

# Memorandum to the Council of Corporation of the Municipality of Temagami

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**Subject:** Audit Services Proposals Evaluation Report

**Memo No:** 2025-M-033

**Date:** February 13, 2025

**Attachment:** Appendix A - BDO Canada LLP Proposal

Appendix B - Doane Grant Thornton LLP Proposal

Appendix C - Kemp Elliott & Blair LLP Proposal

**Prepared By:** Laala Jahanshahloo - CAO/ Treasurer

## Recommendation

BE IT RESOLVED THAT Council receives Memo 2025-M-033 as presented;

AND FURTHER RESOLVED THAT Council will select the Auditor according to the Municipality's priorities;

AND FURTHER RESOLVED THAT Council will consider a by-law to appoint the Auditor for five (5) years.

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## 1. Executive Summary

The Municipality of Temagami issued RFP #2024-01 to select an external auditor. Three firms submitted proposals: BDO Canada LLP, Doane Grant Thornton LLP, and Kemp Elliott & Blair LLP. The evaluation considered cost, expertise, methodology, technology, and local presence using a Scenario-Based Scoring Analysis to ensure alignment with the Municipality's priorities. BDO Canada LLP scored the highest due to cost efficiency and technological capabilities, while Kemp Elliott & Blair LLP excelled in local expertise and audit depth. Doane Grant Thornton LLP provided a balanced approach but had the highest hourly rate and additional travel costs. The evaluation also factored in references, ensuring confidence in the selected firm's ability to deliver quality service.

## 2. Background

Following resolution #24-574, and as the Municipality published the RFP on December 20, 2024, by the deadline of January 31, 2025, the Municipality of Temagami has received three proposals in response. These proposals are from the following organizations or entities:

- BDO Canada LLP
- Doane Grant Thornton LLP
- Kemp Elliott & Blair LLP

The evaluation has been conducted using Scenario-Based Scoring Analysis, which considers the RFP criteria alongside different potential scenarios. This approach is more beneficial than a strict scoring system because it offers flexibility and takes into account the Municipality's specific priorities and objectives. Rather than assigning fixed scores, the Scenario-Based Analysis presents Council with various options, each evaluated based on how well it aligns with real-world scenarios. This method provides a more holistic view, helping Council make a decision that best meets the Municipality's long-term needs and goals.

### 3. Comparative Analysis

The three proposals have been evaluated in accordance with the requirements outlined in RFP #2024-01, and the following table provides a comparative analysis of the submissions:

#### 3.1. Compliance with Core RFP Requirements

Criterion	Kemp Elliott & Blair LLP	BDO Canada LLP	Doane Grant Thornton LLP
<b>PSAB Compliance</b>	Explicitly addresses PSAB standards and has extensive municipal audit experience.	Complies with PSAS and follows Canadian Public Sector Accounting Standards (PSAS).	Strong focus on PSAB compliance with dedicated Public Sector Focus Group and Ontario Municipal Auditors Group.
<b>Cybersecurity</b>	No explicit mention of cybersecurity protocols or partnerships but complete familiarity with iCity.	Mentions digital tools (e.g., BDO Global Portal) but does not provide specific cybersecurity protocols.	Partners with VARS Corporation for cybersecurity, including data encryption and access controls.
<b>Risk/Contingency Planning</b>	Uses a risk-based audit approach but lacks detailed contingency planning.	Uses a proprietary global methodology for risk-based auditing but does not specify detailed contingency strategies.	Incorporates a risk-based methodology but lacks explicit contingency planning.
<b>Insurance</b>	\$5 million coverage per occurrence, exceeding the RFP's \$2M requirement.	\$5 million professional liability coverage, exceeding the RFP's requirement.	\$5 million professional liability insurance underwritten by Lloyd's.
<b>Indemnification</b>	No explicit indemnification clause, but adheres to standard professional practices.	No explicit mention of indemnification in the proposal.	Explicit indemnification clause in engagement letter, indemnifying against misstatements and inaccuracies.

### 3.2. Qualifications and Experience

Aspect	Kemp Elliott & Blair LLP	BDO Canada LLP	Doane Grant Thornton LLP
<b>Local Expertise</b>	Strong: 40+ years of experience in Temagami’s region; audits 18 local municipalities.	Moderate: Proximity via North Bay office; audits 80+ Ontario municipalities.	Moderate: Regional presence in North Bay and New Liskeard; audits 10+ Northern Ontario municipalities.
<b>National Reach</b>	Limited to Northern Ontario.	Strong: 350+ municipal clients across Canada.	Strong: 300+ public sector clients nationally; part of Grant Thornton International network.
<b>Team Experience</b>	Led by Steven Acland (26 years of municipal audit experience).	Led by Dean Decaire (30+ years of PSAS expertise).	Led by Judy Kleinhuis (30+ years of public sector experience).

### 3.3. Audit Methodology

Aspect	Kemp Elliott & Blair LLP	BDO Canada LLP	Doane Grant Thornton LLP
<b>Approach</b>	Traditional risk-based audit methodology.	Uses advanced tools (APT Next Gen, BDO Advantage analytics).	Risk-based methodology utilizing proprietary software; emphasizes digital collaboration.
<b>Technology</b>	Limited technological focus.	Paperless audits, data analytics, and BDO Global Client Portal for collaboration.	Uses advanced tools (e.g., data interrogation techniques); mentions AI-driven analytics.
<b>Communication</b>	Pre-audit planning meetings, post-audit management letters.	Provides real-time updates and in-field reviews.	Conducts weekly meetings with Management and drafts management letters for review.

### 3.4. Fee Structure & Estimated Hours

Aspect	Kemp Elliott & Blair LLP	BDO Canada LLP	Doane Grant Thornton LLP
<b>2024 Fees</b>	\$42,000 (audit) + \$2,050 (FIR).	\$21,000 (audit) + \$1,875 (FIR).	\$29,500 (all-inclusive: audit, FIR, and advisory services).
<b>Estimated Hours</b>	330 total hours (Partner: 30, Senior Staff: 150, Junior Staff: 150).	135 total hours (Partner: 10, Manager: 30, Senior Accountant: 60, Audit Staff: 85).	156 total hours (Principal: 12, Manager: 18, Senior Accountant: 60, Accountant: 66).
<b>Admin Fees</b>	Included in the total fee.	7% administration and technology fee.	9% administrative fee included in the total fee.
<b>Total Cost</b>	\$44,050	\$24,446	\$32,155
<b>Average Pay per Hour</b>	\$133/hour	\$181/hour	\$206/hour
<b>Travel Costs</b>	No additional travel charges under normal circumstances.	Travel costs not explicitly mentioned.	\$1,200 per day for on-site hybrid audit model.
<b>Fee Escalation</b>	Expected slight decrease due to efficiency savings.	Annual increases (~5%).	Annual increases (~5%); 2027/2028 fees subject to review.

### 3.5. References

Firm	Key Clients	References Available
<b>Kemp Elliott &amp; Blair LLP</b>	Temiskaming Shores, Larder Lake, Matachewan.	18 municipal references, including Temiskaming Shores.
<b>BDO Canada LLP</b>	District Municipality of Muskoka, Township of Papineau-Cameron.	80+ Ontario municipalities, including Muskoka.
<b>Doane Grant Thornton LLP</b>	Township of Perry, Municipality of Sioux Lookout.	10+ Northern Ontario municipalities, including Thunder Bay District Social Services.

### 3.6. Timelines and Responsiveness

Aspect	Kemp Elliott & Blair LLP	BDO Canada LLP	Doane Grant Thornton LLP
<b>Work Plan</b>	Interim work in November; fieldwork in March.	Flexible timeline, contingent on FIR dependency on external data.	Follows a five-phase approach (planning, risk assessment, testing, reporting).
<b>FIR Delays</b>	Relies on DNSSAB/Health Unit data, which may cause delays past the May 31 deadline.	Similar external dependencies may cause FIR submission delays.	Explicitly acknowledges FIR delays due to external data dependencies.
<b>Contingency Plans</b>	No explicit contingency plan in place.	No explicit contingency plan in place.	No explicit contingency plan in place.

## 4. Evaluation of each Audit Proposals Against RFP #2024-01 Criteria

### 4.1. Kemp Elliott & Blair LLP

- **Proposal Strengths:**
  - **Experience:** Over 40 years of municipal audit experience, servicing 18 municipalities.
  - **Audit Approach:** Uses a risk-based methodology, prioritizing high-risk areas for a thorough financial assessment.
  - **Hours Allocated:** 330 total hours (highest among all firms), ensuring a detailed and comprehensive audit process.
  - **Local Presence:** Based in New Liskeard, the closest firm to Temagami, allowing for easy access and ongoing support.
  - **Fee Structure:** \$42,000 for 2024 (audit) + \$2,050 (FIR), total cost (with admin fee included): \$44,050.
  - **Cost Efficiency:** Lowest adjusted average pay per hour (\$133/hour), offering the best value for audit depth.

- **No Additional Travel Costs:** No separate charges for on-site visits, ensuring cost predictability.
- **Commitment to Municipality:** Has a long-standing relationship with multiple local municipalities, ensuring continuity and deep familiarity with municipal financial operations.
- **Proposal Considerations:**
  - **Comprehensive Audit Focus:** The highest allocated hours (330) indicate a more thorough audit, but may result in longer turnaround times compared to competitors.
  - **Fee Escalation:** Expected slight decrease in cost due to efficiency savings over time.
- **Best For:**
  - If the Municipality values in-depth, time-intensive audits with strong local expertise, cost predictability, and continuity.

#### 4.2. BDO Canada LLP

- **Proposal Strengths:**
  - **Experience:** Auditor for 350+ municipalities across Canada, demonstrating extensive municipal expertise.
  - **Audit Approach:** Emphasizes fraud detection, forensic accounting, and risk assessment, leveraging advanced analytics and digital audit tools.
  - **Fee Structure:** \$21,000 for 2024 (audit) + \$1,875 (FIR), total cost (with 7% admin fee): \$24,446.
  - **Efficiency:** 135 total audit hours (the fewest among all firms), optimized through digital automation and streamlined audit procedures.
  - **Local Presence:** North Bay office (approximately 1.5 hours away), ensuring moderate accessibility for in-person discussions.



