



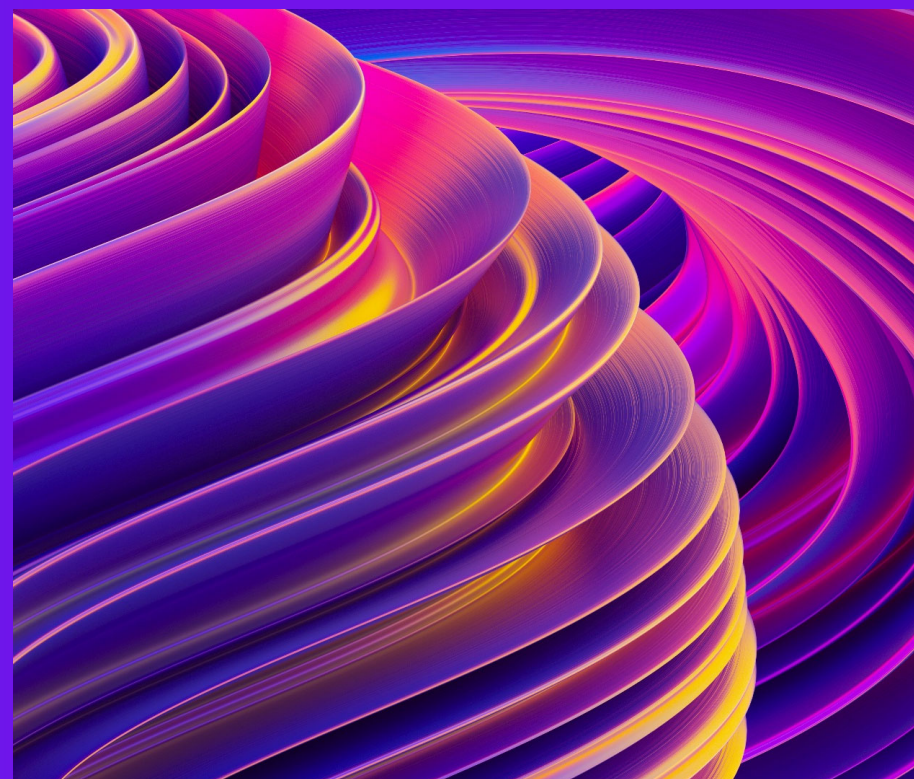
# The Corporation of the Town of Niagara- on-the-Lake

Audit Findings Report  
for the year ended  
December 31, 2023



Prepared as of July 24, 2024 presentation to council on July 30, 2024

[kpmg.ca/audit](https://kpmg.ca/audit)



# KPMG contacts

## Key contacts in connection with this engagement



**Carlos Alvarez**

Lead Audit Engagement Partner

905-523-2238

[carlosalvarez@kpmg.ca](mailto:carlosalvarez@kpmg.ca)



**Daniel Glasbergen**

Audit Manager

905-523-6851

[dglasbergen@kpmg.ca](mailto:dglasbergen@kpmg.ca)



**Bruce Peever**

Public Sector Advisory Partner

905-523-2224

[bpeever@kpmg.ca](mailto:bpeever@kpmg.ca)



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## Digital use information

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

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



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

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



No matters to report



Matters to report – see link for details

Status

We have completed the audit of the consolidated financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.

