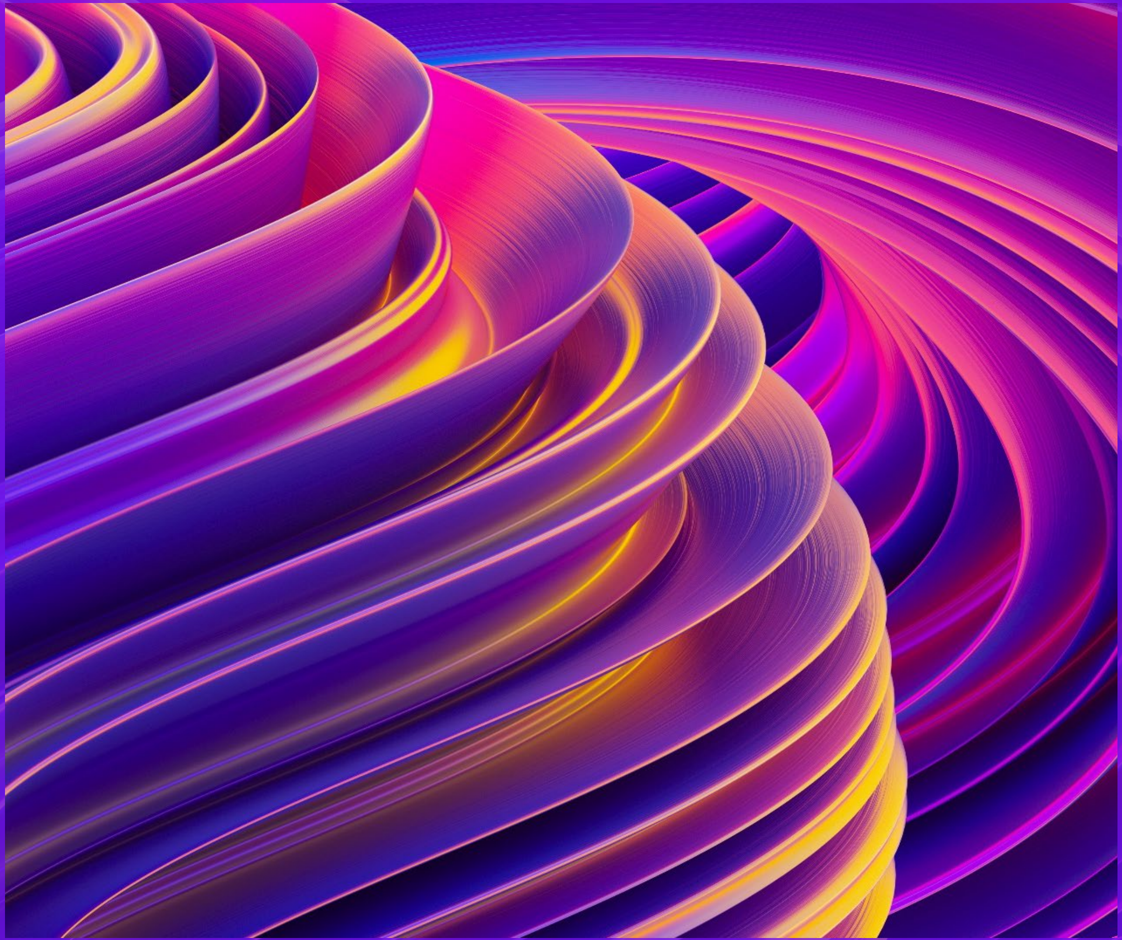
The Corporation of the District of Central Saanich



Audit Findings Report for the year ended December 31, 2023

KPMG LLP

Prepared for the meeting on May 13, 2024

kpmg.ca/audit

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The purpose of this report is to assist you, as a member of the Management and 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.

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.

Audit highlights

No matters to report

Matters to report – see link for details

Scope

Our audit of the financial statements of Corporation of the District of Central Saanich (the "District") as of and for the year ended December 31, 2023, was performed in accordance with Canadian generally accepted auditing standards.

Status

We have completed the audit of the financial statements, with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.

Materiality

Materiality $800,000

Risks assessment and results

Risk of management override of controls

No issues were noted in our testing over this non-rebuttable significant risk

Significant risks

No significant risks to report beyond those required by professional standards

Other areas of audit focus

Going concern matters

Uncorrected misstatements

Uncorrected misstatements

No uncorrected misstatement.

