



District of North Cowichan

Audit Planning Report
for the year ended December 31, 2023

KPMG LLP

Prepared for the Council meeting on January 17, 2024

kpmg.ca/audit



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Digital use information

This Audit Planning 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.



Highlights



Audit strategy



Audit strategy -
Group audit



Risk assessment



Key milestones and
deliverables



Appendices

The purpose of this report is to assist you, as a member of Management or Council, in your review of the plan for our audit of the financial statements. This report is intended solely for the information and use of Management 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 to Management and Council 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

Scope

Our audit of the consolidated financial statements (“financial statements”) of the District of North Cowichan (the “Entity” or “DNC”) as at and for the year ended December 31, 2023, will be performed in accordance with Canadian generally accepted auditing standards.

Audit strategy

Materiality \$1.5 million



Current year changes



- Adoption of Asset Retirement Obligation standard
- Adoption of Financial Instrument suite of standards
- Adoption of new audit quality standards



Audit timelines



Required communications



Audit strategy - group audit

Total	Total assets	Total revenue
Total work performed	100%	100%



Total work performed	100%	100%
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Risk assessment



Risk of management override of controls



Significant risks



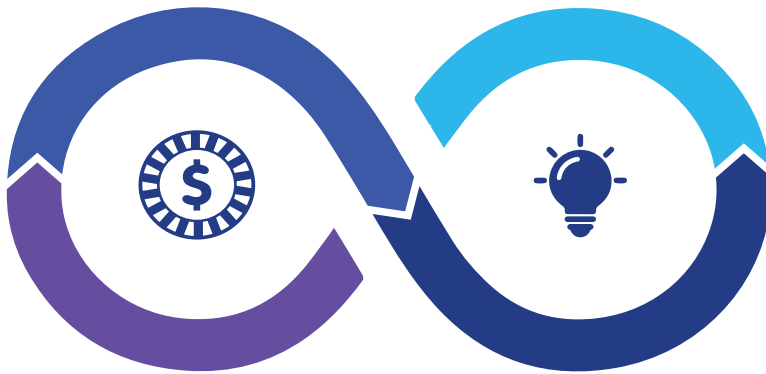
Other risks of material misstatement



- Revenue (grants and government transfers, collections from developers and others)
- Asset retirement obligations
- Cash and investments
- Tangible capital assets and developer contributed assets
- Expenses, procurement and payables
- Salaries and benefits



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.