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Significant changes

Significant changes since our audit plan

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Risks and results

Significant risks

- Management Override of Controls
- Fraud risk from revenue recognition

Other risks of material misstatement

Uncorrected misstatements

Uncorrected misstatements

Corrected misstatements

Corrected misstatements

Control deficiencies

Significant deficiencies

Policies and practices & Specific topics

Significant unusual transactions

Accounting policies and practices

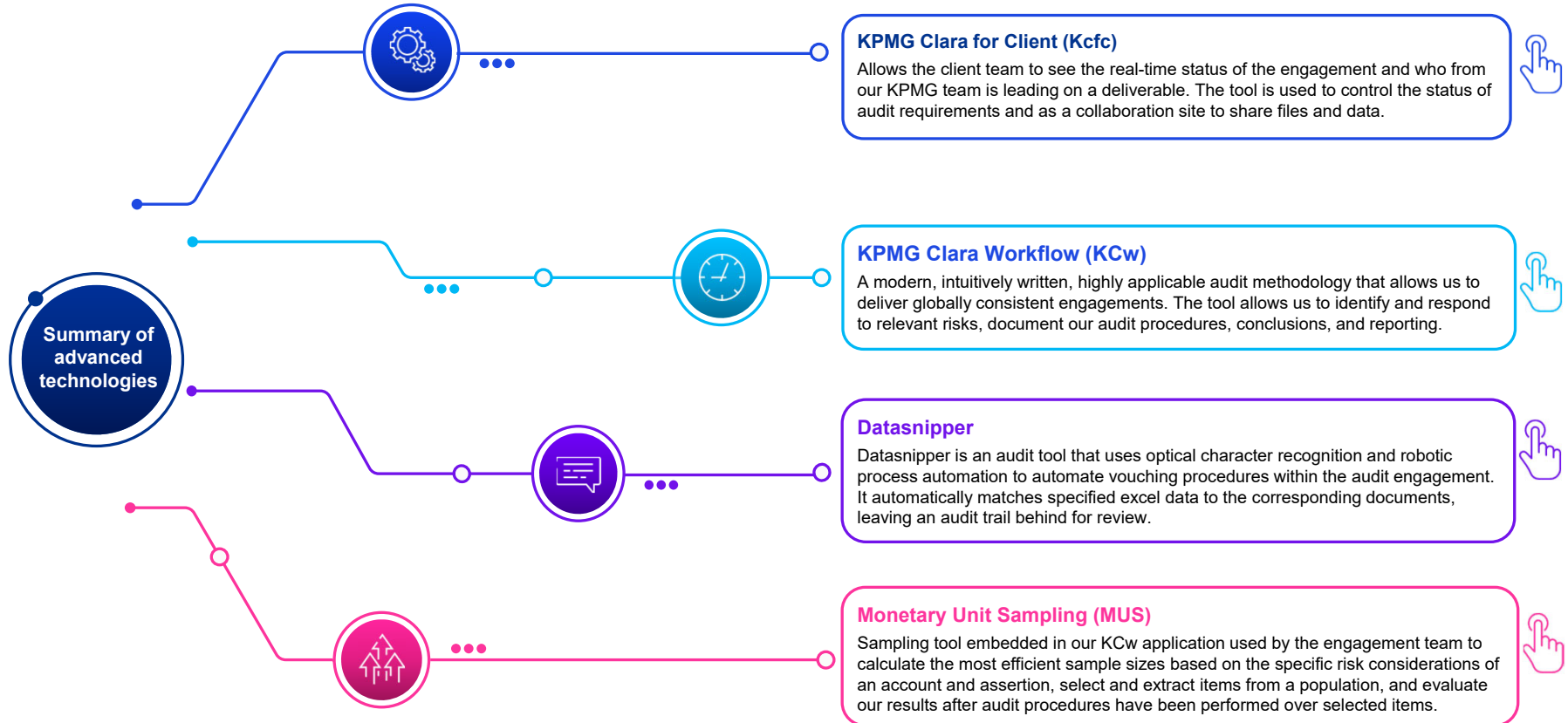
Other financial reporting matters

Specific topics



# Technology highlights

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





# Status

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

- Completion of final audit procedures, legal updates and final signoffs of the audit team
- Completing our discussions with you and obtaining evidence of Council's approval of the financial statements
- Obtaining the signed management representation letter from management following those discussions.

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

Our auditor's report, a draft of which is provided in Appendix: Draft Auditor's Report, will be dated upon the completion of any remaining procedures.



# Significant risks and results

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



## Fraud risk arising from management override of control

RISK OF



FRAUD

### Significant risk

### Estimate?

Consistent with the audit plan presented to you, and all audits performed under Canadian Auditing Standards, the risk of fraud arising from management's ability to override controls is a presumption which cannot be rebutted. This risk is present by default in all audits due to management's access to the financial reporting process and ability to override controls that other financial reporting staff may not be able to due to this high level of access and their role in the control process.

No

### Our response

- As disclosed in our audit plan, this is a presumed fraud risk present in all audits performed under Canadian Auditing Standards. This risk is non-rebuttable and must be addressed in each audit we perform.
- Our audit approach incorporates a degree of randomness, an aspect that we integrate into our audits to further address the assumed risk of fraud. We have conducted detailed examination of selected accounts on a random basis, option for accounts that have not been previously examined. By introducing this randomness, we disregard the monetary value of the accounts, thereby limiting management's capacity to anticipate which accounts will be evaluated during the audit.
- To address this risk and satisfy our professional requirements and standards, we have incorporated the following into our audit:
  - Retrospective review of material estimates which involve management's judgement or estimation
  - Testing of the entire population of journal entries, and specific item testing over those which are deemed to fit certain higher-risk criteria based on the Town's profile

### Significant findings

We noted no issues with regards to management override of controls during the performed of all of the procedures noted above and based on the results o other audit procedures. Consequently, we have no issues to report on this subject



# Significant risks



Management override of controls (non-rebuttable significant risk of material misstatement)  
(continued)

RISK OF



FRAUD

## Inquiries required by professional standards

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

Professional standards require that we obtain your view on the risk of fraud. We make similar inquiries to management as part of our planning process:

- How do you oversee fraud risk assessments and the establishment of controls to address fraud risks?
- What are your views about fraud risks at the Town?
- Are you aware of, or have you identified any instances of actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- Are you aware of or have you received tips or complaints regarding the Town's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
- What is Council's understanding of the Town's relationships and transactions with related parties that are significant to the Town?
- Does any member of Council have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?
- Has the Town entered into any significant unusual transactions?