Corrected misstatements

Corrected misstatements

No corrected misstatements identified.

Control observations

Control observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting. We have provided an update on prior year control observations.

Policies and practices

Accounting policies and practices

Other financial reporting matters

Status

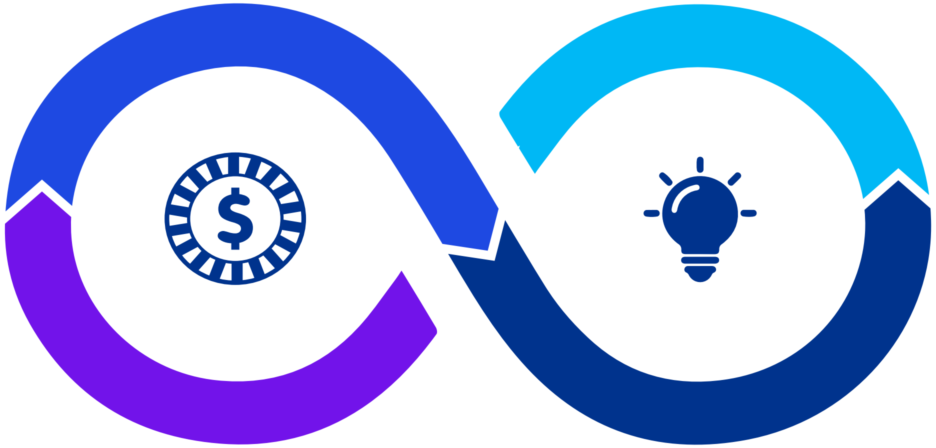
As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Council
- Obtaining evidence of the Council’s acceptance of the financial statements
- Obtaining a signed management representation letter

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

A draft of our auditor’s report is included in the draft financial statements.

Materiality



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

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

Plan and perform the audit

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

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

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

Evaluate the effect of misstatements

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

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

Materiality

Materiality
$800,000
(2022: $800,000)

Total expenses
$31,436,197
(2022: $29,192,337)

% of Benchmark
2.54%
(2022: 2.74%)

Audit Misstatement Posting Threshold
$40,000
(2022: $40,000)

Significant risks

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

RISK OF **FRAUD**

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

Why is it significant?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

Our planned response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- testing of journal entries and other adjustments,
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

There were no issues noted in our testing.

Fraud inquiries of those charged with governance

Inquiries required by professional standards

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:

- 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?
- What are your views about fraud risks in the entity?
- How do you exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the entity and internal controls that management has established to mitigate these fraud risks?
- What is the Council's understanding of the entity's relationships and transactions with related parties that are significant to the entity?
- Does any member of the Council have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?
- Has the entity entered into any significant unusual transactions?

Other areas of audit focus and results

Revenue and deferred revenue

Our response and findings

- Government transfer revenues comprised of grants from other government sources were tested by way of sampling; a selection of revenue transactions were compared to invoices and cash receipt. We assessed the recognition of government transfers against the recognition principles of public sector accounting standards.
- Analytical procedures were performed over over property tax revenue, permits, licenses and interest revenue, and sale and user fee revenue, developing an independent expectation of the balance and comparing to actual.
- Deferred revenue receipts and disbursements were sample tested to verify that the amounts recognized as an increase met the definition of a liability and disbursements met the required stipulations to be recognized as revenue.