- **Proposal Considerations:**
  - **Lower Total Hours:** Fewer hours allocated (135 hours vs. Kemp Elliott’s 330 and Doane Grant Thornton’s 156) may result in less audit depth and fewer financial insights.
  - **Administrative Fees:** 7% additional administrative fee, increasing the effective total cost to \$24,446.
  - **Adjusted Average Pay per Hour:** \$181/hour, making it more expensive than Kemp Elliott but still lower than Doane Grant Thornton.
  - **Unspecified Travel Costs:** No explicit mention of additional travel fees, which could lead to unexpected expenses.
  - **Fee Escalation:** Costs are expected to increase annually (~5%).
- **Best For:**
  - If the Municipality prioritizes cost-efficiency, digital optimization, and fraud detection, and is comfortable with a lower total audit depth.

### 4.3. Doane Grant Thornton LLP

- **Proposal Strengths:**
  - **Experience:** Auditor for 300+ public sector clients, including municipalities, ensuring strong municipal expertise.
  - **Audit Approach:** Risk-based methodology, strong internal control review, and comprehensive financial compliance services.
  - **Fee Structure:** \$29,500 (all-inclusive), total cost (with 9% admin fee): \$32,155.
  - **Moderate Efficiency:** 156 total audit hours, making it a balanced approach compared to BDO’s lower hours and Kemp Elliott’s higher time commitment.
  - **Local Presence:** North Bay & New Liskeard, providing regional accessibility.

### Proposal Considerations:

- **Moderate Total Hours:** More than BDO (135 hours) but significantly less than Kemp Elliott (330 hours), meaning less thorough financial analysis.
- **Administrative Fees:** 9% administrative fee included, increasing the effective total cost to \$32,155.
- **Adjusted Average Pay per Hour:** \$206/hour, the highest among all firms, making it the least cost-efficient option.
- **Travel Costs:** \$1,200 per day for on-site audits, adding potential extra expenses.
- **Fee Escalation:** Costs are expected to increase annually (~5%), and 2027/2028 fees are subject to review.
- **Best For:**
  - If the Municipality wants a balance between cost and a moderately thorough audit without the extensive time commitment of Kemp Elliott.

## 5. Scenario-Based Evaluation

The following table presents a scenario-based evaluation of the three audit proposals, considering key factors such as audit depth, cost efficiency, travel expenses, and administrative fees.

Scenario	Best Firm	Trade-offs
<b>Most audit hours &amp; in-depth review</b>	Kemp Elliott & Blair LLP	Highest allocated hours (330), most detailed audit, but may take longer to complete.
<b>Lowest total cost &amp; efficiency</b>	BDO Canada LLP	Lowest base cost (\$21,000), but fewer total hours (135) and higher effective hourly rate (\$181/hour). Travel costs not explicitly stated.
<b>Balanced cost &amp; audit depth</b>	Doane Grant Thornton LLP	Mid-range cost (\$29,500), more hours than BDO (156), but highest effective hourly rate (\$206/hour) and additional travel fees (\$1,200/day).

## 6. Scoring Based on RFP Criteria

The proposals were evaluated through a structured scoring framework aligned with the RFP's weighted criteria, prioritizing qualifications, audit methodology, cost-effectiveness, references, and adherence to timelines to ensure alignment with the Municipality's strategic priorities and operational needs.

Evaluation Criteria	Weight	Kemp Elliott & Blair LLP	BDO Canada LLP	Doane Grant Thornton LLP
Qualifications and Experience	30%	28/30	25/30	22/30
Approach and Methodology	30%	23/30	27/30	25/30
Fee Structure	20%	14/20	18/20	13/20
References	10%	9/10	9/10	7/10
Timelines and Responsiveness	10%	6/10	7/10	7/10
<b>Total Score</b>	<b>100%</b>	<b>80/100</b>	<b>86/100</b>	<b>74/100</b>

## 7. Final Evaluation - Based on RFP Criteria & Scenario Analysis

By integrating **RFP scoring** with **scenario-based trade-offs**, the Municipality of Temagami can align its audit selection with financial priorities and operational needs. Below is a clear, objective comparison of the firms based on key priorities:

### 7.1. Priority 1: In-Depth Audit & Local Expertise

**Best Firm:** Kemp Elliott & Blair LLP

- **Strengths:**
  - Highest audit depth (330 hours), ensuring thorough financial oversight.
  - Lowest effective hourly rate (\$133/hour) and no travel fees.

- Unmatched local expertise (40+ years auditing 18 municipalities in Temagami's region).
- **Trade-offs:**
  - Highest total fee (\$44,050).
  - Slightly lower total RFP score (86.5/100) due to limited technological focus.

## 7.2. Priority 2: Cost Efficiency & Advanced Technology

**Best Firm:** BDO Canada LLP

- **Strengths:**
  - Lowest total cost (\$24,446) and streamlined efficiency (135 hours).
  - Advanced tools (APT Next Gen, BDO Global Portal) for fraud detection and digital audits.
  - Highest RFP score (88.5/100) due to compliance and cost-effectiveness.
- **Trade-offs:**
  - Fewest audit hours (135), potentially limiting financial insights.
  - Unspecified travel costs and a 7% admin fee add uncertainty.

## 7.3. Priority 3: Balanced Audit Depth & Regional Flexibility

**Best Firm:** Doane Grant Thornton LLP

- **Strengths:**
  - Balanced audit depth (156 hours) and strong compliance (dedicated PSAB group).
  - Regional accessibility (North Bay/New Liskeard offices).
  - Competitive RFP score (87.5/100).
- **Trade-offs:**
  - Highest hourly rate (\$206/hour) and 9% admin fee.

- \$1,200/day travel costs make it the most expensive option for on-site work.

## **8. Key Considerations for Council**

This section outlines the key factors that the Council should consider when selecting an auditing firm, based on the Municipality's priorities and operational needs.

### **8.1. Local Expertise & Comprehensive Audit**

Choose Kemp Elliott & Blair LLP if the Municipality prioritizes local expertise, maximum audit depth, and cost predictability (no hidden fees).

### **8.2. Budget & Technology-Focused Audit**

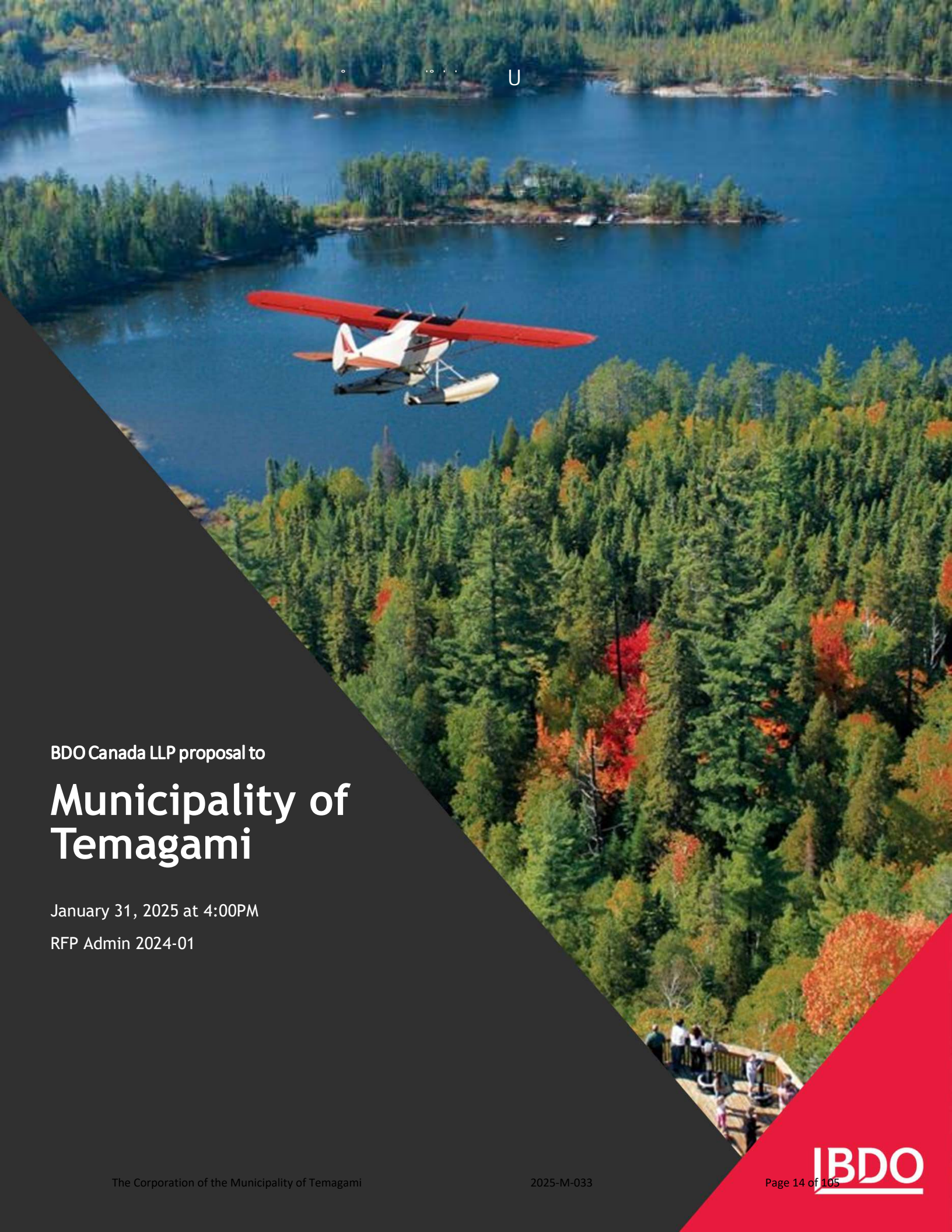
Choose BDO Canada LLP if budget optimization, digital tools, and fraud detection are critical, despite fewer audit hours.

