. Other control deficiencies identified that do not rise to the level of a significant deficiency or material weakness will be communicated to management.</p>	<p>The following links are external audit quality reports for referral by the Audit Committee:</p> <ul style="list-style-type: none">• CPAB Audit Quality Insights Report: 2020 Interim Inspection Results
Required inquiries	Matters pertaining to independence
<p>Professional standards require that during the planning of our audit we obtain your views on the identification and assessment of risks of material misstatement, whether due to fraud or error, your oversight over such risk assessment, identification of suspected, alleged or actual fraudulent behaviour, and any significant unusual transactions during the period.</p>	<p>At the completion of our audit, we will provide an update to our annual independence review to the Audit Committee.</p>

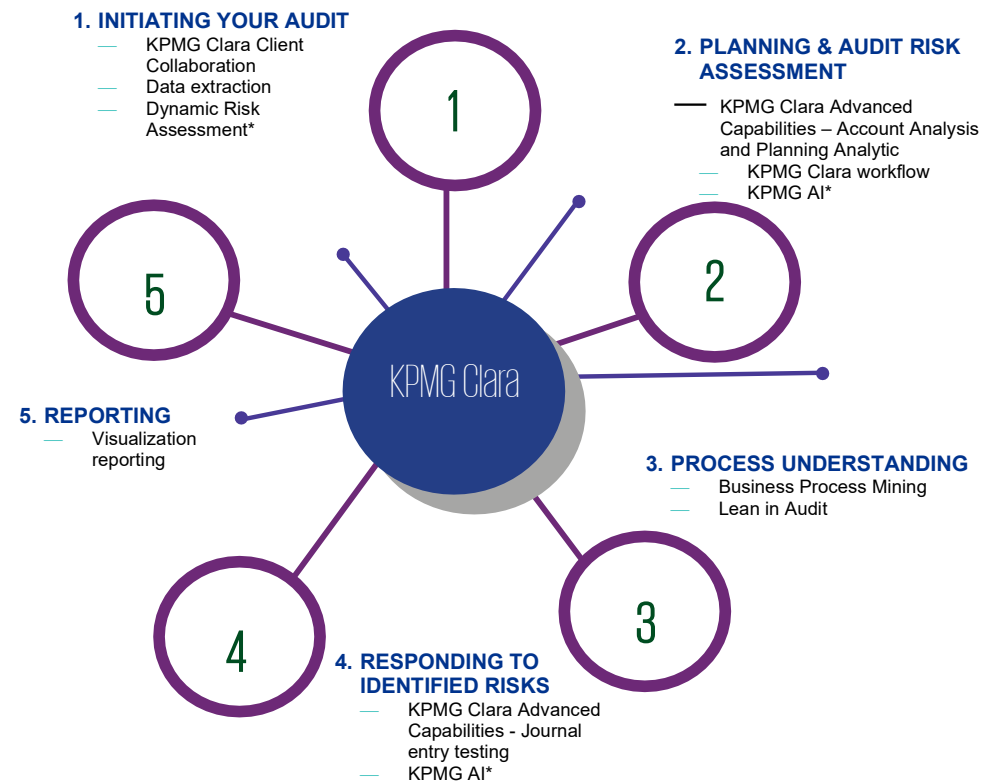
Appendix 2: Use of technology in the audit

Clara is KPMG's integrated, smart global audit platform that allows our teams globally to work simultaneously on audit documentation while sharing real time information. Clara also leverages advanced technology in the execution of various audit procedures, for overall risk assessment and for performing substantive audit procedures over 100% of selected transactions through the use of robotic process automation (KPMG "Bots"). KPMG's use of technology provides for:

1. a **higher quality audit** – looking at 100% of selected data
2. a **more efficient audit** as we are focussed on the transactions that are considered higher risk and
3. an audit that provides **insights into your business** through the use of technology in your audit with our extensive industry knowledge.

We are also actively piloting Artificial Intelligence ("AI") tools which will be used in future audits.

Our five-phased audit approach



Appendix 2: Use of technology in the audit (continued)

Phase 1: Initiating your audit

To ensure that you are involved in every step of the audit, management and the audit committee will have access to **KPMG Clara Client Collaboration (KCCC)**. KCCC is our secure audit platform and a one-stop shop through which we plan, execute and manage the audit. KCCC supports seamless collaboration between our audit team and your finance team, including exchange of information and access to the real time reporting you need in one central location, reducing the impact to your people in coordinating and overseeing the audit. It ensures there are no surprises during the execution of the audit and the ability to efficiently track issues and outstanding matters with a single click.