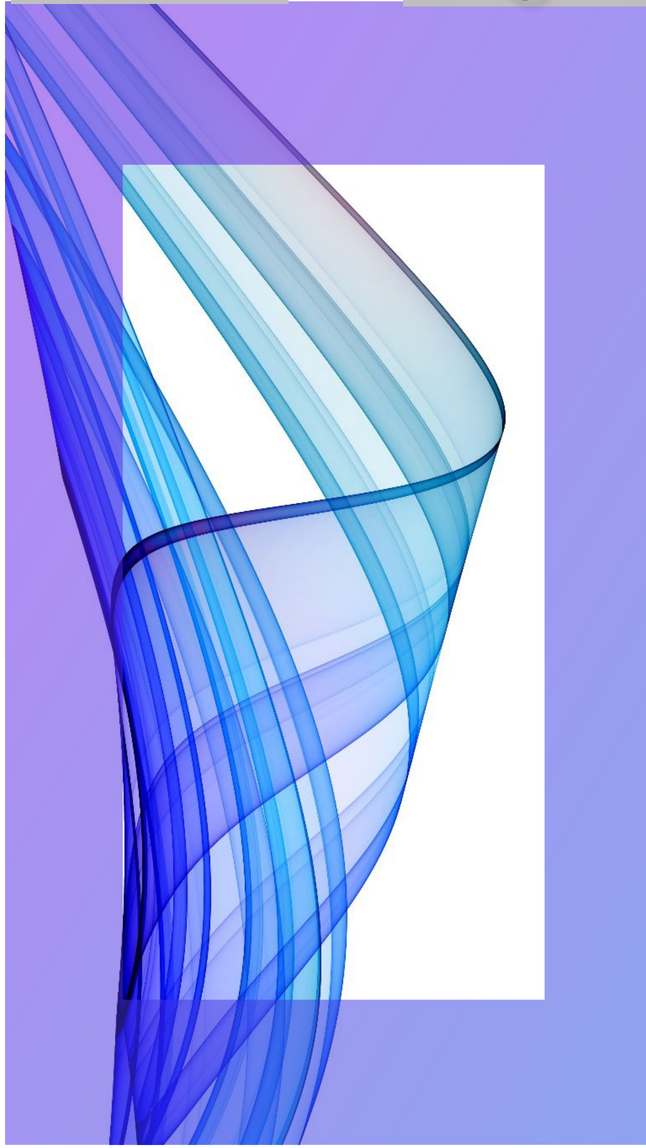
There were no issues noted in our testing.

Tangible capital assets

Our response and findings

- We tested a sample of asset additions by agreeing amounts to invoices or other supporting documentation.
- We calculated expected amortization expense based on known amortization rates and compared the expected amortization expense to actual.
- We tested transfers from construction in progress to assets in use and confirmed the transfer occurred in the correct period and to the appropriate asset class.

There were no issues noted in our testing.



Other areas of audit focus and results

Asset retirement obligations

The District adopted PS 3280 *Asset Retirement Obligations* (“ARO”) for the fiscal year ended December 31, 2023. This standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. Under the new standard, an entity is required to review its tangible capital assets and identify any legal obligations associated with the retirement of those tangible capital assets (ex: removal of asbestos), estimate the future remediation cost, and record the future obligation as a corresponding depreciable asset and liability in the statement of financial position today.

Management estimated the District’s asset retirement obligation to be $693,855 on adoption.