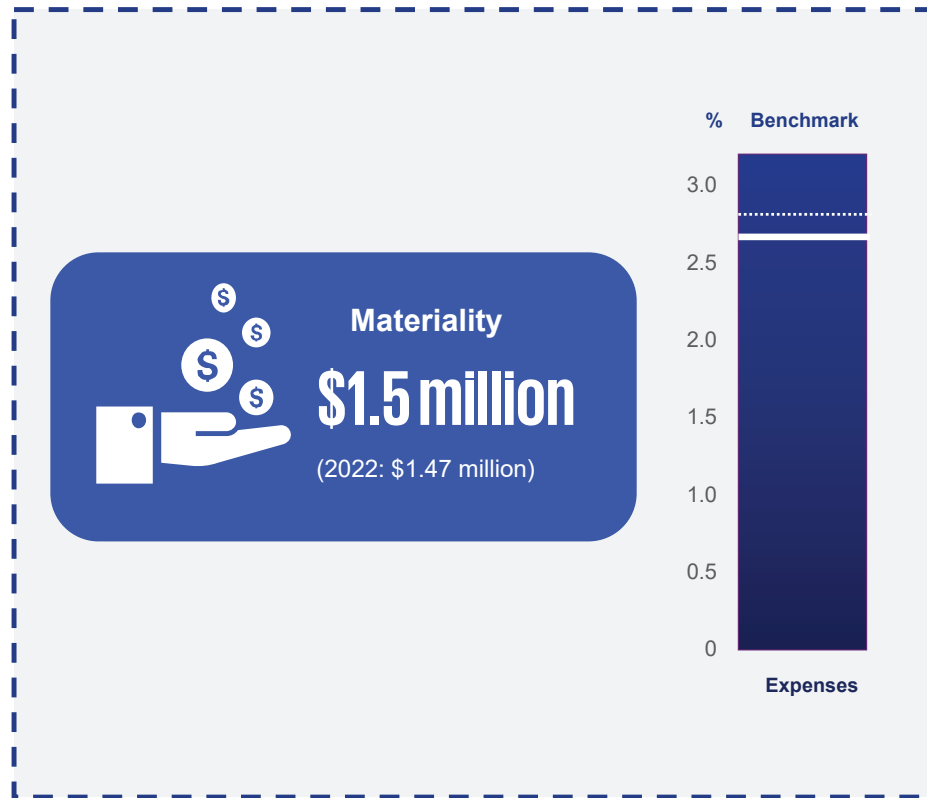
Evaluate the effect of misstatements

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



Forecast Consolidated Expenditures

\$58.1 million

(2022: \$54.7 million)

No change in benchmark compared to prior year

% of Benchmark

2.6%

(2022: 2.7%)

The prescribed range is between 0.5% and 3.0% of the benchmark

Audit Misstatement Posting Threshold

\$75,000

(2022: \$73,500)



Updates to our prior year audit plan

New significant risks and focus areas



No significant risks noted



We have not identified significant risks of material misstatement, except for the presumed risk of management override of controls, which is required by professional standards. This assessment is consistent with previous years. Any changes to the audit plan will be communicated to Management and to Council.



No new audit focus areas



During our preliminary risk assessment process, we did not identify any new audit focus areas. Any changes to the audit plan will be communicated to Management and to Council.

Other significant changes



Newly effective accounting standards



New accounting standards effective for the year ended December 31, 2023 include:

- PS 3280, *Asset Retirement Obligations*
- PS 3450, *Financial Instruments*
- PS 2601, *Financial Currency Translation*
- PS 1201, *Financial Statement Presentation*

Newly effective accounting standards



Newly effective auditing standards






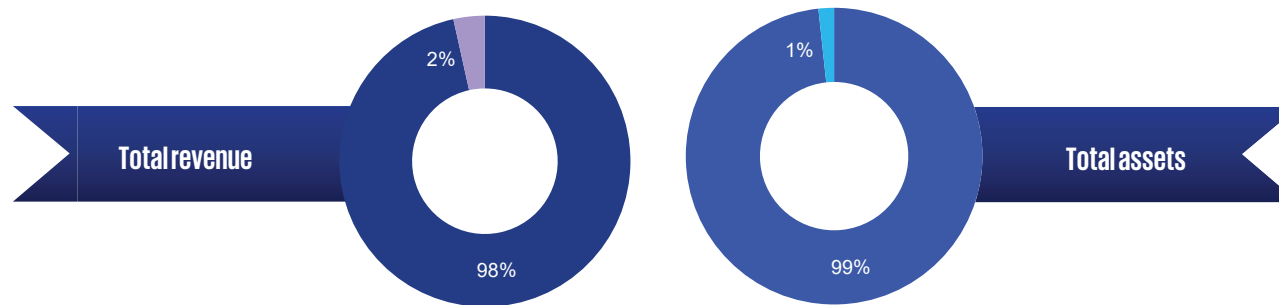
There are two new auditing standards effective for year ending December 31, 2023 related to quality management.

Newly effective auditing standards



Group audit - Scoping

Type of work performed	Auditor	Classification	Description of involvement	Total revenue	Total assets
District of North Cowichan	KPMG Canada	Individually financially significant	Full-scope audit	\$63.6M 	\$414.8M 
Joint Utilities Board (53.7%)	KPMG Canada	Non-significant component	Full-scope audit	\$1.2M 	\$3.8M 
Total consolidated				\$64.8M	\$418.6M





Risk assessment summary

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

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

	Risk of fraud	Risk of error	Risk rating
● Management override of controls	✓		Significant
● Asset retirement obligations		✓	Elevated
● Revenue (grants and government transfers, collections from developers and others)		✓	Base
● Cash and investments		✓	Base
● Tangible capital assets		✓	Base
● Expenses, procurement, and payables		✓	Base
● Salaries and benefits		✓	Base

● PRESUMED RISK OF MATERIAL MISSTATEMENT ● OTHER RISK OF MATERIAL MISSTATEMENT



Significant risks



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

RISK OF



FRAUD

Why is it significant?