Please provide your response to the above questions to Carlos Alvarez, Engagement Partner either by phone at 905-523-2238 or e-mail at [carlosalvarez@kpmg.ca](mailto:carlosalvarez@kpmg.ca).





# Significant risks and results

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



## Presumption of risk of fraud involving improper revenue recognition

RISK OF  
FRAUD

### Significant risk

### Estimate?

The assumed risk of fraud, specifically concerning improper revenue recognition, is a rebuttable risk that must be evaluated in every audit. In lien with our predetermined strategy, we have rebutted the assumption of a substantial fraud risk associated with revenue recognition. This conclusion is drawn from the characteristics of the Entity and its main sources of revenue, most of which are derived from third parties. These can be verified with funders and matches to underlying agreements.

No

### Relevant inherent risk factors affecting our risk assessment

- Fraud risk arising from improper revenue recognition is a presumed risk that must be considered in the planning and risk assessment phase of all audits performed under our professional standards in Canada. Due to the nature of the Town and the fact that a significant portion of its revenue relates to the annual tax levy, we have not identified any specific risks beyond those which are presumed.
- As disclosed in our audit plan, we have rebutted this presumption as we have not identified any specific risk factors and note that the majority of the Town's revenues are supported by third party or independent supporting evidence and do not involve significant complexity.
- Despite the rebuttal of this risk, we have conducted tests on all significant revenue accounts as part of our audit procedures. This is to ensure that we have gathered sufficient audit evidence concerning the assertions pertinent to revenue and associated accounts.

### Significant findings

- During the execution of all the aforementioned procedures, we did not identify any concerns pertaining to revenue recognition. Consequently, there are no reportable findings.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Government grants and development charges, including related deferrals

## Other risk of material misstatement

## Estimate?

Risk of material misstatement related to the completeness, existence and accuracy of grant and development charge revenue.

No

## Our response

- We performed substantive testing over the recognition of all significant government transfers and other similar inflows received from third parties.
- We obtained the grant revenue listing and the deferred revenue continuity schedule and selected samples for testing to determine if the selected amounts had been recognized in the current year in accordance with the appropriate legislation or agreements that the revenues pertain to.
- Additionally, we also performed procedures over grant related expenses to validate whether expenses applicable to the selected grants were incurred in the period and that funding related to grants was received in the period.
- We noted no misstatements based on our work performed.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Operating Expenditures, including Payroll

### Other risk of material misstatement

### Estimate?

Risk of material misstatement related to the completeness, existence and accuracy of expenditures.

Yes

### Our response

- We performed substantive sampling of operating expenditures, vouching to third party supporting documentation.
- A search for unrecorded liabilities was performed to ensure all 2023 expenses and accruals have been properly recorded.
- Additionally, we performed substantive procedures over payroll expenses and payroll accruals.
- We noted no misstatements based on our work performed.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.

Tangible capital assets	
Other risk of material misstatement	Estimate?
<p>Risk of material misstatement related to the completeness, existence and accuracy of tangible capital assets and related amortization expense. Potential risk with respect to valuation of certain assets should indicators of impairment be present.</p>	Yes
Our response	
<ul style="list-style-type: none"> <li>Consistent with our audit plan, and as expected for any municipality or equivalent government entity, tangible capital assets are a material balance within the statement of financial position and requires audit focus.</li> <li>Our audit approach involved the following substantive procedures:             <ul style="list-style-type: none"> <li>Trend analysis of annual amortization expenses.</li> <li>Roll forward of the tangible capital asset continuity schedule, including tie-out to the general ledger and financial statements</li> <li>Substantive sampling of material additions to tangible capital assets, vouching to third party supporting documentation to ensure items are capital in nature</li> <li>Substantive sampling of changes to work-in-progress assets, including contributed capital, vouching to evidence of costs incurred to date,</li> <li>Assessment of management's evaluation of indicators of impairment</li> </ul> </li> <li>We noted no misstatements based on our work performed.</li> </ul>	



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Post Employment Benefit Obligation

### Other risk of material misstatement

### Estimate?

Post employment liabilities involves the use of an actuary, assumptions and calculations which is an area that we perform procedures on.