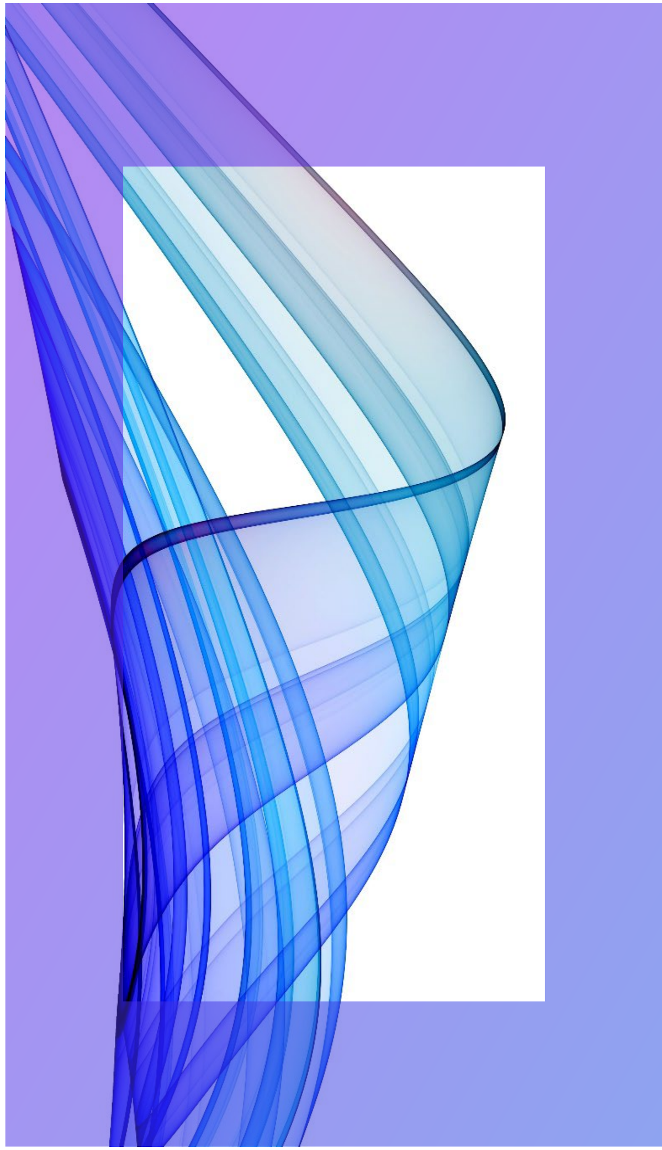
Our response and findings

- We obtained an understanding of management’s process for adopting the standard through discussion with management and review of management’s scoping and measurement assessment.
- We assessed completeness of in-scope identified assets, through discussions with management, review of external hazardous materials reports, and review of other external source documents to validate whether any AROs existed at the financial reporting date.
- We tested the accuracy of the calculations made by management to arrive at the estimated remediation cost, including validating the appropriateness of inputs and assumptions impacting the calculations.
- We reviewed the related financial statement disclosures and accounting policies.

The District has applied the prospective transitional provisions on initial implementation of PS 3280. There was no impact to prior year comparative balances in the financial statements.

We noted no issues as a result of our audit procedures.

The assumptions and data used to estimate asset retirement obligations will change over time, for example the estimated cost, retirement date, price escalation and discount rate. As the District performs remediation work, the retirement obligation should be reduced. These activities will require ongoing monitoring to maintain the accuracy of reporting related to asset retirement obligations in future years.



Other areas of audit focus and results

Cash, investment and debt

Our response and findings

- We confirmed cash and investment balances held as at December 31, 2023 with the appropriate financial institutions and reviewed bank reconciliations for all key operating accounts to identify and verify any significant period end reconciling items.
- We confirmed debt balances held as at December 31, 2023 with the Municipal Finance Authority and verified the accuracy of related accounts and disclosures.
- Management performed an assessment of the impact of adopting PS3450 *Financial Instruments* and PS 2601 *Foreign Currency Translation.* The District does not hold any financial instruments which are mandatorily held at fair value and did not make any policy decisions to hold other financial instruments at fair value. There was no impact to the valuation of any financial instruments on adoption of these standards.
- Management included appropriate additional disclosures on credit, liquidity and market risk in the financial statements in accordance with the requirements of the new standard.

There were no issues noted in our testing.

Other areas of audit focus and results

Accounts payable, accrued liabilities and expenses (including payroll)

Our response and findings

- We performed a search for unrecorded liabilities by testing payments made subsequent to year end and assessing the completeness of liabilities and expenses.
- We compared actual expenses and liabilities to expectations taking into account known significant changes in operations and costs.
- We verified the accuracy of accruals to assess their reasonability.
- We compared actual payroll expense to budgeted amounts and investigated significant variances.
- We assessed the disclosures related to employee retirement benefit obligations and agreed amounts and assumptions disclosed to the actuarial report obtained by management.

There were no issues noted in our testing.

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.

We did not identify any significant deficiencies in internal control over financial reporting.

Control and other observations

Update on prior year other observations

Description	Observation and recommendation	Current year update
Related party relationships and transactions	Effective for fiscal years beginning after April 1, 2017 entities operating under PSAB standards are required to disclose related parties transactions meeting certain criteria. Management are aware of the requirements and KPMG notes that through the Code of Ethics employees and Councillors are aware of their responsibilities, however there are no formal controls in place. KPMG recommends the development of a formal policy supporting the implementation of a declaration of any related parties and related party transactions for members of Council, senior management and their close family members. A register of all identified related parties should be kept and reviewed to support the monitoring of any related party transactions in the period.. **2023 Update** Management implemented a declaration of related parties and transactions process for Councillors and senior management. This captures close family members. All elected officers and senior management completed their declaration of interest in 2023.	KPMG notes that declaration of interest was completed in 2023 as in 2022. However, there is no formal policy to provide guidance for the completion of these disclosures. KPMG continues to recommend the development of a formal policy to provide guidance for and to support enforcement of the completion the disclosures. This should include procedures for management to follow when the policy is not adhered to.