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

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.

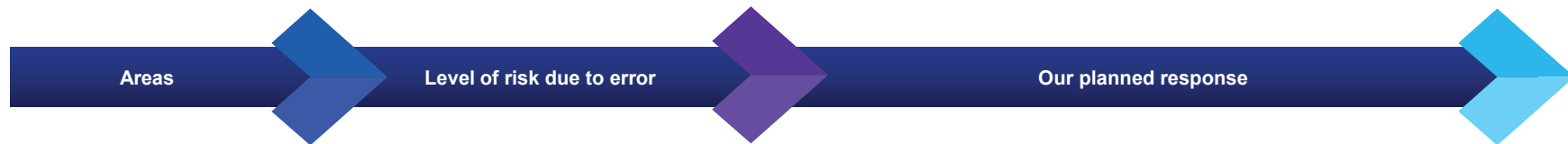
Inquiries required by professional standards

Fraud inquiries of those charged with governance

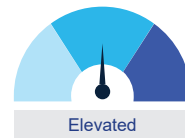
- Professional standards require that we make certain enquiries of those charged with governance. We will make these enquiries at the start and on completion of the audit.



Other risks of material misstatement



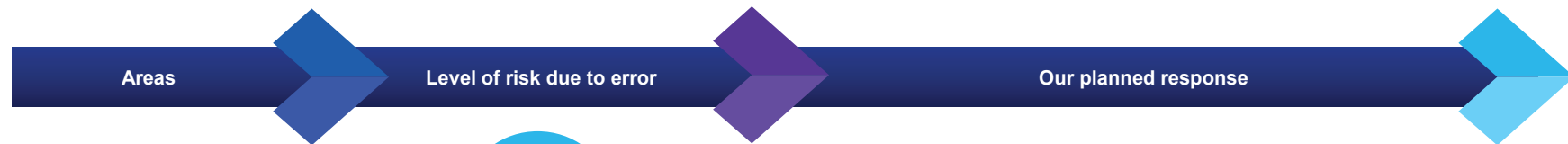
Asset retirement obligations



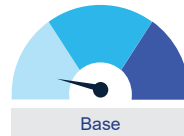
- Obtain an understanding of management's process for implementing PS 3280, including how in-scope tangible capital assets were identified, sources of information used, and significant measurement data, assumptions and decisions.
- Assess the asset retirement obligations accounting policy established by management, against the requirements of PS 3280.
- Assess the completeness of management's identification of capital assets with potential in-scope retirement obligations.
- Obtain management's calculation of the liability and agree inputs into the calculation to supporting documentation, assess whether assumptions made by management are reasonable, and verify mathematical accuracy of the liability.
- Review the financial statement presentation and note disclosures for consistency with requirements in PS 3280.



Other risks of material misstatement

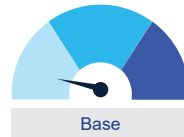


Revenue (grant and government transfers, collections from developers and others)



- Obtain an understanding of the various revenue stream processes
- Assess revenue recognition in accordance with the financial reporting framework
- Perform substantive analytical procedures including comparisons to prior years and budgets
- Perform detailed testing and recalculation of revenue balances
- Obtain reconciliations of the accounts receivable subledger and the evaluation of the collectability of overdue accounts