### **8.3. Moderate Scope & Regional Presence**

Choose Doane Grant Thornton LLP only if a moderate audit scope and regional presence outweigh cost concerns.

## **9. Conclusion**

After evaluating the three proposals, it is clear that each firm offers distinct strengths. Kemp Elliott & Blair LLP provides the most comprehensive audit with local expertise and cost predictability, making it ideal for municipalities seeking in-depth analysis. BDO Canada LLP stands out for its technological innovation and cost-efficiency, offering a streamlined audit process at a lower cost but fewer hours. Doane Grant Thornton LLP offers a balanced approach with moderate audit depth and regional presence, though its higher hourly rate and travel fees make it more expensive. Council's decision should align with its priorities and Municipality's needs.



BDO Canada LLP proposal to

# Municipality of Temagami

January 31, 2025 at 4:00PM

RFP Admin 2024-01



Tel: 705 495 2000  
Fax: 705-495-2001  
www.bdo.ca

BDO Canada LLP  
1164 Devonshire Avenue Unit 300A  
North Bay, Ontario P1B 6X7

January 31, 2025

Laala Jahanshahloo, CAO  
Municipality of Temagami  
7 Lakeshore Dr  
Temagami, ON P0H 2H0

Dear Laala Jahanshahloo,

Thank you for the opportunity to submit a proposal to provide external audit services to The Municipality of Temagami commencing with the 2024 year-end.

We have carefully reviewed your audit requirements and based on our experience serving similar municipalities in Ontario, we have developed a response that demonstrates our commitment and ability to meet the needs of the Municipality. Our objective is to facilitate a collaborative year-end process by thoroughly planning the audit in advance of financial reporting close; conducting an efficient, effective audit in tandem with management's year end preparation; ensuring clear and efficient communication between all parties; and ensuring professionals with Public Sector Accounting Standard (PSAS) experience and knowledge continue to be assigned to your engagement. We will work with you to ensure required deadlines are met and challenges and opportunities are addressed proactively. Within our proposal we have included our qualifications, the work we do for similar clients, details on our audit approach, and a brief overview of the team that will serve you moving forward.

BDO is currently the auditor for over 350 municipalities across Canada. Your proposed team will use this collective knowledge to continually enhance how they provide the Municipality with an efficient and effective audit. With our local and national expertise in the municipal sector, and our extensive reporting knowledge, we feel BDO continues to be the best fit to serve the Municipality. We confirm BDO is registered to do business in the Province of Ontario and BDO is a member in good standing with the Chartered Professional Accountants of Canada, as well as the Chartered Professional Accountants of Ontario.

We confirm that the information provided in the proposal is accurate, and that I, Dean Decaire, am authorized to represent and bind BDO Canada LLP to all commitments made in this proposal.

If you have any further questions, please feel free to contact me at 705 495 2000 or [ddecaire@bdo.ca](mailto:ddecaire@bdo.ca).

Yours truly,

Dean Decaire, CPA, CA  
Partner  
BDO Canada LLP  
Chartered Professional Accountants  
T: (705) 495-2000  
E: [DDecaire@bdo.ca](mailto:DDecaire@bdo.ca)

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# Firm credentials

# Profile of the firm

Founded in 1921, BDO is one of the leading professional services providers that advises clients on their assurance, accounting, tax and business advisory needs. BDO is known for excellent client rapport and partner accessibility, and for partners and staff who are ethical and practical in their approach and advice to clients. We are a mid-market leader concentrating on the specialized needs of Canada’s not-for-profit and public sectors, as well as entrepreneurial organizations. Nationally, BDO serves over 54,000 clients across the country, from Victoria, BC to St. John’s, NL, with client relationships spanning over 50 years.

Clients of all sizes and across industries have relied on the accessibility, insight, and experience of our BDO professionals.

## Serving office


The Municipality will be served by BDO’s North Bay office. BDO North Bay is part of the NB-Barrie group of offices, which is made up of five offices, including a local office in North Bay. We offer partner-led, hands-on service to clients of all size, as well as the resources of one of Canada’s leading accounting and advisory firms.




**BDO North Bay -  
Barrie** Local presence in North Bay



**22**

 PARTNERS HEADCOUNT

**275+**

 PERSONNEL HEADCOUNT

**5**  
offices

Serve our clients through a **COLLABORATIVE APPROACH**



**BDO North Bay**

will be your serving office

**BDO Canada**  
REVENUE

**CAD\$987**  
MILLION


**13%**  
Growth




**95**  
offices



**508**

 PARTNERS HEADCOUNT

**5,000+**

 PERSONNEL HEADCOUNT

# Experience with municipal audits



## 1,000+

Public sector clients in  
Canada



## 350+

Municipal clients in  
Canada

### A dedicated public sector industry team

- Professionals from assurance, accounting, tax, and business advisory service lines that specialize in Public Sector clients.
- Sharing of industry trends and best practices.
- Thought leadership publications and events.

The public sector is a priority for BDO and an area where we have devoted significant resources to developing our knowledge to better serve our clients. Our goal is to be the auditors of the local and surrounding communities in which we work, live and play.

Complex compliance and regulatory requirements, as well as and increasing public demand for improved services have forced government entities to accomplish more with fewer resources. Public sector leaders must find innovative and effective ways to remain accountable while investing in the future.

With extensive experience working with federal, provincial, and municipal levels of government, as well as other public sector entities, BDO currently serves over 1,000 clients in this sector, including:

- The Office of the Auditor General of Canada and other provincial offices of the auditor general;
- Over 20 Crown corporations;
- 350 The Townships across Canada; and
- 20 universities and colleges.

### Wide range of services for municipality clients

- Audit of financial statements;
- Assistance with taxation matters (i.e., taxable benefits, GST/HST);
- Budget preparation, feasibility studies, operational reviews and strategic planning;
- Review of payroll processes, bookkeeping and outsourcing;
- Accounting for long-term/temporary borrowings re: special capital arrangements;
- Assistance with the preparation of segment reporting;
- Software conversion audit and testing, business process/IT updates;
- PSAS Council workshops;
- Fraud investigation and presentations;
- Cemetery trust audits;
- Valuations;
- Construction cost audits;
- Review of records retention bylaw;
- Pay equity study and executive search;
- Internal audit;
- Efficiency studies;
- Feasibility studies; and
- Procurement review.

# Experience with municipal audits

**BDO serves over 80 municipal clients in Ontario, including:**

Client Name	Services Rendered	Office
The Township of Chisholm	Audit and advisory services, FIR	North Bay
The Township of Calvin	Audit and advisory services, FIR	North Bay
The Township of Papineau-Cameron	Audit and advisory services, FIR	North Bay
The District Municipality of Muskoka	Audit and advisory services	North Bay
The Township of Perth	Audit and advisory services	Windsor
The Township of Lambton	Audit, special reports advisory, HST services	Owen Sound
Huron-Perth Public Health	Audit, special reports advisory, HST services	Windsor
Local Services Board of Redditt	Audit and advisory services, HST services	Kenora
Municipality of Lambton Shores	Audit, special reports advisory, HST services	Owen Sound
Municipality of Lakeshore	Advisory services	Windsor
Municipality of North Perth	Audit, special reports advisory, FIR	Windsor
Municipality of Red Lake	Audit and advisory services	Kenora
Municipality of Owen Sound	Audit, special reports advisory, HST services	Owen Sound
Municipality of Strathroy-Caradoc	Audit, special reports advisory, HST services	Owen Sound
Rainy River District Social Services Administrative Board	Audit and advisory services	Fort Frances
The Corporation of the Municipality of Machin	Audit and advisory services	Kenora
The Township of Alberton	Audit and advisory services	Fort Frances
The Township of Aitkokan	Audit and advisory services	Fort Frances
The Township of Dawson	Audit and advisory services	Fort Frances
The Township of Dawn-Euphemia	Audit, special reports advisory, HST services	Windsor
The Township of Lake of the Woods	Audit and advisory services	Fort Frances
The Township of LaVallee	Audit and advisory services	Fort Frances
The Township of Morley	Audit and advisory services	Fort Frances
Town of Fort Frances	Audit and advisory services	Fort Frances



# Qualifications and experience

# Firm experience

## Client References

We have a long history of providing value to Municipalities and Townships. We have built strong relationships with our contacts over the years. These are the best people to contact to confirm BDO's service value.

Description	Client #1	Client #2	Client #3
Organization Name:	The Municipality of Calvin	The Township of Papineau-Cameron	The District Municipality of Muskoka
Contact Name:	Donna Maitland	Jason McMartin	Laurie Bissonette
Contact Title:	CAO Clerk-Treasurer	CAO Clerk-Treasurer	Director of Finance
Telephone #:	705-744-2700	705-744-5610	705-645-2100 x4208
Email:	Cao@calvintownship.ca	clerk@papineaucameron.ca	Laurie.Bissonette@muskoka.on.ca
Description of Services Provided:	Audit and FIR (2 years)	Audit and FIR (10 years plus)	Audit and advisory (5 years)

# Your BDO team

In selecting your service team, we have carefully reviewed our understanding of your needs and have identified the people whose credentials are best suited to your requirements. Dean will lead your audit and be your main point of contact. Joshua will manage a team of senior and junior staff who will support her in carrying out the audit.

We are committed to staffing your engagement with individuals who are knowledgeable in auditing municipalities and organizations in the greater public sector. The service team selected for your project includes talented team members who are currently working with clients within the public sector executing various projects, including municipal audits. We commit to their availability for the duration of this engagement.