Want to know more about [KCCC](#)?

To ensure quick and efficient access to data, we use one of our available data extractions tools such as **DataShare**. DataShare is a data extraction tool that enables easy and reliable data extraction from compatible accounting systems to support our audit work. Using this secure push technology of DataShare, management will initiate and grant access to a brief connection allowing our software to extract a “read only” copy of your accounting data. The data extracted includes the current and previous year’s trial balance, general ledger, accounts receivable and accounts payable subledger, all in a standardized data format. This will save a considerable amount of time in the preparation and transfer of the data.

The performance of a financial statement audit is premised upon having access to the underlying financial accounting data. DataShare simplifies the extraction of this data by fully automating the process. Having a complete copy of your financial data in a standard format will facilitate the performance of our audit and allow us to incorporate automated procedures to improve both audit quality and value.

The data extracted by DataShare is stored on a secure, encrypted cloud-based servers stored in Canada as contemplated in our Standard Terms and Conditions (Section 4).

We have also developed several other data extraction scripts for accounting systems that aren’t currently compatible with DataShare.

We begin our audit process with our **Dynamic Risk Assessment (DRA)** tool which gives us a more sophisticated, forward-looking and multi-dimensional approach to assessing audit risk. Using network theory, DRA considers not just the traditional, two-dimensional view of severity and likelihood but also how interconnected the risks are, how fast they may emerge and how systemic they are. It provides a holistic enterprise-wide assessment of your risks, ensuring we have identified the relevant risk exposures that need to be incorporated into our audit approach.

Want to know more about [DRA](#)?

Phase 2: Planning and audit risk assessment

KPMG Clara Advanced Capabilities – account analysis and planning analytics incorporates structured rules, specific to your industry, to review your financial data and assist the engagement team in obtaining a more thorough understanding of the business processes and underlying flow transactions. Our advanced analytic tool enables a more precise risk assessment and development of a tailored audit approach.

Want to know more about [Clara Advanced Capabilities](#)?

We have partnered with Artificial Intelligence industry leaders to layer AI into our auditing platform, allowing us to scan 100% of your data and pull all of the risky transactions and anomalies out for further analysis. First generation analytical auditing tools relied on rules-based analysis, but our transparent AI tools allow us to dig deeper to spot the risks and identify new insights for you as they relate to your business.

Want to know more about [KPMG AI](#)?

The **KPMG Clara workflow** is our intelligent audit platform that tailors our audit to client specific circumstances and incorporates an enhanced methodology to facilitate every audit. The KPMG Clara workflow enhances quality through a more focused, deliberate, and precise risk assessment powered by our digitized methodology coupled with data analysis solutions. The workflow also enables a more efficient testing process with automation supporting both control and substantive testing.

Want to know more about the [KPMG Clara workflow](#)?

Phase 3: Process understanding

As part of understanding your processes, KPMG uses our **Lean in Audit methodology**. Our Lean in Audit methodology allows our team to work collaboratively with you to gain an in-depth understanding of selected end-to-end processes.

We also incorporate **Business Process Mining (BPM)** technology. BPM provides immediate visualization of how 100% of your transactions are processed to complement your process narratives & flow charts. A deeper understanding of your processes enhances our understanding of your business. This will ensure our team is focused on auditing the right risks & leveraging your team's resources efficiently. It helps us identify inefficiencies or manual workarounds in a process and highlights where the process is under stress.

Want to know more about [Business Process Mining](#)?

Phase 4: Responding to identified risks

Our KPMG advanced capabilities **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.

Appendix 3: Insights to enhance your business

We have the unique opportunity as your auditors to perform a deeper dive to better understand your business processes that are relevant to financial reporting.

An innovative audit approach to improve quality and value

Lean in Audit™ is KPMG's award-winning methodology that offers a new way of looking at processes and engaging people within your finance function and organization through the audit.

By incorporating Lean process analysis techniques into our audit procedures, we can enhance our understanding of your business processes that are relevant to financial reporting and provide you with new and pragmatic insights to improve your processes and controls.

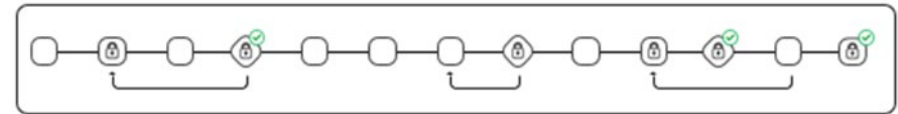
Clients like you have seen immediate benefits such as improved quality, reduced rework, shorter processing times and increased employee engagement.