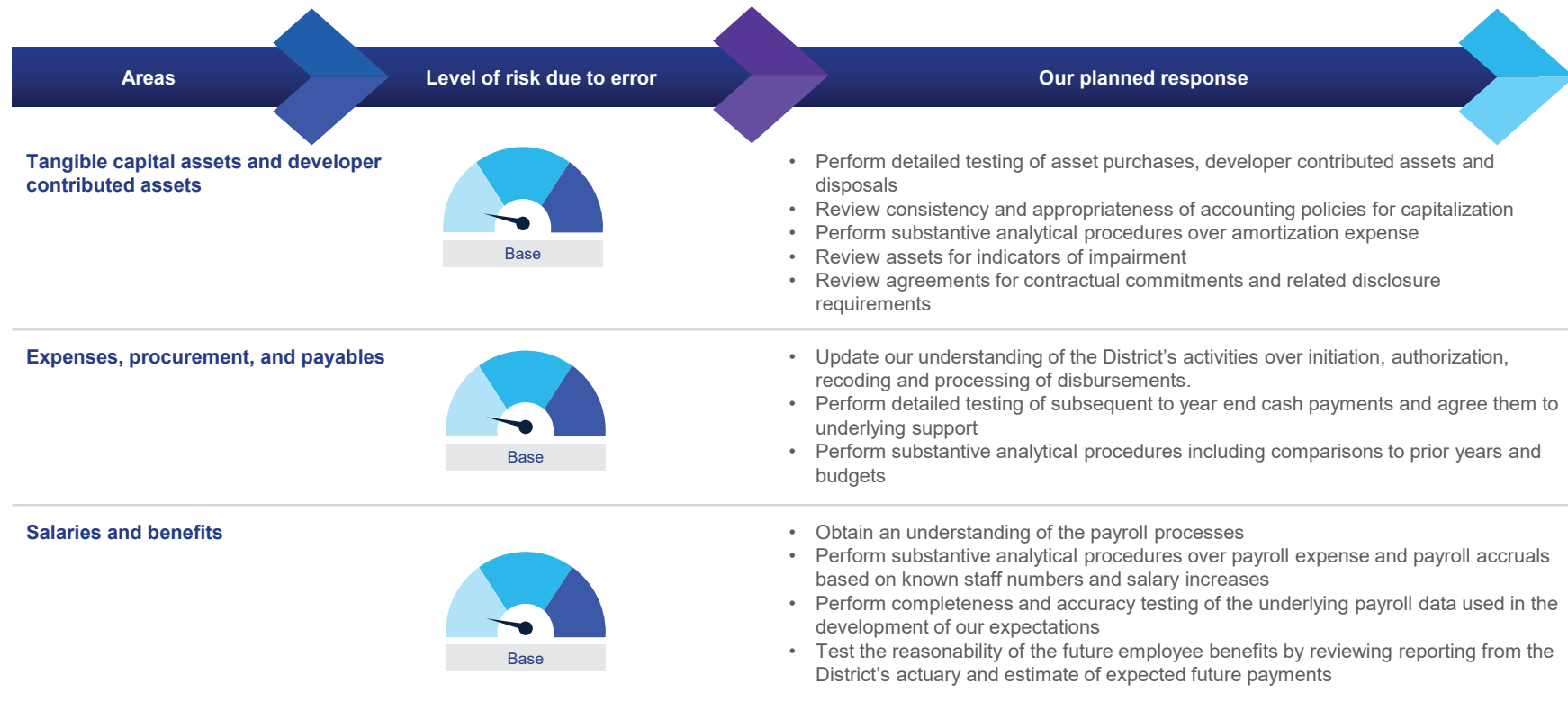
Cash and investments



- Obtain an understanding of management's process for implementing PS 3450.
- Confirm balances and significant terms
- Verify the existence of investments held with the investment advisor
- Ensure amounts are appropriately recorded at cost or at fair value as required by the financial reporting framework
- Review the financial statement presentation and note disclosures for consistency with requirements in PS 3450.



Other risks of material misstatement





Key milestones and deliverables



Appendices

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Required communications

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Changes in accounting standards

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Newly effective and upcoming changes to auditing standards

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Thought leadership and insights: Environmental, social and governance (ESG)

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Audit and assurance insights





Appendix 1: Required communications



Auditor's report

A copy of our draft auditor's report setting out the conclusion of our audit will be provided at the completion of the audit.