Control and other observations

Update on prior year other observations

Description	Observation and recommendation	Current year update
Expense reimbursement approvals	KPMG selected a sample of expense claims made by the Mayor, Councillors and senior management during the year. The current approval practice is for the Chief Administrative Officer or Chief Financial Officer to approve expense claims, including those from members of Council. The Director of Financial Services and Manager of Finance may also periodically approve expense claims. We recommend expense reports be reviewed and approved by an individual of higher authority than the individual claiming reimbursement. The CAO, for example, should review expense claims of all Director level staff. CAO expenses should be reviewed and approved by a member of Council.	KPMG notes that expenses are now approved by a higher level of authority either before or after the cash disbursement is made.

Other financial reporting matters

We also highlight the following:

Significant accounting policies	• Management adopted PS 3280 *Asset Retirement Obligations* during the year using the prospective method. There were no issues noted as a result of adoption. • Management adopted PS 3450 *Financial Instruments* and PS 2601 *Foreign Currency Translation* during the year. There were no issues noted as a result of adoption. • There were no significant accounting policies in controversial or emerging areas. • There were no issues noted with the timing of the District's transactions in relation to the period in which they were recorded. • There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions. • There were no issues noted with the extent to which the financial statements are affected by non recurring amounts recognized during the period and extent of disclosure of such transactions.
Significant accounting estimates	• There were no issues noted with management's identification of accounting estimates. • There were no issues noted with management's process for making accounting estimates. • There were no indicators of possible management bias. • There were no significant factors affecting the District's asset and liability carrying values.
Significant qualitative aspects of financial statement presentation and disclosure	• There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures. • There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements. • There were no significant potential effects on the financial statements of significant risks, exposures and uncertainties.

Appendices

1. Required communications
2. Management representation letter
3. Audit quality
4. Current developments
5. Changes to auditing standards
6. Thought leadership and insights

Appendix 1: Required communications

Auditor's report	**Engagement letter**
Refer to the draft report attached to the financial statements.	A copy of the engagement letter has been provided to management.

Independence	**Management representation letter**
We are independent and have a robust and consistent system of quality control. We provide complete transparency on all services and follow the Board's approved protocols. We confirm our independence to the Board.	A copy of the management representation letter is attached.

Appendix 2: Management representation letter

See attached management representation letter

Appendix 3: Audit quality - How do we deliver audit quality?

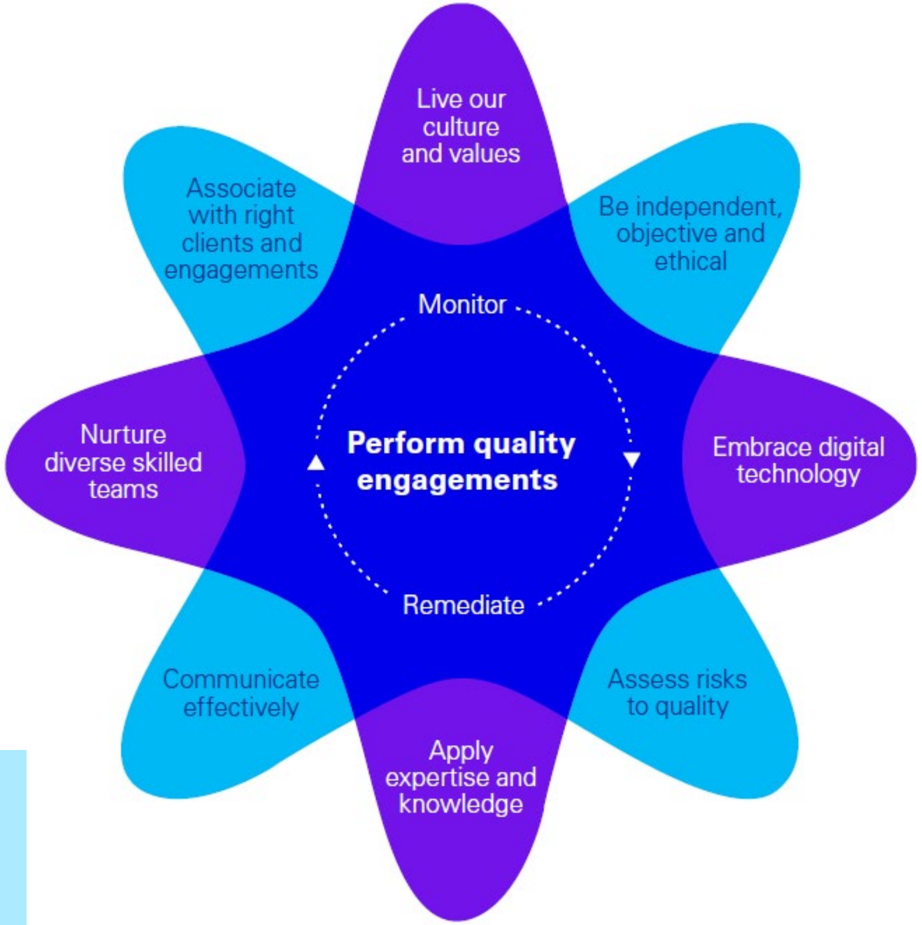
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