We look forward to discussing this approach for your audit this year and selecting the relevant processes. We have also pivoted our approach during the pandemic and are pleased to offer these sessions to our clients in a virtual forum.

How it works

Standard Audit

Typical process and how it's audited



Lean in Audit™

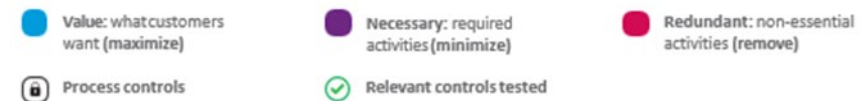
Applying a Lean lens to perform walkthroughs

Typically 95%+ is considered redundant through a customer's lens



How Lean in Audit helps businesses improve processes

Make the process more streamlined and efficient for all



Appendix 4: Current Developments

Current Developments, created by the KPMG Public Sector and Not-for-Profit Practice, summarizes some of the regulatory, operational and governance developments impacting public sector, charitable and not-for-profit organizations. We provide this summary to inform our clients of changes that they may impact their organization, and the trends we see in the industry based on our discussions with the management and Board members of our clients.

We attach this summary to our audit plans and audit findings reports that we provide to the Finance, Audit and Risk Committees of our public sector, not-for-profit and charity clients. Some of these developments may not impact your organization directly but we believe it is important for management and Committee members of charities and not-for-profit organizations to understand what is happening in the broader public, not-for-profit and charity sector.

Annual Accounting, Tax and Risk Update for Not-for-Profit Organizations

KPMG Eastern Ontario held its Annual Accounting, Tax & Risk Update for Not-for-Profit Organizations remotely on **November 5, 2020**. The seminar covered current accounting, tax, technology and risk issues, including some of those discussed below, in greater detail providing not-for-profit organizations and charities with guidance on new standards, regulations and best practices. This event consistently attracts over 200 executives, financial officers and Board members from the Eastern Ontario and area not-for-profit and charity community.

Audit Committee members are also invited to virtually attend these sessions. If you wish to have your name included on the invite list going forward, please e-mail Katie Horst at klhorst@kpmg.ca.

Return to Work Assurance

Returning to the physical workplace is a complex yet integral part of Organizations' recovery from the pandemic. Various considerations around health and safety will need to be taken into account when developing any return to work (RTW) strategy. However, the changing implications of COVID-19 make it challenging for organizations to navigate this landscape on their own.

Organizations have established several processes to help ensure that employee's health and safety risks are clearly understood and effectively managed. However, are these processes complete and do they continue to adapt to the evolving state of the pandemic? In this environment, there are still many questions left unanswered, but here is what we do know:

- Leaders will play an active role in managing mental health
- The municipalities guidelines for reopening will differ from other municipalities
- There will be frequent changes in requirements
- Best practices will evolve over a year or more, not in a matter of weeks
- There will be regional disparity in approaches
- There will be outbreaks of COVID-19 in the workplace
- The 9 to 5 workday will be challenged
- Technology will contribute to the solution and will permanently alter the workplace but will need time to evolve.

KPMG has developed a comprehensive people-centric *RTW Playbook*, which takes into account 23 different elements that need to be considered in order to bring staff and relevant stakeholders back to work, safely. The framework starts with a COVID-19 task force, and ends with case response procedure. Each of the 23 elements in the RTW Playbook has several action items tagged, providing a basis for a comprehensive RTW management system.

In order to help organizations navigate through this rapidly changing landscape, KPMG has developed the **Return to Work (RTW) Management Systems Framework**.

KPMG's RTW Management Systems Framework and related assurance will increase the Government of Canada's level of confidence over the comprehensiveness of its RTW program, by alignment to industry leading practices. Ultimately our framework will focus on the following categories aligned to the RTW framework:

- Governance;
- Planning and program design;
- Workforce preparation;
- Implementation and operations; and,
- Monitoring, maintenance and improvement.

The RTW framework and assurance provides management and executives with the “playbook” to implement RTW and the framework to manage and monitor, with the level of dashboard reporting to allow for dynamic and agile management actions.