Engagement letter

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.



Audit findings report

At the completion of the audit, we will provide our findings report to Council.

Management representation letter

We will obtain from management certain representations at the completion of the audit.



Independence

We are independent and have a robust and consistent system of quality control. We provide complete transparency on all services and will confirm our independence with Council.

Internal control deficiencies

On a timely basis, identified significant deficiencies will be communicated to Council in writing. Other control deficiencies identified that do not rise to the level of a significant deficiency will be communicated to Management.



Appendix 2: 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.

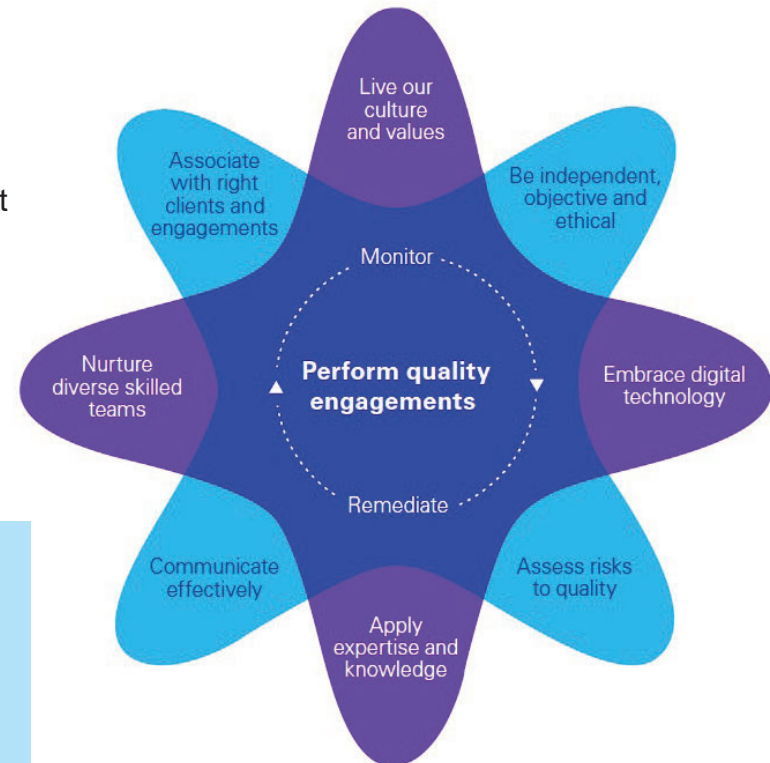
Perform quality engagement sits at the core along with our commitment to continually monitor and remediate to fulfil on our quality drivers.

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.

 [KPMG 2022 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**.





Appendix 3: Changes in accounting standards

PS 3280 Asset Retirement Obligations (“PS 3280”) is a new accounting standard effective for the fiscal years beginning on or after April 1, 2022. This standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. This significant new accounting standard has implications that have the potential to go beyond financial reporting.

Financial reporting implications

A liability for asset retirement costs will be recorded with a corresponding increase in the cost of tangible capital assets in productive use, resulting in a decrease (increase) to the net financial assets (net debt) reported in the Statement of Financial Position.

Asset retirement obligations associated with tangible capital assets that are not recognized or no longer in productive use are expensed.

Additional non-cash expenses for the amortization of tangible capital assets and accretion will be recognized annually.

The total cost of legally required retirement activities will be recognized earlier in a tangible capital asset’s life. There is no change to the total cost recorded over an asset’s life.

A rigorous process needs to be established to support updates to the ARO measurement on an annual basis post-initial implementation.

Asset management implications

The asset retirement date used to determine the asset retirement liability needs to be consistent with the useful life of the related tangible capital asset. As a result, public sector entities need to assess whether the useful lives of tangible capital assets continue to be accurate and consistent with asset management plans.

Many public sector entities are using the implementation of PS 3280 as an opportunity to develop or refine their asset management plans.