Yes

### Our response

- We obtained most recent actuarial valuation and reviewed valuation to gain an understanding of assumptions and data used by management's expert
- We tested assumptions to ensure that assumptions used were appropriate
- We reviewed financial statement disclosures to ensure disclosures are adequate.
- We noted no misstatements based on our work performed.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Implementation of new PS 3280 – Asset Retirement Obligations

### Other risk of material misstatement

### Estimate?

As this is a new standard, there is risk of error on its implementation in the initial year. Based on the method of adoption chosen by the Town, there may be additional risk with respect to required financial statement presentation and disclosure. Yes

### Our response

- We performed substantive testing to ensure that a list of fixed assets used for the estimate is complete.
  - We inquired of management to gain an understanding of process to ensure alignment with objectives and requirements of new standard.
  - Obtained relevant support to test data used by management in calculation.
  - We performed benchmarking and analysis of key inputs and audited the mathematical integrity of any material calculations
  - We reviewed financial statements presentation and disclosure of the adjustments required to implement the standard
- We noted no misstatements based on our work performed.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Implementation of new PS 3450 – Financial Instruments

### Other risk of material misstatement

### Estimate?

As this is a new standard, there is risk of error on its implementation in the initial year.

No

### Our response

- We reviewed managements policy and investments to determine if any investments met criteria for standard
- We reviewed disclosure within the financial statements
- We noted no misstatements based on our work performed.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Long term investments

### Other risk of material misstatement

### Estimate?

Investment in NOTL Energy Inc. is significant given the size of and nature of the investment held.

No

### Our response

- We obtained related party balances and reconciled the amounts recorded to the NOTL Energy audited financial statements for the year ended December 31, 2023.
  - We tested management's calculation of the equity income
  - Audited the disclosures for accuracy
- 
- We noted no misstatements based on our work performed.





# Uncorrected misstatements

Uncorrected misstatements include financial presentation and disclosure omissions.



## Impact of uncorrected misstatements – Not material to the financial statements

- No uncorrected misstatements identified as part of testing.



# Corrected misstatements

Corrected misstatements include financial presentation and disclosure misstatements.



## Impact of corrected misstatements

- No corrected misstatements noted as part of audit process



# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

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

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

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

## A deficiency in internal control over financial reporting

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

## Significant deficiencies in internal control over financial reporting

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



# Accounting policies and practices



## Initial selection

The following new significant accounting policies and practices were selected and applied during the period.

- Asset Retirement obligations – PS 3280
- Financial Instruments – PS 3450



## Revised

Other than initial selection items note above, no revised accounting policies noted.



## Significant qualitative aspects

Other than initial selection items note above, no revised accounting policies noted.



# Other financial reporting matters

We also highlight the following:



**Financial statement presentation - form, arrangement, and content**



No matters to report.



**Concerns regarding application of new accounting pronouncements**



As mentioned on slide 15, the change to PSAS 3280 – Asset Retirement Obligations and PSAS 3450 – Financial Instruments are effective for the Town's fiscal year-ending December 31, 2023.



**Significant qualitative aspects of financial statement presentation and disclosure**



No matters to report.



# Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
<b>Illegal acts, including noncompliance with laws and regulations, or fraud</b>	No matters to report
<b>Related parties</b>	No matters to report



# Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code<sup>1</sup> and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



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



Ethics, independence and integrity training for all staff



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



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



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of compliance

We confirm that, as of the date of this communication, **we are independent** of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.

<sup>1</sup>International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

# Appendices

**A**

Required communications

**B**

Audit quality

**C**

New auditing standards

**D**

Insights

**E**

Environmental, social and governance (ESG)

**F**

Technology







# Appendix: Required inquiries with those charged with governance

## Required Inquiries:

As we complete the audit, we are required to make the following inquiries of Council:

- 1) Are you aware of any instances of fraud or misappropriation which have occurred from January 1, 2023 to the current date?
- 2) Are you aware of any significant legal or regulatory matters which we should be aware of that legal counsel may not have communicated to us?
- 3) Are you aware of any material subsequent events that you expect to be included in the draft financial statements?
- 4) Are you aware of any material related party transactions that are not currently disclosed in the draft financial statements?

## Independence:

The International Ethics Standards Board for Accountants (IESBA) is an independent standard-setting board that develops, in the public interest, independence and ethics standards for professional accountants. IESBA has issued revisions to the non-assurance services (NAS) provisions of the IESBA Code of Ethics for Professional Accountants.

We confirm that we remain independent of the entity and have not provided any services which would infringe on our independence as third-party auditors.



# Appendix: Draft auditor's report

Audit report has been provided as part of draft financial statements.



# Appendix: Other required communications



## Engagement terms

A copy of the engagement letter is available to council.