## Engagement leadership



**Dean Decaire**  
CPA | CA  
Engagement  
Partner

## Engagement team



**Joshua Trudeau**  
CPA | CA  
Senior Manager,  
Assurance



**Cory Greco**  
CPA | CA  
Manager, Assurance



**Shelagh Graham**  
Senior Accountant,  
Assurance

# Personnel qualifications



## Engagement Partner

**Dean Decaire, CPA, CA,**  
Partner, Assurance

T: (705) 495 2000

E: [ddecaire@bdo.ca](mailto:ddecaire@bdo.ca)

Dean has over 30 years of experience in public accounting providing auditing, accounting and taxation services to a broad client base.

Due to his vast industry knowledge and experience, Dean is a leader in the Firm's Government Sector Industry Group. In addition, he stays current through BDO's in-house Learning and Development Programs.

Dean has lectured and undertaken many initiatives on many different topics for professional development seminars, including:

- ▶ Co-authored the CPA Ontario's PSAB 101 and PSAB for GOPFAOs courses;
- ▶ PSAB Financial Statement training to members of the Municipal Financial Officers of Ontario;
- ▶ PSAB training on transitional issues pertaining to Colleges at the 2012 Ontario Colleges and Facilities Management Conference in Sudbury. The session was focused on the quantification of PSAB transitional adjustments and the discussion of additional PSAB financial statement disclosures;
- ▶ CPA Ontario - Instructor for Audit, Accounting, PSAB/PSAS, IFRS and Income Tax Updates, 2000 - present;
- ▶ CPA Ontario - Course author for a number of topics in particular the annual PSAB Update professional development course, 2009 - present; and
- ▶ Nipissing University, North Bay, Ontario (September 1998 - 2007) - Part-time instructor teaching personal and corporate income tax courses, internal auditing and financial accounting.

## Non-exhaustive client experience

- ▶ The Township of Bonfield
- ▶ The Township of Chisholm
- ▶ The District Municipality of Muskoka
- ▶ Corporation of the City of North Bay
- ▶ The Township of Papineau-Cameron
- ▶ The Township of Calvin
- ▶ City of Orillia
- ▶ City of Thunder Bay
- ▶ Ontario Northland Transportation Commission
- ▶ Canadore College of Applied Arts & Technology
- ▶ North Bay Regional Health Centre

## Educational and professional background

- ▶ Chartered Professional Accountant, Ontario, 2013
- ▶ Chartered Accountant, Ontario, 1998
- ▶ Bachelor of Commerce, Accounting, Laurentian University of Sudbury, 1992

## Role for The Municipality

Dean will ensure that The Municipality receives excellent service from the team. He will take ultimate responsibility for the quality of the services we provide. He will be available to address any questions, concerns or issues, he will attend Council meetings and will respond to enquiries. Dean will review and approve the overall audit plan, working papers, financial statements, notes on significant decisions made during the audits, review notes made during the detailed review and the proposed audit opinions.



# Personnel qualifications



## Senior Manager

**Joshua Trudeau, CPA, CA**  
Senior Manager, Assurance

T: (705) 825 2864

E: [jtrudeau@bdo.ca](mailto:jtrudeau@bdo.ca)

Josh has audit experience with all types of entities including various not-for-profit and public sector organizations.

He stays current with industry requirements through BDO's Not-for-Profit and Education Industry Group and BDO's in-house Learning and Development Programs.

### Non-exhaustive experience

- ▶ The Township of Bonfield
- ▶ The Township of Chisholm
- ▶ The Township of Papineau-Cameron
- ▶ The District Municipality of Muskoka
- ▶ The Corporation of the City of North Bay
- ▶ The Township of Calvin
- ▶ Ontario Northland Transportation Commission
- ▶ Algonquin Forestry Authority
- ▶ North Bay Regional Health Centre

### Educational and professional background

- ▶ Chartered Professional Accountant, Ontario, 2013
- ▶ Chartered Accountant, Ontario, 2010
- ▶ Bachelor of Arts, Honours, Economics and Financial Management, Wilfrid Laurier University, 2007

### Role for The Municipality

Josh will be responsible for the day-to-day operation and management of the audit engagement, including planning and follow up discussions throughout the engagement with The Township management along with supervision of the audit team.

# Personnel qualifications



## Manager, Assurance

**Cory Greco, CPA, CA**  
Manager, Assurance

T: (705) 495-2000  
E: [cgreco@bdo.ca](mailto:cgreco@bdo.ca)

Cory has experience in public accounting, providing audit and accounting services to all types of entities including various not-for-profit and public sector organizations.

He stays current with public sector and not-for-profit requirements through BDO's Public Sector Industry Group and BDO's in-house Learning and Development Programs including PSAS Updates.

### Non-exhaustive experience

- ▶ The Township of Bonfield
- ▶ The Township of Chisholm
- ▶ The District Municipality of Muskoka
- ▶ The Corporation of the Municipality of Mattawan
- ▶ The Corporation of The Township of Papineau-Cameron
- ▶ Corporation of the Municipality of Calvin
- ▶ Ontario Northland Transportation Commission
- ▶ Canadore College of Applied Arts and Technology

### Educational and professional background

- ▶ Chartered Professional Accountant, Ontario 2021
- ▶ Bachelor of Business Administration, Nipissing University, 2014

### Role for The Municipality

Cory will be performing the execution of The Municipalities audit in accordance with PSAS reporting standards, including auditing of working papers and the financial statements. Cory will work closely with The Municipalities management and finance team throughout the engagement.



## Senior Accountant, Assurance

**Shelagh Graham**  
Senior Accountant, Assurance

T: (705) 995-2098  
E: [sgraham@bdo.ca](mailto:sgraham@bdo.ca)

Shelagh has experience in public accounting, providing audit and accounting services for various not-for-profit organizations.

She remains up-to-date on public sector and not-for-profit standards through BDO's in-house educational courses, and as a part of the Assurance Digital Champions team in North Bay

### Non-exhaustive experience

- ▶ Corporation of the Municipality of Calvin
- ▶ Canadore College of Applied Arts and Technology
- ▶ The Crisis Centre of North Bay
- ▶ Hands - the Family Health Network

### Educational and professional background

- ▶ Chartered Professional Accountant Candidate, Ontario
- ▶ Honours Bachelor of Business Administration, Accounting Stream, Nipissing University, 2023
- ▶ Honours Bachelor of Science, Bio-Medical Science, University of Guelph, 2011

### Role for The Municipality

Shelagh will be performing the planning and execution of the Municipality's audit in accordance with PSAS reporting standards, including testing of financial statement areas



# Audit approach

# Demonstrated understanding of services

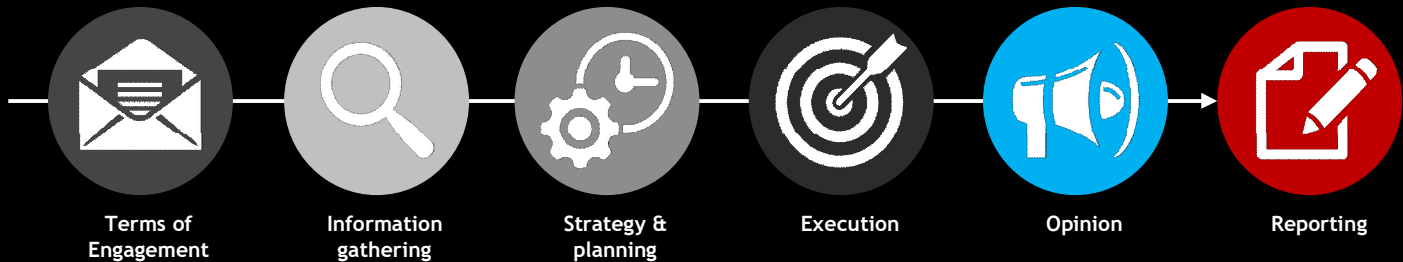
Through our work with other municipalities and after careful review of the RFP, we understand that the Municipality requires the provision of audit services in accordance with Public Sector Accounting Standards (PSAS), and will include the following:

- Perform and Plan the audit
- Perform tests of documentary evidence
- Conduct an internal controls Evaluation
- Management letter review
- Adjusting and reclassing entries
- Upon completing of the field work, provide The Township with adjusting entries and final trial balance
- Draft and produce the final audit report
- Review of Year End Financial reports
- Preparation of FIR
- Prepare the Financial Statements
- As required/ requested, attend Council Meetings
- Throughout the year provide technical assistance including guidance as needed on
  - Accounting
  - Reporting
  - Internal Control Questions



# Audit approach

## Methodology



### High quality, risk focused audit

BDO employs a proprietary global methodology that will enable your BDO engagement team to conduct a high quality, risk-based audit with maximum efficiency and minimal disruption to your operations and people. While all financial statement audits are required to comply with applicable auditing standards, audit firms use different methodologies to meet those standards, and the methodology used can have a significant effect on the quality and efficiency of service provided.

A thorough understanding and assessment of the risks of material misstatements, whether due to fraud or error, in the financial statements is fundamental to performing an efficient and effective audit and is key to our approach. In determining higher risk audit areas, we consider various matters such as complexity, subjectivity, estimations, inherent and control risks and the likelihood and potential magnitude of misstatements. Our risk assessment process is led by partners and managers, with input from other team members and management.

### Senior leadership for the Municipality engagement

Our experienced partners and professionals are involved in every aspect of their engagements. We deliver technical support and guidance through a streamlined, accessible organization which translates to timely responses and swift resolution of technical issues or questions.

### Coordinated approach

- ▶ We place significant emphasis on close coordination with management to gain a meaningful understanding of management's own risk assessments and procedures in place to address those risks in order to make our own work as efficient and effective as possible.
- ▶ We will assess and test controls, as applicable.
- ▶ A risk-based audit approach combined with a well coordinated team will be the catalyst for an efficient audit process.
- ▶ We gather sufficient information on the market and key business/audit risks to enable us to design appropriate audit procedures and conduct the audit in the most efficient manner and within the agreed time frame and budget. Information gathering will also include a "prepared by client" list with agreed timetable for provision of information and pre year end planning meeting.
- ▶ We promote clear and timely communication of issues to avoid last minute surprises and to enable smooth and timely reporting.