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 4: Current developments

Changes to accounting standards

Standard	Summary and implications
Revenue	• The new standard PS 3400 *Revenue* is effective for fiscal years beginning on or after April 1, 2023. • The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. • The standard notes that in the case of revenue 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 revenue arises when no performance obligations are present, and recognition occurs when the Entity records the revenue and an event has happened that gives the public sector entity the right to the revenue.
Public Private Partnerships	• The new standard PS 3160 *Public private partnerships* is effective for fiscal years beginning on or after April 1, 2023. • The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. • The standard notes 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 public private partnership ends. • The public sector entity recognizes 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 standard can be applied retroactively or prospectively.
Purchased Intangibles	• The new Public Sector Guideline 8 *Purchased intangibles* is effective for fiscal years beginning on or after April 1, 2023 with earlier adoption permitted. • The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. • Narrow scope amendments were made to PS 1000 *Financial statement concepts* to remove the prohibition to recognize purchased intangibles and to PS 1201 *Financial statement presentation* to remove the requirement to disclose purchased intangibles not recognized. • The guideline can be applied retroactively or prospectively.

Appendix 4: Current developments

Changes to accounting standards (continued)

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

Appendix 4: Current developments

Changes to accounting standards (continued)

Standard	Summary and implications
Concepts Underlying Financial Performance	• The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. • The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. • The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

Financial Statement Presentation	• The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*. PS 1202 *Financial statement presentation* will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.
	• The proposed section includes the following:
	  • Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
	  • Separating liabilities into financial liabilities and non-financial liabilities.
	  • Restructuring the statement of financial position to present total assets followed by total liabilities.
	  • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
	  • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.
	  • A new provision whereby an entity can use an amended budget in certain circumstances.
	  • Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.
	• The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.

Appendix 5: Changes to auditing standards

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

None noted at this time that are applicable to the audit of the entity

Appendix 6: Thought leadership and insights (continued)

Cybersecurity: Incident Response Preparedness

With cyber attacks growing more widespread, it is becoming essential for executives to be involved in responding to cybersecurity incidents. Incident response preparedness can help leaders quickly identify gaps and gain information necessary to make informed decisions when faced with cybersecurity threats. Example of common topics addressed in incident response plans are noted below.

> **Which roles are included in the entity's core executive incident response team to make decisions and address circumstances surrounding an incident?**

Who is responsible for engaging the entity's insurer?

Consideration should be given to who should contact the insurance provider and under what circumstances the insurance provider should be engaged.

Who is responsible for notifying Council?

Consideration should be given to who should engage Council and under what circumstances Council should be engaged?

Who is responsible for leading communications?

Consideration should be given to who should be involved in enacting the communication plan and managing internal and external communications.

Should Law Enforcement be Involved?

Consideration should be given to whether law enforcement should be contacted regarding the incident and, if so, who should be responsible for contacting law enforcement.

Should a ransom be paid?

Consideration should be given to who should be involved in the decision to pay a ransom, the engagement of a third-party to negotiate the ransom on behalf of the Entity, risks associated with ransom demands from prohibited organizations or countries and the Entity insurance provider's stance on ransom payment.

Who is responsible for considering additional risks?

Consideration should be given to risks associated with non-restoration of systems, data exposure, subsequent attacks and potential sanctions.