Our approach consists of performing a current state assessment, gap analysis and RTW implementation roadmap, in order to support the implementation of appropriate management activities, and ultimately monitor and track successes. Our approach also offers several tools, including the RTW Dashboard, which is used as a reporting tool to assess and track all or portions of the Government of Canada's return to work management system, and the KPMG Workforce Safeguard App. For more information on Return to Work Assurance, please contact your relevant KPMG professional.

Government Subsidy Programs

The Government of Canada offers various subsidy programs to Organizations that meet various criteria and characteristics. Various programs continue to receive frequent and further information on eligibility, extensions to programs, and restrictions. As your trusted advisors, we are here to help. Because every Organization is unique, our experienced professionals can assist you with establishing that the methodology you use to determine eligibility – which can often be subjective – is consistent with similar organizations in your sector and across Canada.

Temporary Wage Subsidy (TEWS):

Organizations are eligible for the Temporary Wage Subsidy (TWS) who have a Canada Revenue Agency (CRA) payroll program account as of March 18, 2020, who paid remuneration to an eligible employee from March 18 – June 19, 2020, and who meet the business requirements per CRA. The subsidy correlates to 10% of the remuneration paid to an employee, up to a maximum amount.

With very frequent and potential significant changes and updates occurring relating to TWS, please continue to communicate with your KPMG professional for real-time updates, and opportunities where we are able to help.

Canada Emergency Response Benefit (CERB):

The Canada Emergency Response Benefit (CERB) gives financial support to employed and self-employed Canadians who are directly affected by COVID-19. Recent updates to the CERB consist of the extension from 4 months to 6 months, and the ability to repay amounts where the qualifications were not met. The CERB ceased on October 3, 2020.

Canada Emergency Wage Subsidy (CEWS):

In response to COVID-19, Canada enacted fiscal and tax relief intended to support individuals and businesses. Among other measures, Canada introduced temporary wage subsidies for businesses. The CEWS is a temporary subsidy that is available from March 15, 2020 until June 2021. Currently, the CEWS provides a two-part subsidy consisting

of a "base" and a "top-up" amount. The amount of the wage subsidy an eligible employer could qualify for varies, based on their decline of qualifying revenue during COVID-19 as well as the applicable period for the claim.

Canada Emergency Rent Subsidy (CERS):

Certain organizations affected by COVID-19 may be eligible to receive the CERS. Under this relief measure, businesses, eligible charities and nonprofits that experience a revenue drop would be eligible to claim a subsidy on eligible expenses, on a sliding scale up to a maximum of 65% of eligible expenses, including rent and interest on commercial mortgages, from September 27, 2020 until June 2021. Further, the government is also instituting a Lockdown Support Subsidy of 25% of eligible expenses for organizations that both qualify for the CERS temporarily shut down due to a mandatory public health order issued by a qualifying public health authority.

Canada Emergency Business Account (CEBA):

CEBA is being implemented by eligible financial institutions, in cooperation with Export Development Canada. The CEBA program provides interest-free loans of up to \$60,000 (recently expanded from \$40,000), a portion of which is forgivable if the balance is repaid on or before December 31, 2022. The forgivable portion related to the original loan of up to \$40,000 is 25% (up to \$10,000 forgiven), and the forgivable portion on additional loans of up to \$20,000 provided under the recent expansion of the program, is 50% (up to \$10,000 forgiven).

Accounting Estimates

As acknowledged earlier in this report, the new auditing standard over accounting estimates is in effect for audits of Organizations with year-ends on or after December 15, 2020. As a result of the revised methodology for auditing estimates, audit engagement teams globally will apply one methodology when auditing accounting estimates, including fair value accounting estimates, and related disclosures. Canadian Auditing Standards define an accounting estimate as a monetary amount for which the measurement in accordance with the requirements of the applicable financial reporting framework, is subject to estimation uncertainty.

Accounting estimates vary widely across Organizations and are required to be made by management when the monetary amounts cannot be directly observed. The process of determining accounting estimates involves selecting and applying a method using assumptions and data, which requires judgment by management and can give rise to complexity in measurement. The effects of complexity, subjectivity or other inherent risk factors on the measurement of these monetary amounts affects their susceptibility to misstatement. Similar to the variation among different Organizations, the degree to which an accounting estimate is subject to estimation uncertainty will also vary significantly. Examples of accounting estimates consist of, but are not limited to:

- Inventory obsolescence;
- Provision for doubtful accounts receivable;
- Employee future benefits;
- Amortization of property and equipment;
- Valuation of financial instruments;
- Outcome of pending litigation;
- Revenue recognized for long-term contracts;
- Impairment of long-lived assets or property of equipment held for disposal;
- Warranty obligations

Key concepts in this revised standard focus on assessment of risks, and the goal of your KPMG team is to obtain sufficient appropriate audit evidence about whether accounting estimates and related disclosures in the financial statements are reasonable in the context of the applicable financial reporting framework.