## CPAB communication protocol

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

- [CPAB Audit Quality Insights Report: 2021 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Interim Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)



# Appendix: Management representation letter(s)

Management representation letter has been provided directly to management



# Appendix: Audit quality - How do we deliver audit quality?

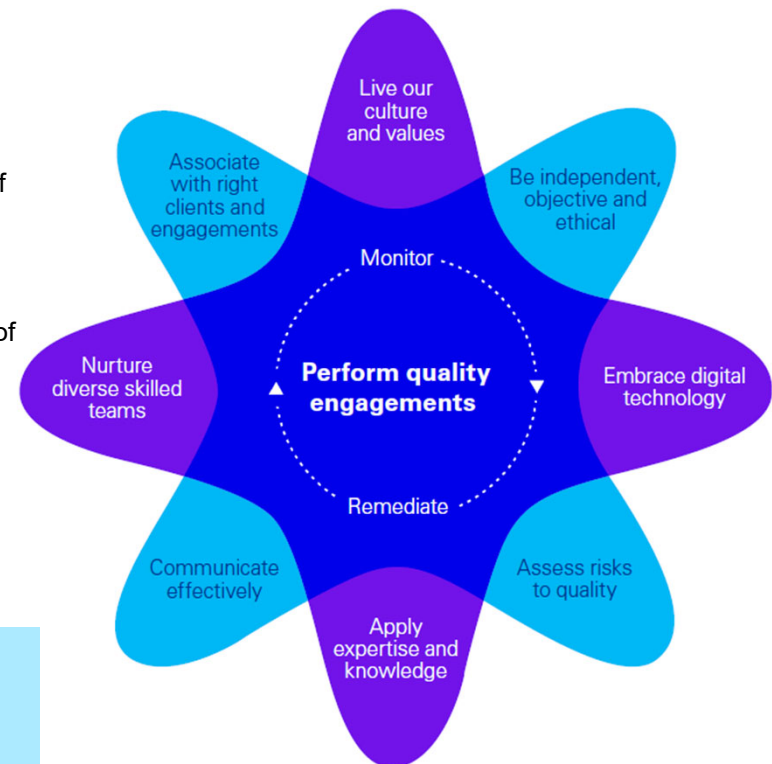
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

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

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



**Doing the right thing. Always.**



# Appendix: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards – see Current Developments 

## Effective for periods beginning on or after December 15, 2022

**ISA/CAS 220**  
.....  
(Revised) Quality management for an audit of financial statements

**ISQM1/CSQM1**  
.....  
Quality management for firms that perform audits or reviews of financial statements or other assurance or related services engagements

**ISQM2/CSQM2**  
.....  
Engagement quality reviews

## Effective for periods beginning on or after December 15, 2023

**ISA 600/CAS 600**  
.....  
Revised special considerations – Audits of group financial statements



# Appendix: Audit and assurance insights

Our latest thinking on the issues that matter most to Council and management.

## [KPMG Audit & Assurance Insights](#)

Curated research and insights for audit committees and boards.

## [Board Leadership Centre](#)

Leading insights to help board members maximize boardroom opportunities

## [Current Developments](#)

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

## [Audit Committee Guide – Canadian Edition](#)

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

## [Accelerate 2023](#)

The key issues driving the audit committee agenda in 2023.

## [Momentum](#)

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

## [KPMG Climate Change Financial Reporting Resource Centre](#)

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

## [IFRS Breaking News](#)

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.