### What the Municipality gains

Our tailored approach focusing on higher risk audit areas completed by experienced staff, who understand your business and the industry within which it operates, provides the Township with the most efficient and least stressful audit experience possible. Senior team members are directly accessible to provide quick issue resolution and support.

# Audit approach

## Communication

At BDO we are proactive in our approach to communication and will communicate with management from the planning process through to the final stages of the audit.

Dean Decaire has ultimate responsibility for all key decisions and will sign your audit report. Throughout your audit you will receive significant input from Dean - greater partner time devoted to you means you get experienced and quick decision making.

### Year-round communication

#### Planning

- ▶ Communicate with management to review the audit approach, the responsibilities of management and the auditor;
- ▶ Determine any additional areas of concern for us to consider when undertaking the audit.

#### Year-end audit

- ▶ We deal with issues immediately, leaving no surprises for the end of the fieldwork; and
- ▶ Review the draft audit report and financial statements with management prior to the statements being finalized.

#### Post-audit

Provide management with an Audit Findings Report that will highlight aspects of the audit that we believe would be of interest.

#### Responses to questions

We encourage our clients to contact us as issues arise. Most questions will not require research and can be answered quickly based on our expertise, with no charge to you.

#### Management letter

The preparation of the Management Letter receives the same degree of care and attention as our audit report. Our team will review the letter with management, who must be satisfied that the individual recommendations are meaningful and that the overall presentation is effective before the letter is approved for release to the Board of Directors. The management letter will not contain surprises, undue criticism or vague recommendations.

### Resolution of technical issues

There may be complex accounting issues that arise from time to time. BDO's approach is to have our technical partners as an important resource for our engagement teams:

- ▶ Your technical partner will be active throughout the engagement to ensure complex accounting matters are dealt with in a timely manner.
- ▶ Their appropriate knowledge of the client helps us make decisions "with" you while maintaining our professional standards of independence.



# Audit approach

## Tools and technology

### APT NEXT GEN

- The proposed team has extensive experience auditing organizations that report under PSAB and ASNPO. This includes clients that have global operations and locations and require a consolidated audit in Canada. BDO uses a global audit approach that enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients’ operations and people.
- Our audit software and documentation tool ‘APT’ is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs) as well as to factor in engagement and industry-specific objectives and circumstances. Through a strategic alliance with Microsoft and the introduction of new technology, this worldwide tool is now capable of streamlining and focusing the audit process in even more ways for BDO professionals and their clients.

Our audit approach supports:

- ▶ **Consistency:** drives consistency and quality in audit execution throughout BDO, enabling us to be responsive to your size and location needs, providing access to the latest technology solutions
- ▶ **Customization:** providing sufficient flexibility to allow us to customize the scope of our work to meet your organizational needs, risk profile and changes
- ▶ **A digital approach:** we promote a paperless audit where we perform and document our audit and exchange information with you and your team using technology
- ▶ **Exceptional delivery:** using our highly trained teams, supported by state of the art technologies and underpinned by an exceptionally intuitive audit methodology, to enable timely and efficient cross-border delivery of your audit
- ▶ **Compliance:** our audit approach and related technologies ensure compliance with Canadian Auditing Standards (CASs)

**BDO Advantage** is a suite of data analytics tools that combines the benefits of modern technology with our knowledge and understanding of your business.

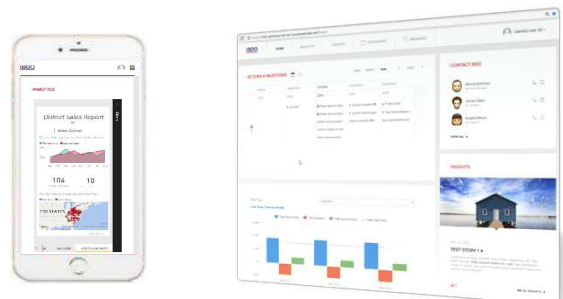
Our technology solutions transform your audit experience by summarizing and presenting complete data set outliers and anomalies.

We incorporate this information into the subjective assessments within our audit approach, using them to assess risk, gather audit evidence, provide greater insights, and support more efficient and effective strategies.

TRADITIONAL AUDIT PROCEDURES	AUDIT DATA ANALYTIC PROCEDURES
<ul style="list-style-type: none"> <li>▶ Requires extensive sampling and manual vouching to support documentation</li> <li>▶ Provides aggregated SAPs that often present low levels of assurance with difficult-to-investigate differences</li> <li>▶ Delivers high assurance SAPs which are often time intensive and require extensive manual data manipulation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Allows for the testing of 100% of a population</li> <li>▶ Automates calculations and audit procedures</li> <li>▶ Visualizes data to simplify the identification of unusual items</li> <li>▶ Allows for a disaggregated and visual review of unusual items, simplifying the investigation process</li> </ul>

### BDO GLOBAL CLIENT PORTAL

BDO Global Portal transforms and enhances your digital experience with your BDO advisors. Available at any time, the Portal enables you to access all services, tools, apps, documents and information, and collaborate with your BDO advisors in a seamless way through a flexible, appealing, and highly secure environment.

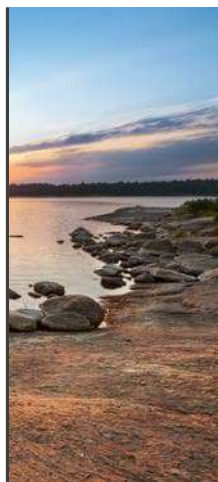


# Audit approach

## Quality control

We have a number of mechanisms in place to ensure that our professional services are performed to a high level of quality. These mechanisms include:

- **Staff continuity** – You can count on the same core team year after year. We build continuity planning into our business and transition when necessary. This promotes continuity and ensures seamless quality service.
- **Internal reviews** – All technical work is reviewed by a partner and/or a senior technical manager to ensure work is performed and delivered to standards consistent with all relevant professional standards, and complies fully with appropriate regulatory and legislative requirements.
- **Internal quality reviews** – Conducted by experienced independent partners and senior managers to assess whether the services were performed to a high level of quality in accordance with BDO's policies and applicable professional and regulatory standards.
- **External reviews** – BDO is subject to periodic Canadian Public Accountability Board and Public Company Accounting Oversight Board's independent peer reviews. In addition, our files are reviewed every four years by an inspection team from the Chartered Professional Accountants of Ontario to ensure that we are following the profession's guidelines regarding assurance assignments.



### In-Field reviews

One of our strengths that go beyond the typical audit process is our use of in-field reviews. The benefit of these in-field reviews is that final decision makers are on site ensuring issue resolution prior to leaving the field. This guarantees that queries are cleared quickly so files are closed in a timely manner.

### Detailed Review

Performed by Joshua Trudeau, Audit Manager; who will review the financial statements, our audit report and all working papers including the audit tests and conclusions by the audit team.

### General Review

Performed by Dean Decaire, the Engagement Partner; who will review the financial statements, notes on significant decisions made during the audit, review notes made during the detailed review, the proposed audit opinion and major working papers.



# Audit approach

## Risks & key areas of focus

As part of our audit approach, we take into consideration industry risks and other matters of significant importance. We have included significant risks we have identified related to The Municipality. As we have done throughout our tenure of other NPO clients, our audit will begin with a detailed assessment of your key objectives, business processes and overall control environment.

RISKS NOTED	APPROACH
<b>Significant Risks</b>	
<b>Revenue recognition</b>	
<p>There is an inherent risk of material misstatement in revenue and deferred revenue. The potential is for a misallocation between accounting periods given the amount of funding received on an annual basis and any specific guidelines attached to each grant/source.</p>	<ul style="list-style-type: none"> <li>• Operating grants will be confirmed with the government bodies, which ensures amounts recorded exist, are complete and are recorded accurately.</li> <li>• Evaluate management’s procedures over allocations to ensure they are adequate.</li> <li>• Review subsequent receipts and management’s comparisons to budget and to prior year.</li> <li>• Other revenue will be tested using sampling and analytical procedures including comparisons with budget and prior years.</li> <li>• Special funding projects will be tested on a sample basis for the proper year-end allocations (deferral of revenue) and compliance with terms of funding.</li> </ul>
<b>Management override of controls</b>	
<p>There is an inherent fraud risk due to management’s ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>• We will review significant estimates made by management, review of journal entries and review and understand any unusual transactions including the internal controls in place relating to these items.</li> <li>• We will add the element of unpredictability in the audit annually.</li> </ul>
<b>Other Risks</b>	
<b>Deferred capital contributions</b>	
<p>Risk that capital contribution may not be matched to the asset correctly and contributions not recognized in the proper period.</p>	<ul style="list-style-type: none"> <li>• Assess the reasonableness of the assumptions utilized to amortize the contributions in an appropriate method which is consistent with the asset the contribution has been provided for.</li> </ul>



# Proposed fees and service timeline

# Fee Proposal

These fee estimates are based on the following assumptions for the proposed engagement:

- Phone calls for auditing or accounting matters that do not require research are free of charge; requests that are complex or that require research may require a separate bill.
- We hereby confirm that BDO will provide itemized final billings, if requested.

Should either the Municipality or BDO identify changes in scope and requirements, or should other matters arise that would affect our total fees and expenses, we will inform you immediately and discuss the impact on our fees and expenses, before any “out of scope” fees and expenses are incurred.

In the event that our actual time is less than our estimate, we would bill a lower amount. If a significant change in requirements, generally accepted accounting principles or standards, the organization accounting systems or finance staff, occurs during the year which would be expected to impact the time required to carry out the engagement, we would discuss and review the issues and impact, if any, on the fee.

## Basis for future fees

We will work closely with management to discuss any anticipated changes. The issues beyond our control that may arise and could affect the fees include:

- Significant transactions that affect the operations so the scope of the audit is materially affected; in this event, we would discuss and gain mutual agreement with management on the implications on fees in advance of any potential work that could increase the fees.