With the new accounting standards, organizations will be required to perform self-assessments of all applicable accounting estimates relevant to your Organization and support the determination and methodology of the calculation of all accounting estimates. In auditing accounting estimates, your KPMG team will work with management to complete the following:

- Understand the Organization and its environment, including internal controls over financial reporting;
- Understand the process, including understand the process by which each accounting estimate is developed, understand the nature and extent to which management uses the work of specialists of third parties (other than specialists), understand how management understands and addresses estimation uncertainty, and understand the elements of an estimate

Based on the understanding we have obtained from management, we will determine the components of the accounting estimate, perform a retrospective review and assess risk. The revision to our methodology includes the following additional considerations:

- Identification and addressing any management bias;
- Consideration of additional risk factors when assessing whether an estimate gives rise to a risk of material misstatement;
- Determination of components of an estimate and consideration of their differing risks;
- Identification and linkage of risk considerations of the methods, assumptions and data;
- Identification of individual items that contribute to risks individually, or in combination, and determination of our audit response for each applicable element;
- Performance of a retrospective review for all significant accounts and applicable disclosure for identification of a relevant assertion for an accounting estimate in the current year;
- Performance of an aggregate risk assessment

KPMG will test management's process for developing an accounting estimate through identifying controls for methods used, assumptions, and data and application, and will perform procedures to test methods, assumptions and data and application. Methods in which we will test the accounting estimate include:

- Developing an independent expectation of the accounting estimates;
- Evaluate events that occur after the measurement date that could impact the valuation of the accounting estimate;

Upon completion of all required relevant procedures, KPMG will determine whether the accounting estimates are reasonable or are misstated, and will request written representations from management and, when appropriate, those charged with governance about whether the methods, significant assumptions and the data used in making the accounting estimates and related disclosures are appropriate with the applicable financial reporting framework.

Cyber Security – Adapting to the 'new normal'

With the rapid move to a virtual environment for many Non-Profit organizations, this has brought its own set of challenges, and a change in the type of cyber threats that an organization faces. Being able to offer connectivity for your employees without interruption is also now more important than ever. How your people connect into your organization can represent a critical single point of failure.

Cyber criminals are also taking advantage of the virtual environment to target employees with 'phishing' emails based on current trends and news such as the COVID-19 related financial support programs. Making your people aware of these types of threats is key, as they represent your first line of defence.

This year we have also seen third party data breaches hitting the news which have particularly impacted the NPO sector. If you use a third party to manage your CRM system or they retain the personal data of your donors for example, you need to be sure that they are protecting that data sufficiently, and know the actions required if there was a data breach.

Members of Audit Committees should be asking management fundamental questions such as:

- Are we doing enough to reduce our Cyber risk to an acceptable level?
- What would the impact be on our operations and our organization of a ransomware attack, and how would we react?
- Now we are operating virtually, have we done it securely without relaxing our security or increasing our exposure?

Lean Approach

Our innovative audit approach, Lean in Audit™, further improves audit value and productivity to help deliver real insight to you. Lean in Audit is process oriented, directly engaging organizational stakeholders and employing hands-on tools, such as walkthroughs and flowcharts of actual financial processes.

By embedding Lean techniques into our core audit delivery process, our teams are able to enhance their understanding of the business processes and control environment within your organization – allowing us to provide actionable quality and productivity improvement observations.

Any insights gathered through the course of the audit will be available to both engagement teams and management. For example, we may identify control gaps and potential process improvement areas, while management has the opportunity to apply such insights to streamline processes, inform business decisions, improve compliance, lower costs, increase productivity, strengthen customer service and satisfaction and drive overall performance.

How it Works

Lean in Audit employs three key Lean techniques:

- Provide basic Lean training and equip our teams with a new Lean mindset to improve quality, value and productivity;
- Perform interactive workshops to conduct walkthroughs of selected financial processes providing end-to-end transparency and understanding of process and control quality and effectiveness;
- Quick and pragmatic insight report including immediate quick win actions and prioritized opportunities to realize benefit

Current Environment Adaptation

In the current environment, Organizations are working entirely remotely and we have tailored our methodology on the delivery and facilitation of interactive workshops to accommodate for current in-person restrictions. We are happy to inform our clients that we offer Lean in Audit workshops facilitated remotely, through the use of Microsoft Teams or Skype for Business. In facilitating workshops remotely, we are able to obtain the same high quality level of process information, and document the process live with the help of your teams.