# Appendix: ESG - Global regulatory reporting standards

	ISSB <sup>1</sup> and CSSB	Canadian regulators (CSA)	US (SEC <sup>2,3</sup> and California <sup>4</sup> )	EU <sup>5,6</sup>
Recent Activity	<ul style="list-style-type: none"> <li>On March 13, 2024 the Canadian Sustainability Standards Board (CSSB) released proposals on its first two Canadian Sustainability Disclosure Standards (CSDS): Exposure Draft CSDS 1 (proposed general requirements standard) and Exposure Draft CSDS 2 (proposed climate standard).</li> <li>The proposed standards are aligned with the global baseline disclosure standards IFRS S1 and IFRS S2 with the exception of a Canadian-specific effective date for annual reporting periods beginning on or after January 1, 2025 and incremental transition relief.</li> <li>In June 2023, the International Sustainability Standards Board (ISSB) issued its first two IFRS Sustainability Disclosure Standards – IFRS S1 (general requirements standard) and IFRS S2 (climate standard).</li> <li>The ISSB standards are effective for annual periods beginning on or after January 1, 2024 – subject to local jurisdiction adoption.</li> </ul>	<ul style="list-style-type: none"> <li>In parallel with the CSSB's release of its proposals on March 13, 2024, the Canadian Securities Administrators (CSA) issued a statement noting that they will seek consultation on a revised climate-related disclosure rule following the finalization of CSDS 1 and 2.</li> <li>In October 2021, the CSA issued their original proposed rule, proposed National Instrument 51-107 <i>Disclosure of Climate-related Matters</i>.</li> <li>Bill S-211, Canada's new Act on fighting against forced labor and child labour will take effect on January 1, 2024. Canadian and foreign businesses impacted by the Act will be required to file a report on their efforts to prevent and reduce the risk of forced labour and child labour in their supply chain, by May 31<sup>st</sup> of each year.</li> </ul>	<ul style="list-style-type: none"> <li>The SEC's final climate rule was issued on March 6, 2024.</li> <li>The final rule will generally apply to all SEC registrants; <i>including</i> foreign private issuers (Form 20-F filers); <i>excluding</i> Canadian issuers reporting under the Multijurisdictional Disclosure System (Form 40-F filers) and asset-backed issuers.</li> <li>The earliest compliance date is the fiscal year beginning in Calendar year 2025 for large accelerated filers.</li> <li>The SEC also issued its final rules on cybersecurity in July 2023 and expects to release proposed disclosure rules on human capital management in spring 2024 and corporate board diversity in fall 2024.</li> <li>On October 7, 2023, the California Governor signed two climate disclosure laws that will shape climate disclosure practices beyond the state's borders. The laws will apply to US businesses (including US subsidiaries of non-US companies) that meet specified revenue thresholds and do business in California. The Governor also signed the California voluntary carbon market disclosures bill.</li> </ul>	<ul style="list-style-type: none"> <li>The European Financial Reporting Advisory Group (EFRAG) was mandated to develop European Sustainability Reporting Standards (ESRSs) setting out the detailed disclosure requirements under the Corporate Sustainability Reporting Directive (CSRD).</li> <li>On July 31, 2023, the European Commission published the final text of its first set of twelve ESRSs as delegated acts</li> <li>The ESRSs will become effective as early as 2024 reporting periods for some companies.</li> <li>There are potentially considerable ESG reporting implications for Canadian entities – as most EU-listed companies and large subsidiaries of Canadian companies with significant operations in the EU are in scope. Non-EU parent entities with substantial activity in the EU may also be in scope, with separate standards to be developed for these entities, with an effective date of 2028 reporting periods</li> </ul> <ol style="list-style-type: none"> <li>1. Refer to our <a href="#">ISSB Resource Centre</a> for resources on implementing the IFRS Sustainability Disclosure Standards</li> <li>2. Refer to our <a href="#">Defining Issues</a> publication for more information on the SEC's final climate rule</li> <li>3. Refer to our <a href="#">Defining Issues</a> publication for more information on the SEC's cybersecurity rules</li> <li>4. Refer to our <a href="#">publication</a> on California's introduction of climate disclosures and assurance requirements</li> <li>5. Refer to our <a href="#">ESRS Resource Centre</a> for resources on implementing the ESRSs</li> <li>6. Refer to our <a href="#">publication</a> on the impact of EU ESG reporting on non-EU companies</li> </ol>





# Appendix: Continuous evolution

## Our investment: \$5B

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

## Responsive delivery model

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

## Result: A better experience

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





# Cyber Risk

## Strategy and Governance

Developing a future-ready cyber strategy tailored to business risk and enabling organizations to leverage data securely.



### Assessment & Certification

- Cyber Maturity Assessment
- Business Continuity
- Framework Gap Assessment
- ISO 27001 Certification

### Understanding and Managing Risk

- ✓ Demonstrating security strengths to clients
- ✓ Quantifying cyber risk across an organization
- ✓ Helping clients prepare and achieve certification
- ✓ Reducing organizations privacy risk

## Transformation

Creating frictionless security experiences, with intelligent decision making about who can access which information assets, when, and in what context.



### Implementation & Assistance

- Cloud Security
- Logging, Monitoring and Analytics
- Identity and Access Management
- Security Program Delivery

### Delivering Expertise for Transformation

- ✓ End-to-end approach including pre-implementation to post-implementation
- ✓ Bringing right sized solutions to match client needs
- ✓ Streamlining data protection responsibilities

## Cyber Defense

Enabling organizations to predict, prevent, detect and respond to security incidents while increasing efficiency of security tool orchestration



### Strengthening Security Posture

- Penetration Testing
- Application Security
- Security Analytics
- Technical Assessments

### Specialist Testing and Analytics

- ✓ Helping clients reflect on their internal threats
- ✓ Identifying the technical weaknesses
- ✓ Holistic and independent assessment
- ✓ Bringing the mindset of potential attackers