## Incidental advice and hourly rates

We do not charge for ad-hoc advice and support provided throughout the term. If, however, these discussions give rise to a specific project, we will agree to a budget for that project with you. Any additional charges for work outside the scope of the external audit will be based on our hourly charging rates, depending on the level of expertise or specialism required. These services would be covered by a separate engagement letter and would be agreed in advance of any cost being incurred.

## HST and Administration and Technology Fee

BDO fees noted below do not include HST. The fees quoted are not inclusive of our firm’s 7% administration and technology fee.

## Expectations of The Municipalities staff

- If appointed, we will provide a listing to discuss with your finance team to obtain key documents such as the trial balance and determine how best to receive the information.
- We also anticipate the following:
  - There are minimal adjusting journal entries required;
  - There have not been any significant changes to the operations or scope of work; and
  - Finance/accounting personnel are available during the audit period for questions and information gathering. Finance/accounting personnel would require time to prepare the year-end working papers prior to the audit beginning, as well as time during the audit fieldwork to gather supporting documentation and to address questions from the audit team

## Investment in our relationship

As an investment in our continued relationship with you, we have provided the following:

- Our fees include regular check-in meetings throughout the year to discuss the assurance engagement or other matters important to the organization.
- We will provide proactive advice throughout the engagement, at no additional charge to you. This will include recommendations for control deficiencies identified.

## Price Breakdown - Hours





Anticipated Hours	Partner Hours	Manager Hours	Audit Staff Hours	Total Hours
Planning and interim work	3	10	20	33
Year-end field work, testing and procedures	2	10	70	82
Meetings and discussions, final audit report, attendance at meetings	5	10	5	20
<b>Total</b>	<b>10</b>	<b>30</b>	<b>85</b>	<b>135</b>

## Price Breakdown - Fees

Proposed Fees	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Audit of financial statements	\$21,000	\$22,000	\$23,000	\$24,250	\$25,500	\$26,750
Preparation of FIR	\$1,875	\$1,950	\$2,000	\$2,050	\$2,100	\$2,150

# Service timeline

The timeline below is based upon our knowledge and understanding of your financial reporting schedule and other timing considerations. This schedule is flexible, and we will work with you to meet your service needs.

Milestones and deliverables	Suggested dates
 <p>Engagement preparation and planning:</p> <ul style="list-style-type: none"> <li>• Meet with management to discuss and agree upon:               <ul style="list-style-type: none"> <li>• Schedule for completion/audit of the financial statements</li> <li>• List of necessary schedules, working papers, analyses, and other information to be prepared by management</li> </ul> </li> <li>• Perform interim field work</li> </ul>	December
 <p>Completion of year-end audit work:</p> <ul style="list-style-type: none"> <li>• Perform year-end audit testing and analytical procedures</li> </ul>	February/March (or as mutually agreed upon)
 <p>Evaluation and reporting:</p> <ul style="list-style-type: none"> <li>• Evaluate results and findings</li> <li>• Completion of draft financial statements</li> <li>• Completion of the draft audit findings report and management letter</li> </ul>	April (or as mutually agreed upon)
 <p>Issue final audit report</p>	April (or as mutually agreed upon)



# Appendix - Additional firm information

# Commitment to sustainability

At BDO Canada, sustainability is an investment in the strength of our culture, the resilience of our business and the future of our planet. With the establishment of a dedicated ESG team this year, we are investing into the development of a comprehensive ESG strategy. Knowing that sustainability is not a destination, we are on a journey to integrate evolving ESG risks and opportunities into our business operations to support the transition to a more sustainable planet, create an inclusive and diverse workplace and give back to our communities.

## BDO Canada's approach to sustainability focusses on four main pillars:

1. Embed Environmental action and leading sustainability practices into our firm operations with a focus on reducing our carbon footprint, and reaching net-zero by 2050;
2. Create an inclusive and equitable work environment that supports the health & well-being of our people & communities;
3. Ensure our firm Governance structure is resilient, while building trust and serving in the interest of all stakeholders; and
4. Lead by example, and support clients on their sustainability journey by providing ESG services to businesses across a variety of industries and geographies.

**At this stage of our ESG journey, we have prioritized the following:**



### Environment

- Climate Change



### Social

- Inclusion, Equity & Diversity
- Health & Well-Being
- Learning & Development
- Community Involvement and Social Vitality
- Innovation for Growth

## Greenhouse gas reporting project ("GHG project")

In October 2022, we kicked off our greenhouse gas (GHG) reporting project to understand our environmental footprint.

The findings in this project will serve as the foundation for developing a decarbonization strategy and will inform BDO Canada's climate strategy.

We are diligently working to collect data and run calculations to translate the following activities that contribute to the emissions.

- Real Estate Footprint
- Procurement
- Business Travel
- IT Data Centre
- Employee Commuting and Working from Home
- Waste

Our annual ESG report issued in September 2023 can be found [here](#).



### Governance

- Ethical Behaviour
- Risk & Opportunity Oversight

# Sustainability

## Sustainable development procurement guidelines

### Our communities - listen to & serve society

BDO is committed to supporting our local communities. Our firm engages with over 100 offices across Canada to support our people and clients in diverse communities such as our national Drive Away Hunger campaign. Other community initiatives include the following:

With over 100 offices across Canada, BDO leverages the scope of our national network to pursue large-scale initiatives, as well as support individual offices and employees as they devote time and energy to causes that are most important to their communities. Our two national initiatives focus on supporting food banks and grassroots hockey.

BDO is also committed to the well-being of our employees.

- Beginning in 2020, our new Personal Time Off policy provides employees with time off for any purpose. Employees are welcome to use as much personal time as they choose for volunteer initiatives;
- We offer an immediate and confidential Employee & Family Assistance Program service that is accessible 24/7/365 to our employees.

### Indigenous procurement

BDO Canada works with over 125 Indigenous communities and organizations in Canada. Many of these relationships have been in place for decades. Still, we recognize in our process of reconciliation with our Indigenous partners, clients and employees, that we must examine and ensure these relationships reflect best practices consistent with the objectives of Canada's Indigenous People.

To this end, much of the work we have done in partnership with Indigenous communities and organizations has focused on sustainable economic development, skills training and capacity development.

As a professional services organization, BDO Canada's capital investments and public procurements are limited. Still, when working with Indigenous partners, any procurement required, from local materials to marketing or communications resources, are sourced through our Indigenous partners wherever possible.

In 2021, BDO worked with Indigenous communities in Manitoba and Prince Edward Island to produce video and communications content for our firm. As well, in areas near an Indigenous community, or in alignment with an Indigenous partner or business client, BDO works with these businesses whenever possible.

While this approach, in part, reflects a commitment to reconciliation - specifically when it relates to communications and content development - it also reflects a legacy practice of good business.





# Driving impact with ESG programs

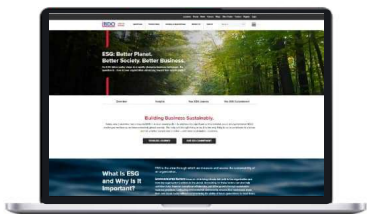
## The driving forces behind effective ESG programs

Every industry and organization has different driving forces behind the development of ESG Programs. Organizations must align with industry drivers, understand stakeholder desires and most importantly determine their own ESG values to pursue impactful ESG outcomes.

Environmental	Social	Governance	Benefits of ESG Programs
<ul style="list-style-type: none"> <li>• Climate strategy</li> <li>• Environmental management</li> <li>• Environmental impact of the product portfolio</li> <li>• Eco-efficiency: CO2, water waste, energy</li> <li>• Energy management</li> <li>• Water risks and impact</li> <li>• Equal opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Freedom of association</li> <li>• Health and safety</li> <li>• Human rights</li> <li>• Product responsibility</li> <li>• Social impact of the product portfolio</li> <li>• Gender and diversity</li> <li>• Supply chain management</li> <li>• Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Structure &amp; oversight</li> <li>• Board independence</li> <li>• Compensation</li> <li>• Shareholder structure</li> <li>• Equity, Diversity &amp; Inclusion</li> <li>• Whistle-blower schemes</li> <li>• Lobbying</li> <li>• Taxes</li> </ul>	 <ul style="list-style-type: none"> <li>• Top-line Revenue Growth</li> <li>• Cost Reduction</li> <li>• Asset Optimization</li> <li>• Talent Acquisition</li> <li>• Employee Retention</li> <li>• Investment Opportunities</li> <li>• Brand &amp; Reputation Uplift</li> <li>• Alignment with leading industry peers</li> </ul>

*As ESG takes center stage in a rapidly changing business landscape, the question is - how is your organization advancing toward true sustainability?*

Click here to access our Sustainability Centre of Excellence.



## The foundational elements of an effective ESG program:

While every organization’s ESG program goals and ambitions are unique (and they should be), there are four foundational program elements that, when established correctly, lead to ESG program success. BDO can address each of these steps in any order and at any point in your ESG journey to fill the unique gaps presented.

- Governance | Establishing an effective discipline to enable ESG program success
- Strategy | Articulating success and empowering action to achieve ESG ambitions
- Risk Management | Managing risk in the pursuit of ESG success
- Targets & Measurement | Forming commitment, measuring success & communicating outcomes

BDO’s Sustainability services combine ESG leading practices with deeply rooted industry knowledge to create impactful ESG Programs specifically tailored for our clients’ ambitions. The solution set of sustainability services is modular designed, characterized by a configurable service approach to specifically support your ESG program needs. We understand that every organization has slightly different strengths in the pursuit of ESG objectives.