Funding implications

PS 3280 does not provide guidance on how the asset retirement liability should be funded. Many public sector entities currently fund retirement costs as they are incurred at the end of the asset’s life. Public sector entities will need to assess whether this practice remains appropriate or if funding will be obtained over the life of the asset.

Budget implications

In addition to budgeting for costs associated with the initial implementation of PS 3280, public sector entities will need to consider if the non-cash accretion expense and additional amortization expense will be included in the annual budget.

Public sector entities operating under balanced budget legislation or similar guidelines will need to obtain guidance from the provincial government or governance bodies to determine the impact of PS 3280 on current requirements.

Capital planning implications

PS 3280 requires legal obligations associated with the retirement of tangible capital assets to be recorded when the assets are acquired, constructed, or developed. As a result, the cost of legally required retirement activities will need to be considered at the inception of a capital project to determine the financial viability and impact of the project.



Appendix 3: Changes in accounting standards (continued)

PS 3280 Asset Retirement Obligations (“PS 3280”) is a new accounting standard effective for the fiscal years beginning on or after April 1, 2022. This standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. The following checklist is intended to provide you with reminders for key activities in each phase of your PS 3280 implementation project. The items noted are not a complete list of factors influencing the successful adoption of PS 3280, nor is it intended to provide any type of assurance.

Project planning

- Project team is cross-functional and includes Finance and non-Finance personnel.
- Sufficient personnel resources are available for the implementation project.
- Where required, external experts have been engaged.
- The project plan identifies who is responsible for each project task.
- Project timelines are reasonable.
- Auditor involvement has been scheduled at each significant project milestone.
- Asset retirement obligations policy has been drafted.
- Funding is available for PS 3280 implementation costs.
- Recurring project updates are provided to the Audit Committee or other governance body to engage them in the implementation process.

Scoping

- The tangible capital assets listing reconciles to the audited financial statements.
- Agreements (e.g. leases, statutory rights of way, etc.) have been reviewed for potential legal obligations.
- Productive and non-productive assets have been included in the scoping analysis.
- Assets with similar characteristics and risks have been grouped together in the scoping analysis.
- All relevant legal acts, regulations, guidelines, etc. have been identified.
- Relevant internal stakeholders have been interviewed to obtain information about potential retirement obligations.

Measurement

- Cost information is relevant and reliable.
- Only costs directly attributable to legally required retirement activities have been included in the liability.
- If applicable, the discount rate is consistent with the risks and timelines inherent in the cash flows.
- If discounting is applied, it is based on reliable information to inform the timing of future cash flows.
- Asset retirement obligations have been linked to specific tangible capital assets.
- The useful life of the tangible capital asset remain appropriate and are consistent with estimated asset retirement date.
- The transition method selected is appropriate based on the measurement information available.
- Calculations are mathematically accurate.

Financial reporting

- Financial statements have been mocked up to include asset retirement obligations.
- Note disclosures, including significant accounting policies, have been drafted.
- Documentation prepared during the project has been reviewed to ensure it is accurate and complete.
- Plans have been implemented for the annual post-implementation review and update of the asset retirement obligation liability.



Appendix 3: Changes in accounting standards (continued)

PS 3450 Financial instruments, PS 2601 Foreign currency translation, PS 1201 Financial statement presentation and PS 3014 Portfolio investments are new accounting standards effective for the fiscal years beginning on or after April 1, 2022.

Financial reporting implications

Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable.

Hedge accounting is not permitted.

A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.

PS 3450 Financial instruments was amended subsequent to its initial release to include various federal government narrow-scope amendments.

Transaction costs, Effective Interest Method, and Timing of Recognition

Transaction costs are capitalized for instruments carried at cost or amortized cost and are expensed for instruments carried at fair value.

Interest should be measured using the effective interest method.

Purchase and sale of investments should be recorded using the trade-date; not the settlement date.