## Cyber Response

Developing and simulating cyber incidents and assisting organizations detect and respond to cyber breaches, by providing immediate response services



### Security Response Testing & Support

- Table Top Exercises
- Incident Response
- Post-Breach Services

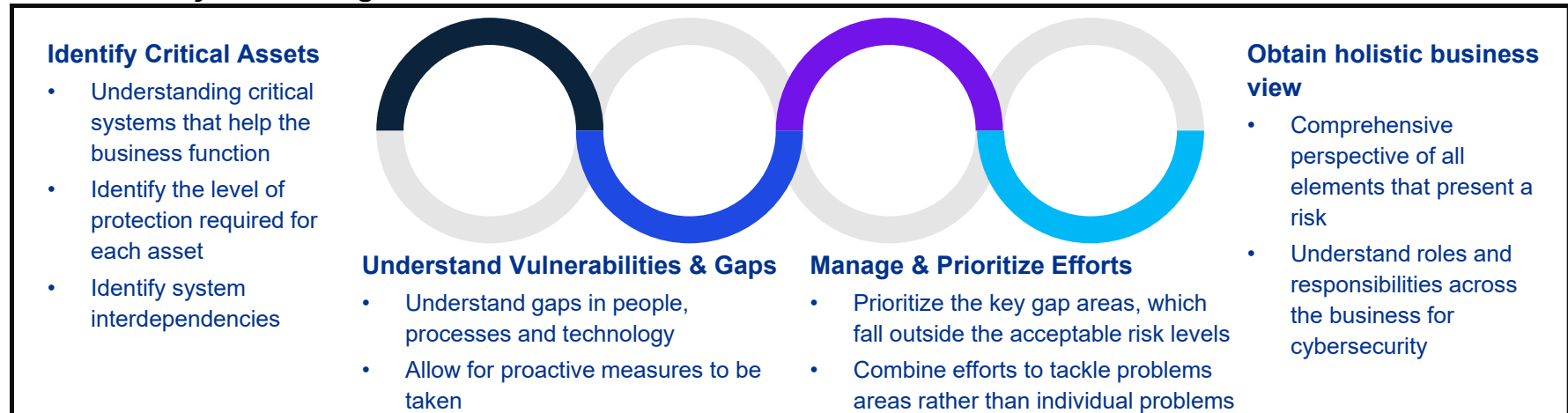
### Planning, Testing, Responding

- ✓ Helping clients with management of incidents
- ✓ Designing custom cyber incident simulations
- ✓ Business-focused response services



# Understand Current State

## What should you be doing:



## How a KPMG Cyber Maturity Diagnostic (CMD) can help:

KPMG's cyber maturity diagnostic includes a critical digital asset assessment which will identify critical digital assets of the organization, which includes systems and data repositories. Additionally it will develop a high-level threat profile that focuses on threat actors, their capability, level of interest and result to the threat profile of the organization.

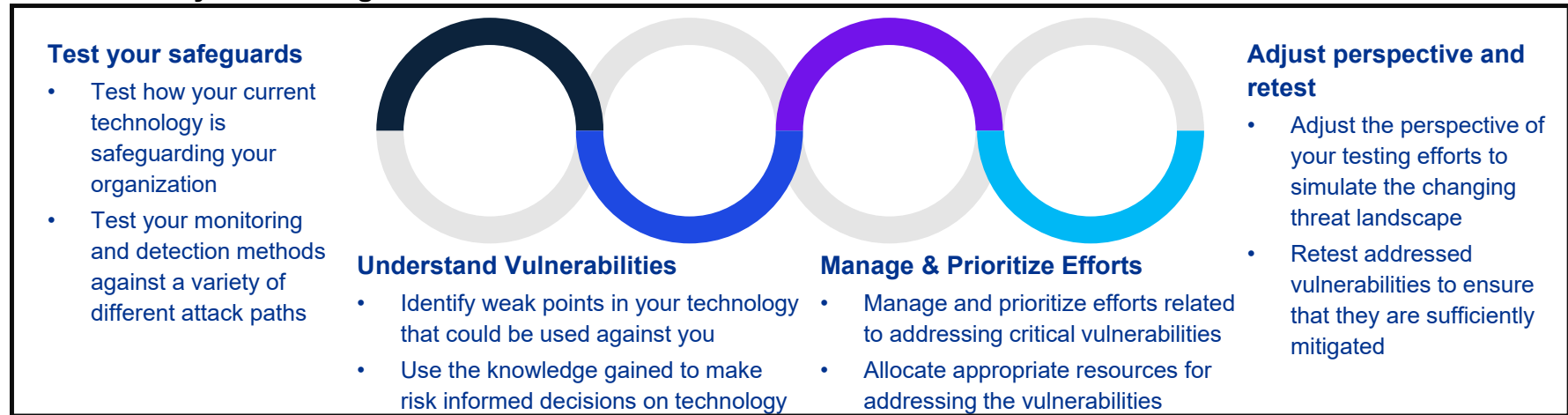
The CMD will leverage the framework of your choice to assess the current state of cyber security capabilities, involving a review of existing documentation and interviews with key stakeholders to identify gaps and areas for improvement.