Appendix 6: Thought leadership and insights (continued)

Why is ESG important? A changing regulatory environment compounded by heightened expectations from stakeholder groups from investors to employees to customers has made ESG a business imperative that cannot be ignored.

Rising C-suite, Board, and market attention on ESG.

Increased emphasis

on management of ESG-related policies and practices from **investors**, **employees**, **customers**, and **community at large.**

100% of CEOs surveyed said their response to the pandemic has caused their focus to shift to the **social** component of their ESG program.[1]

76% of CEOs want to lock-in the sustainability and climate change gains they have made during the pandemic.[2]

Increased focus

by investors on ESG disclosures when making investment decisions.

Investors want companies to be **transparent about their ESG policies** and managements and Board to be held accountable.

"We are prepared to use our proxy voting power to ensure companies are identifying material ESG issues and incorporating the implications into their long-term strategy."

Cyrus Taraporevala, State Street Advisors in letter to SSgA board

"By 2030 Microsoft will be carbon negative, and by 2050 Microsoft will remove from the environment all the carbon the company has emitted either directly or by electrical consumption since it was founded in 1975."

Satya Nadella, Microsoft CEO

[1]KPMG CEO Outlook pulse survey

[2]KPMG CEO Outlook 2020

Appendix 6: ESG Thought leadership and insights (continued)

Environmental, social and governance ("ESG")

First IFRS Sustainability Disclosure Standards

The arrival of the first two IFRS Sustainability Disclosure Standards marks a key milestone in sustainability reporting and is a significant step towards creation of a global baseline for stakeholder-focused sustainability reporting that local jurisdictions can build on. **Although the standards are not required to be adopted by public sector organizations, the new IFRS sustainability standards provide key insights into what the future of sustainability reporting may look like for public sector entities. The Canadian Sustainability Standards Board released the first proposed Canadian standards for public comments due by June 10, 2024.**

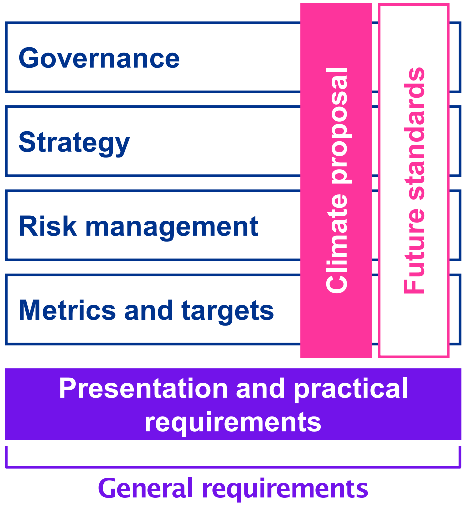
Summary of the recently released standards

The standards build on the four-pillar structure of the **Task Force on Climate-related Financial Disclosures**.

The **general requirements standard** **(IFRS S1)** defines the scope and objectives of reporting and provides core content, presentation and practical requirements.

It requires disclosure of material information on all sustainability-related risks and opportunities – not just on climate.

The **climate standard** **(IFRS S2)** replicates the core content requirements and supplements them with climate-specific reporting requirements.



Visit KPMG's Sustainability Reporting website for more information, including a comprehensive summary of the new requirements and KPMG's insights and illustrative examples for the new standards.

Click here to access KPMG's portal

Appendix 6: ESG: Thought leadership and insights (continued)

Thought leadership – Environmental, social and governance (“ESG”) (continued)

Note: Click on images to visit document link.

The "S" in ESG is becoming critical as people and organizations become more conscious about how the social aspect of business will impact their future.

This article touches on the social movements driving business change.

As the severity of climate impacts increase, so do the socio-economic disruptions due to the risk and fall of climate impacted sectors and projects.

This article breaks down the impact on institutional investors.

This article outlines how ESG is impacting valuation and performance of the underlying companies institutional investors have a stake in.

Market statistics highlight the issues surrounding responsible investment.

Appendix 6: Thought leadership and insights (continued)

Thought leadership – Environmental, social and governance (“ESG”) (continued)

Note: Click on images to visit document link.

Intentional adoption of smart, digital, experience-centric solutions have become indispensable in overcoming today’s challenges and aligning city services to the future needs and well-being of the public. We invite you to explore this report on KPMG’s global research and insights on The future of local government.