Risks and uncertainties

For each significant risk from financial instruments, disclose the following:

- Exposures to the risk
- How the risks arise
- Any changes in risk exposures from the previous period

Disclosures

Disclosures include information that enables users of the financial statements to evaluate the significance of financial instruments. Carrying amounts are disclosed either on the statement of financial position or notes for the following:

- Financial assets/liabilities measured at amortized cost
- Financial assets/liabilities measured at fair value
- Investments in equities measured at cost less impairment



Appendix 3: Changes in accounting standards (continued)

Standard	Summary and implications
Revenue Effective FY2024	<ul style="list-style-type: none"> The new standard PS 3400 <i>Revenue</i> 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 there is University to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Public Private Partnerships Effective FY2024	<ul style="list-style-type: none"> The new standard PS 3160 <i>Public private partnerships</i> 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.



Appendix 3: Changes in accounting standards (continued)

Standard	Summary and implications
Purchased Intangibles Effective FY2024	<ul style="list-style-type: none"> The new Public Sector Guideline 8 <i>Purchased intangibles</i> 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 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized. The guideline can be applied retroactively or prospectively.
Employee Benefits Effective FY2027	<ul style="list-style-type: none"> The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> 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 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. 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 3: Changes in accounting standards (continued)

Standard	Summary and implications
<p>Concepts Underlying Financial Performance</p> <p>Effective FY2027</p>	<ul style="list-style-type: none"> 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.
<p>Financial Statement Presentation</p> <p>Effective FY2027</p>	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> 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: <ul style="list-style-type: none"> 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 4: 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 5: Thought Leadership and Insights

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 District's core executive incident response team to make decisions and address circumstances surrounding an incident?

Who is responsible for engaging the District'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 leading communications?

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

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 District, risks associated with ransom demands from prohibited organizations or countries and the District insurance provider's stance on ransom payment.



Who is responsible for notifying Council?

Consideration should be given to who should engage the Board of Directors and under what circumstances the Board of Directors should be engaged?

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.

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 5: Thought leadership and insights (continued)

Thought leadership – 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 Vancouver Island University, the new IFRS sustainability standards provide key insights into what the future of sustainability reporting may look like for Vancouver Island University.**

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 5: Thought leadership and insights (continued)

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

Note: Click on images to visit document link.



Unleashing the positive in net zero
Real solutions for a sustainable and responsible future.

CoP26 made progress towards tackling climate change, but there is much more to do.

At KPMG, we're committed to accelerating the changes required to fight climate change.



KPMG
PwC Group

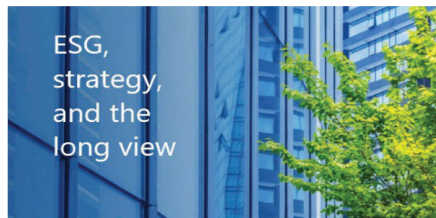
Voices of Place:

The Green City

What is the role of place in the transition to sustainability?

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.



ESG,
strategy,
and the
long view

This highlights a five-part framework to help organizations shape the total impact of strategy and operations on performance both externally, and internally.



KPMG

Comparing
sustainability
reporting
proposals

ISSB™, EFRAG and SEC
November 2023
June 2023

This report outlines the updates in regulatory sustainability reporting.

Its focus is comparing and contrasting proposals from the ISSB, EFRAG, and the SEC.



Appendix 5: Thought leadership and insights (continued)

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

Note: Click on images to visit document link.

Getting started on the inclusion and diversity journey

In the age of transparency, businesses must implement inclusion and diversity practices

In this age of transparency, businesses must act proactively to implement strategic inclusion and diversity (“I&D”) practices.

This link is a guide for organizations on their own transformation journey.

How the 'S' in ESG is changing the way we do business

The social component of ESG calls for more heart, empathy and interconnectedness

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.

Climate change, human rights and institutional investors

The adverse impacts to people from a changing climate will create risks for institutional investors throughout the value chain

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.

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.



Appendix 6: Audit and assurance insights

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

KPMG Audit & Assurance Insights

Curated research and insights for Finance, Audit and Facilities 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.

Finance, Audit and Facilities Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping Finance, Audit and Facilities Committee effectiveness in Canada.

Accelerate 2023

The key issues driving the Finance, Audit and Facilities 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.



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