Once the assessment is complete, KPMG will produce a CMD report that includes the critical digital asset assessment and threat profile, explicit descriptions of the identified gaps and their risk level, and detailed recommendations on how to mitigate each gap. Additionally, the report will include prioritized recommendations forming a roadmap with estimated timeframes for any suggested remediation work.



# Test your technology

## What should you be doing:



## How a KPMG Penetration Testing can help:

KPMG offers a wide array of penetration testing options such as Network Penetration, Web Application, Wireless Security, Mobile Application, and Configuration Review. As organization and their technologies mature, the testing requirements tend to change and reflect the areas which require the most attention.

To build a strong foundation for understanding vulnerabilities, KPMG proposes a two phases approach to starting penetration testing which includes an external network footprint discovery exercise and a network penetration test. The network penetration test will simulated attacks both externally and internally on an organization's network infrastructure to identify vulnerabilities, assess security controls and provide recommendations for strengthen network defences.

KPMG's penetration testing goes beyond traditional reporting by providing a detailed analysis of each identified vulnerability, providing the necessary evidence and proof of the vulnerability and explaining recommendations in a business context to ensure that both technical and managerial audience can understand the impact and required remediation efforts.

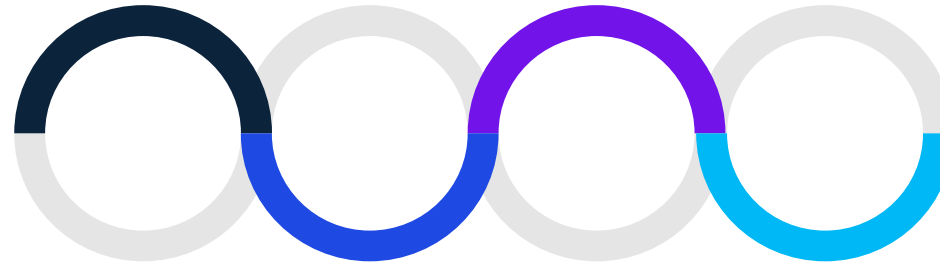


# Validate Response

## What should you be doing:

### Establish Response Plan

- Establish a series of response plans that will aid the organization in responding to a variety of different threats
- Train your people on how to operate the plans and what their responsibilities are



### Test & Validate Response

- Test and validate that the plan works as intended and information is accurate
- Identify gaps within your plans

### Make Improvements

- Make the necessary improvements to your plan, strengthening their effectiveness
- Adapt the plans to any major changes

### Adjust scenarios & retest

- Test your plans against the possible scenarios your organization may face
- Identify areas where your plans may not be able to support your team
- Test your plans again to further develop and tailor them to your organization

## How a KPMG Tabletop Exercise (TTX) can help:

KPMG's tabletop exercise services take a collaborative approach to incident response testing and improvement. We will work with you to understand the specific areas your organization is looking to test and tailor an exercise to match those needs. This scenario will combine the expert knowledge of KPMG and the business expertise from your organization to create a realistic scenario.

KPMG will facilitate the exercise and gather information on how your organization responds to the cyber incident beyond just the technical aspects. KPMG will also use the exercise as an opportunity to train and educate staff on incident response processes and procedures.

KPMG will deliver a detailed after-action report containing a summary of all findings and key recommendations, organizational strengths identified, detailed findings/gaps noted in the organizations incident response approach, detailed recommendations to address the findings/gaps, and a future tabletop exercise planning guide based on KPMG's observations to help the organization strengthen priority areas.



# Increase Resilience

## What should you be doing:



## How a KPMG Resilience Assessment can help:

KPMG's resilience assessment helps to determine what measures are currently in place at the organization and how effective they are. It will provide you with a detailed understanding of your current capabilities and what potential gaps in business information exist.

Additionally, the resilience assessment will provide the organization with a dashboard displaying the readiness of each department and how prepared they are to respond to a variety of different disruptions. The helps illustrate the types of events that departments are capable of withstand and which type of events require additional attention to achieve an acceptable level of disruption.

KPMG's resilience assessment will also produce a detailed understand and recommendations on what the businesses identified gaps are and how to remediate or mitigate them.



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

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