The Green City outlines the need of the cities and the buildings in them to reflect climate consciousness.

The link provides guidance on what that looks like and the first steps to meeting those objectives.

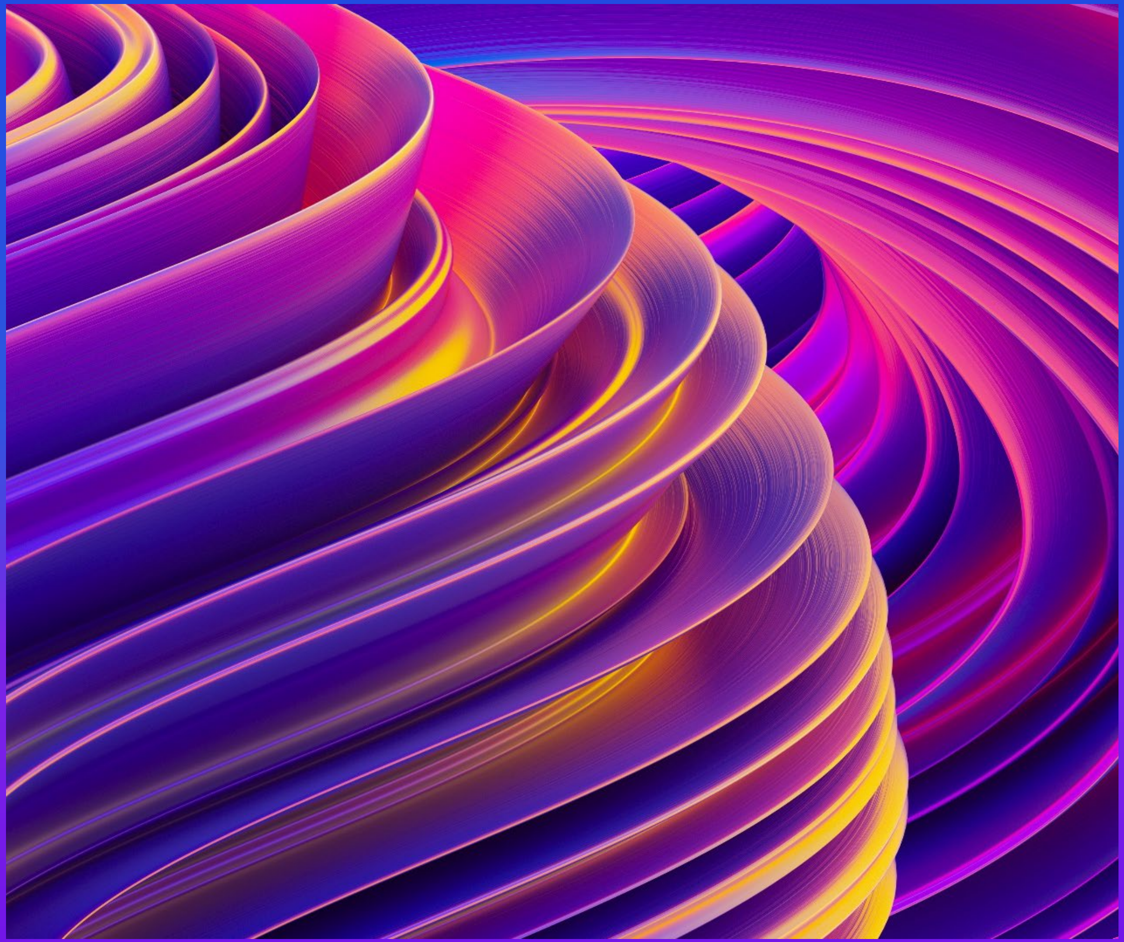
KPMG’s Climate Change Financial Reporting Resource Centre

KPMG’s climate change resource centre provides FAQs to help you identify the potential financial statement impacts for your business.

Click here to access KPMG’s portal.

A closer look at the GHG Protocol

Chartered Professional Accountants of Canada (CPA Canada) and the Institute for Sustainable Finance (ISF) produced a 23-page report (click here) on the GHG Protocol. The report looks to inform potential preparers and users of emissions disclosure; policy makers; standard setters; regulators; and others, and to spur important additional research into key aspects of emissions disclosure and standards that require closer attention.



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