# Diversity, equity and inclusion

## Our BDO diversity, equity, and inclusion vision:

*creating an  
inclusive  
environment  
where everyone  
can bring their  
genuine selves to  
work, participate  
fully and be  
positioned for  
success.*

- **Our Goal** is to eliminate barriers, creating an environment that maximizes the contributions of everyone at BDO. In recognition of the value that people from different backgrounds and experiences bring, the firm constantly evaluates its policies and procedures to ensure diversity initiatives are incorporated fully and seamlessly into all aspects of our organization. This will result in our firm being a sustainable and diverse firm of the future.
- **Our Structure** includes our Chief Diversity, Equity, and Inclusion officer, Sinéad Scanlon, Partner, CA, CPA reports directly to our President and Senior Management Team. We have an organized National Diversity, Equity, & Inclusion Advisory Council who meets quarterly to set firm Diversity, Equity, and Inclusion strategies for our firm and we have 5 pillar leads as part of our council: Women, LGBTQ2S+, Indigenous Peoples, Persons with Disabilities and Racialized Groups.
- **Our Internal Strategies** focus around diverse hiring and promotion policies, diversity and unconscious bias training for all Partners and employees, communication and sharing on our community yammer pages, celebrations of diversity events like pride month, black history month, mental health day, international women's day and indigenous land acknowledgements along with other celebrations. These strategies will retain our talent which is so important to our sustainability in the future.
- **Our External Strategies** are financially supporting our diverse communities and NPOs in over 100 offices across Canada. We support a National "Drive Away Hunger Campaign", we support women, and we speak out about important issues such as "Black Lives Matter". Many of our clients and our referral sources are expecting diversity and inclusiveness in everything we do, so by being more diverse and inclusive we will achieve sustainability of our firm.
- We are also committed to implementing actions on the Truth and Reconciliation Commission (TRC) of Canada, and we strive to include TRC in approaching our IE&D goals and objectives for 2023. Currently we have been focusing on education and awareness within our corporate events and providing TRC training to our people and we will continue to do so in 2024.

# Diversity, equity and inclusion

Team diversity  
Composition of our firm

LGBTQ2S+ :  
**2%**

Identify as women:  
**58%**

Indigenous people:  
**1%**

Racialized people:  
**21%**

Persons with disabilities:  
**1%**



*“Inclusion and diversity isn’t a line item--and it’s not just the right thing to do. It goes to the core of what our teams are all about. The more inclusive we are as a company, the stronger we’ll be.”*

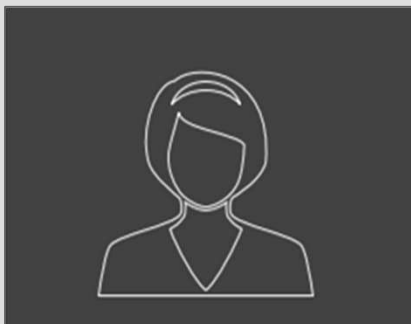
**Sinéad Scanlon**  
Chief Diversity, Equity, and Inclusion Officer

## Get to know BDO

### How we foster diversity and inclusion

We are committed to an inclusive workplace. The National Diversity, Equity and Inclusion Advisory Council help embed values into various aspect of our operations. There are five pillars:

- Women's Group
- Indigenous Peoples
- People with Disabilities
- Racialized Group
- LGBTQ2S+



Partners who identify as women:

**32%**

Women on  
Executive Leadership Team:

**45%**

Women sitting on  
BDO Canada Board:

**33%**

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

# Proposal to provide external audit services

(Request for Proposal #2024-01)

Municipality of Temagami

January 31, 2025 @ 4:00 PM

## Submitted by:

**Doane Grant Thornton LLP**

Judy Kleinhuis, CPA, CA  
Principal, Assurance Services

222 McIntyre St. W., Suite 400  
North Bay, ON P1B 2Y8

T +1 705 475 6517

E [Judy.Kleinhuis@doane.gt.ca](mailto:Judy.Kleinhuis@doane.gt.ca)

January 31, 2025

Laala Jahanshahloo, CAO/Treasurer  
Municipality of Temagami  
7 Lakeshore Dr.  
Temagami, ON P0H 2H0

---

Doane Grant Thornton LLP  
222 McIntyre St W Suite 400  
North Bay, ON P1B 2Y8  
T +1 705 472 6500  
F +1 705 472 7760  
doanegrantthornton.ca

RE: External Audit Services (Request for Proposal  
#2024-01)

Dear Laala,

Thank you for the opportunity to provide a proposal for the provision of external audit services for the Municipality of Temagami (the Municipality). We trust the information included herein addresses your expressed needs as stated in your Request for Proposal #2024-01. We would like to commence a partnership with the Municipality and are excited to respond with the following proposal that illustrates our suitability to successfully deliver your fiscal year audit for a period of five years (2024, 2025, 2026, 2027 and 2028 fiscal years).

With Doane Grant Thornton as your auditors, you can expect some distinct advantages to the external audit process, including:

**Strong qualifications in the public sector:** Doane Grant Thornton has thriving practices in the public sector. Our professionals are frequent speakers at national industry conferences. Doane Grant Thornton has dedicated teams of experienced professionals that work in the public sector space.

**High value for fair fees:** We will always look for ways to help you attain maximum value from our firm for the fees that you pay. We will provide you with day-to-day advice, where our prime concern will be to help you, as opposed to how much we can bill you. Every dollar matters, and it's important that your auditor and advisor be able to deliver a quality experience at a cost-effective price.

**Team continuity:** Collaboration and coordination remain at the heart of our culture. As a national firm, we have the resources to provide redundancies with the necessary skill sets needed to execute the required services listed in the RFP. And because we build our engagement teams with succession, continuity, and learning in mind, you can expect high-quality service, each year, from people who are knowledgeable about the Municipality.

I confirm that as proposed engagement principal, I am authorized to submit a proposal, and that Doane Grant Thornton LLP meets the mandatory requirements for submission. I also confirm that I have the authority to bind Doane Grant Thornton LLP contractually. I will be your point of contact with respect to our proposal and can be reached at +1 705 475 6517 or [Judy.Kleinhuis@doane.gt.ca](mailto:Judy.Kleinhuis@doane.gt.ca). I look forward to your feedback and next steps.

Yours sincerely,



Judy Kleinhuis, CPA, CA  
Proposed Engagement Principal


## Appendix A: MFIPPA Compliance

### Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) Compliance

By signing this template, the proponent acknowledges compliance with the **Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)**. The proponent agrees to keep all personal and confidential information obtained through this RFP process secure and use it only for the purposes outlined in the RFP.

#### Acknowledgment of Compliance:

I, the undersigned, hereby acknowledge that our organization complies with all applicable provisions of MFIPPA and agrees to handle all information in accordance with the Act.

<b>Proponent Information</b>	
Proponent Name	Doane Grant Thornton LLP
Address	222 McIntyre Street West Suite 400 North Bay, ON P1B 2Y8
Authorized Representative Name	Judy Kleinhuis, CPA, CA
Signature	
Date	January 31, 2025

## Appendix B: Conflict of Interest Declaration Template


### Conflict of Interest Declaration

By signing this template, the proponent declares whether any actual, potential, or perceived conflicts of interest exist with respect to their submission of this proposal.

### Conflict of Interest Acknowledgment:

1. We declare that there are no conflicts of interest in submitting this proposal.
2. We declare the following potential or actual conflicts of interest (if applicable): None.

We agree to notify the Municipality of Temagami immediately should any conflicts arise during the RFP process or the term of the agreement.

<b>Proponent Information</b>	
Proponent Name	Doane Grant Thornton LLP
Address	222 McIntyre Street West Suite 400 North Bay, ON P1B 2Y8
Authorized Representative Name	Judy Kleinhuis, CPA, CA
Signature	
Date	January 31, 2025



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# Executive summary

Having the right people behind you — those who understand your industry, how the Municipality operates, and the opportunities and risks you face — here in Northern Ontario is important to you.

So, why choose Doane Grant Thornton as your auditors?

## Engagement delivery

**Minimal disruption:** Long before audit fieldwork, we provide a list of required schedules and spreadsheets so your team can prepare in advance.

**Continuity of staff:** We'll always try to bring back the same team each year. Being one of Canada's Best Workplaces for Millennials makes this easier — our young professionals tend to stick around.

**Efficiency and effectiveness:** Our embrace of new technology and techniques brings increased cost efficiency and an audit better aligned to true business risk.

**Senior involvement:** Your engagement principal will be involved from audit planning through delivery. She sits down with you and helps you think clearly about your business goals.

**Sector expertise:** Doane Grant Thornton has a thriving practice in the municipal sector and has dedicated teams of experienced professionals. We have a strong presence in this space, allowing us to deeply understand your environment, and continue to provide you with thoughtful, strategic advice, giving you time to focus on meeting the needs of your constituents.

## Additional value

**Year-round dialogue:** You will enjoy year-round two-way dialogue with your engagement team. Open communication is critical to serving you and meeting your needs.

**Breadth of expertise:** While you are currently only seeking assurance services, our practitioners provide a broad range of additional services. We will introduce colleagues as needed to help you achieve your strategic goals.

**Technical updates:** Your engagement team helps you stay ahead of accounting and regulation issues. You gain an early understanding of everything — from new rules and requirements to areas of advancement in reporting.

**Industry insight:** Our practitioners are thought leaders who understand your business and the broader sector in which you operate. They publish and distribute regular thought leadership on current trends and issues.

**Information technology:** In a fast-changing marketplace, an agile and forward-thinking digital strategy is a must for every business. Regardless of size or sector, the competitive edge belongs to those who embrace new technologies and understand the digital shifts taking place around us.

We're excited to see what's next for you and find ways to impact your success. This proposal addresses the points discussed in your RFP, and also demonstrates why we believe engaging Doane Grant Thornton is the right decision for the Municipality.

# Firm profile

Trust is the key determinant of our relationships. Growing and maintaining trust is based on Doane Grant Thornton delivering on our promises and proving our commitment to the Municipality.

The history of Doane Grant Thornton in Canada began over 85 years ago. From our modest beginnings in Halifax in 1939, we have steadily grown to have a strong presence in every province across the country. Today, we are the Canadian member firm of Grant Thornton International Ltd. (GTIL), one of the world’s leading organizations with 73,000 colleagues providing audit, tax, and advisory services to more than 150 markets around the world.