Please reach out to your KPMG professional on more information on remote-workshops and to schedule workshops for your audit processes.

Audit response to COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial market and social dislocating impact. As such enhanced contingency and subsequent events procedures will continue to be warranted.

Audit response:

- Management will continue to be required to work with the audit team to customize language for an Impact of COVID-19 note.
- An assessment for any financial indicators of financial implications will be undertaken and documented by management and reviewed by the audit team.
- An additional required note to the financial statements will be included for all year-ends that occurred subsequent to the start of the pandemic per our Canadian Auditing Standards, similar to fiscal 2020.

Please visit our COVID-19 website for resources. This site is being updated daily based on information being released by Federal, Provincial and Municipal news releases. <https://home.kpmg/ca/en/home/insights/2020/03/the-business-implications-of-coronavirus.html>

Public Sector Accounting Update

Matter	Summary and implications
Asset Retirement Obligations	<ul style="list-style-type: none"> – The new standard is effective for fiscal years beginning on or after April 1, 2022. The effective date was deferred by one year due to COVID-19. – The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area. – The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets (“TCA”). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life. – As a result of the new standard, the public sector entity will have to: <ul style="list-style-type: none"> • Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; • Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; – Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.
Impact of COVID-19	<ul style="list-style-type: none"> – In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.
Connection Series	<ul style="list-style-type: none"> – Public Sector Accounting Standards are evolving – Get a comprehensive update on the latest developments from our PSAB professionals. Learn about current changes to the standards, active projects and exposure drafts, and other items. – Contact your KPMG team representative to sign up for these webinars. <ul style="list-style-type: none"> • Public Sector Minute Link
Revenue	<ul style="list-style-type: none"> – The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19. – The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. – The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. – The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Employee Future Benefit Obligations	<ul style="list-style-type: none"> – PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. In July 2020, PSAB approved a revised project plan. – PSAB intends to use principles from International Public Sector Accounting Standard 39 <i>Employee Benefits</i> as a starting point to develop the Canadian standard.

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- Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.

Public Private Partnerships ("P3")

- PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. PSAB is in the process of reviewing feedback provided by stakeholders on the exposure draft.
- The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.
- The exposure draft proposes that the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.
- The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.
- The final standard was approved in December 2020 with an issuance date of April 1, 2021 and an effective date of April 1, 2023.

Concepts Underlying Financial Performance

- PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.
 - PSAB has released four exposure drafts for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments. Comments on the exposure drafts are due in May 2021.
 - PSAB is proposing a revised, ten chapter conceptual framework intended to replace PS 1000 *Financial Statement Concepts* and PS 1100 *Financial Statement Objectives*. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced.
 - In addition, PSAB is proposing:
 - Relocation of the net debt indicator to its own statement and 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 non-financial assets before 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 rereasurement 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.
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International Strategy

- PSAB has reviewed all proposed options for its international strategy, and in accordance with its due process, approved the option to adapt International Public Sector Accounting Standards when developing future standards. PSAB noted that the decision will apply to all projects beginning on or after April 1, 2021.
- An exposure draft to modify the GAAP hierarchy has been issued with responses due by February 15, 2021.

Purchased Intangibles

- In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles.
 - PSAB has approved Public Sector Guideline 8 which allows recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to Section PS 1000 Financial statement concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS 1201 Financial statement presentation to remove the requirement to disclose that purchased intangibles are not recognized.
 - The effective date is April 1, 2023 with early adoption permitted. Application may be retroactive or prospective.
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Appendix 5: Audit and Assurance Insights

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

Featured insight	Summary
<u>KPMG Audit & Assurance Insights</u>	Curated research and insights for audit committees and boards
<u>COVID-19 Financial Reporting Resource Centre</u>	Resource center on the financial reporting impacts of coronavirus
<u>Accelerate</u>	The key issues driving the audit committee agenda in the time of COVID-19
<u>Board Leadership Centre</u>	Supporting you in your Director role
<u>Current Developments</u>	Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook.
<u>KPMG Global IFRS Institute</u>	The latest news, insights and guidance for boards, audit committee members, investors and all stakeholders about the evolving global financial reporting framework.



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