Like the Municipality, we are committed to supporting our province – we have a large presence in the region and we pride ourselves with supporting our local communities. The Municipality’s audits will be completed by a team of professionals operating primarily out of our **North Bay** office, which is just one of our Northern Ontario offices that you’ll have at your disposal, should they be needed.

“Doane Grant Thornton has a strong legacy of growth, innovation and shared leadership that I’m proud to build on. Our common goal is to be recognized by our clients for the quality of our advice, the care with which we deliver it, and the emotional investment we make in their success.”

Kevin Ladner, Chief Executive Partner Canada



**3,000+**  
people across Canada



**141**  
offices



**242**  
partners/principals



Best Workplaces in Canada 2008-2024



Best Workplaces with Most Trusted Executive Teams, 2024



Best Workplaces in Canada for Today's Youth, 2024



Best Accounting Firm - Atlantic Business Magazine, 2022

### In Northern Ontario

We are dedicated to helping our clients, colleagues, and communities thrive. Our advisors work to obtain a deep understanding of what is important to our clients, their business, and their industry. This knowledge, combined with a team of very motivated and talented professionals who collaborate with our clients, help to accelerate their advantage.

You need a local service provider who can respond promptly (and if required, in person) as the need arises. In order to serve you with efficiency, your nearest engagement team within close proximity to the Municipality is conveniently located at our North Bay office at Suite 400, 222 McIntyre Street W., North Bay, ON P1B 2Y8.



**50+**  
people in Northern Ontario



**3**  
offices



**7**  
partners/principals

### **National municipal sector practice**

Public sector entities, including municipalities, is a key sector for Doane Grant Thornton. As such, Doane Grant Thornton has established a Public Sector Focus Group, which meets quarterly to discuss issues affecting entities reporting under Canadian Public Sector Accounting Standards (PSAS). In addition, in Ontario, Doane Grant Thornton professionals have established an Ontario Municipal Auditors Group which acts as a resource to our municipal auditors and advisors.

This group meets for an annual forum to discuss best practices, emerging operating and financial challenges facing municipalities, and financial reporting issues and developments. Members of the proposed engagement team have been active participants in these groups.

As such, Doane Grant Thornton team members have the background and understanding of critical issues required to implement best practices in municipal operations. We have worked with a variety of municipalities and municipal departments and will bring this expertise to this assignment. For more than 40 years, Doane Grant Thornton has assisted over 300 municipal clients. We are a frontrunner in providing services in this sector.

We leverage specific sector insights and statistics from our municipal client engagements. We have a solid understanding of common issues and opportunities as well as the influences and needs of internal and external stakeholders.

Our experience, competence, and reliability in handling projects for specific municipalities is evidenced in our extensive client list. We pay close attention to the unique vision and corresponding values of each municipality, working closely with key stakeholders to move improvement and innovation across the organization's functions.

Some trends regarding municipal challenges and opportunities across the province include:

- Growing desire to serve changing needs of residents and businesses
- Enhanced transparency for operational performance, financial budgeting, and variance reporting
- Increasing fiscal responsibility and accountability from residents requiring clear strategic objectives
- Increasing exploration for shared services
- Growing popularity of alliances for citizen/private/not-for-profit led initiatives
- A large and diverse workforce, including union and non-union staff, with different contracts, benefits, and conditions
- Regular maintenance, capital replacement, and expansion costs, requiring financing, possibly in non-conventional ways
- Balancing high levels of service and the community's ability to pay in the form of municipal taxes, user fees, etc.

## Local and municipal expertise

We are valued for our deep technical expertise and insights into the public sector and its regulatory landscape. Whatever your ambitions, Doane Grant Thornton can help you get there.

Combining our North Bay, New Liskeard, and Thunder Bay offices has helped us establish a reputation as Northern Ontario's premier auditor. This reputation will support public confidence in the Municipality. The size of our client base has enabled us to dedicate substantial resources to developing and enhancing our services.

Our Canadian offices have approximately 150 professionals dedicated to working in this field. Our experience with municipalities provides us with a solid understanding of common issues and opportunities, and enables us to fully appreciate how they impact municipal service delivery.

We have been a frontrunner in adapting management consulting services in this sector. When working with municipalities, we recognize the need for a tailored, hands-on approach that considers the unique organizational priorities of the public sector. We leverage sector specific insights and statistics from our public sector client engagements.

With over 50 audit, accounting, tax, insolvency, and administrative professionals, our Northern Ontario practice is currently comprised of 7 partners/principals, 10 senior managers/managers, and over 30 client service personnel.

Your proposed core engagement team is located in North Bay and the Municipality will have access to qualified resources in IT and sales tax across Ontario.

Your engagement team will continue to bring the Municipality an exceptional client experience. In addition to the expertise highlighted in their resumes ([Appendix I](#)), they have contributed to many of the following projects.

### Select current municipal and public sector external audit clients in Northern Ontario

---

Township of Armour (over 10 years)

---

Village of Burk's Falls (over 10 years)

---

Township of Perry (over 10 years)

---

Town of Kearney (over 10 years)

---

Township of McMurrich/Monteith (over 10 years)

---

Municipality of Oliver-Paipoonge (and predecessors) (over 10 years)

---

Municipality of Sioux Lookout (10 years)

---

Township of Schreiber (over 10 years)

---

Township of Terrace Bay (over 10 years)

---

Municipality of Shuniah (over 10 years)

---

Township of Manitouwadge (over 10 years)

---

Township of Nipigon (over 10 years)

---

Township of Dorion (over 10 years)

---

Thunder Bay District Social Services Administration Board (over 10 years)

---

Kenora District Services Board (9 years)

---

### **Auxiliary services for municipal clients**

In addition to external audit services, our firm provides a variety of services unique to municipal and local government organizations. These services include:

- Review of internal control procedures and “best practices” in finance department
- Review of internal control procedures in payroll department
- Sales tax reviews
- Value-for-money examinations relating to planning, budgeting and reporting systems and practices
- Assistance in the development of personnel policies and performance evaluation criteria
- Assistance in the assessment and implementation of computerized information systems
- Forensic auditing investigation relating to fraudulent activities
- Operational reviews of entities taken over or divested by a municipality
- Review of outsourcing of water and sewer/electricity meter reading and billing
- Comprehensive reviews relating to the safeguarding and utilization of municipal assets and resources
- Assistance regarding the setting of terms of reference for new Audit Committees
- Strategic planning
- Services relating to rate studies and regulation of utilities

### **Specialized municipal services we offer**

Our specialists provide a range of services to public sector entities:

- HST; the rules are complicated, much more so than for typical owner-managed businesses
- Special purpose audits; organizations receiving government funding or running special programs often require these services
- Risk management/internal control; councils and boards are increasingly concerned about their risk levels and the literature in this area continues to increase
- Operational and efficiency reviews; public sector organizations are typically held to high standards of efficiency and, consequently, are very interested in solutions that improve their benefit per dollar spent
- Governance reviews; organizations often struggle with governance models, particularly as they change in size

### **Cybersecurity**

As organizations become increasingly dependent on digital technology, the opportunities for cyber criminals continue to grow. The explosion of data generated by digital technology, combined with a new degree of connectedness among organizations, means that there is ripe opportunity for the technologically savvy and criminally minded to take advantage. Regulators and stakeholders are increasing the pressure on organizations to manage these risks and cybersecurity is now a top of the boardroom agenda.

We’ve created a strategic alliance with VARS Corporation, a cybersecurity organization wholly owned by Raymond Chabot Grant Thornton (RCGT), whose multidisciplinary professionals offer clients innovative and practical solutions to their cybersecurity needs. Your business can benefit from cutting-edge information security expertise that will help safeguard your most sensitive data and strengthen your cybersecurity posture.

# Staff qualifications and experience

## The Doane Grant Thornton team is *where* you need us, *when* you need us.

We want to work alongside the Municipality as your service provider and partner of choice. With Doane Grant Thornton, you will have access to the right resources, with the right knowledge, at the right time to help you deliver on your assurance needs and offer solutions relevant to your organization. You don't have to train us; we hit the ground running, so you can stay focused on your core objectives.

Judy Kleinhuis will be your direct contact and is supported by an experienced, capable audit team. We can tap into other service lines should a new operational need be identified for the Municipality. We are confident the team built for the Municipality will continue to deliver the insight and foresight you require.

### Benefits to the Municipality

- Local assurance specialists, highly involved and respected within the Northern Ontario market and the added bench strength of a national practice
- Deep experience in the public sector
- Approachable, accessible principal, who sits down with you and provides real insight and an informed point of view
- Experience delivering a technically-sound audit approach that utilizes leading practices, and the know-how to tailor that approach to your needs

### Staffing and value-added support

Engaging Doane Grant Thornton means the Municipality will receive exceptional service from high-quality team members in Canada and around the globe, led by local leadership in Northern Ontario.

### Capacity to undertake engagement

Doane Grant Thornton's senior engagement team members have more capacity and flexibility to interact with the Municipality because their time is not stretched over a large volume of engagements with the same deadlines. We are genuinely interested in entering into our partnership with the Municipality and helping with your challenges, financial and operational.

### Continuity

Continuity relies on each team member's desire to work with organizations like the Municipality, and their personal fulfilment at Doane Grant Thornton. As an award-winning employer of choice, we attract and retain our industry's top talent; this helps reduce the risk of staff turnover.

We commit to providing reasonable continuity within our control; however, in the event a change is required, we quickly provide qualified resources from our public sector assurance practice. We collaborate regularly with our peers, so you can expect a relatively seamless experience.

### A multidisciplinary team

As part of our holistic service approach, our team includes sector specialists in tax and advisory services. This enables us think more expansively about the Municipality and find ways to help you achieve greater value for money.

On the following pages are bios of the proposed team for the Municipality. Team resumes included as **Appendix I** include pertinent experience and expertise related to auditing similar organizations, relevant certifications, their position in our firm, and proposed role on the Municipality's engagement.



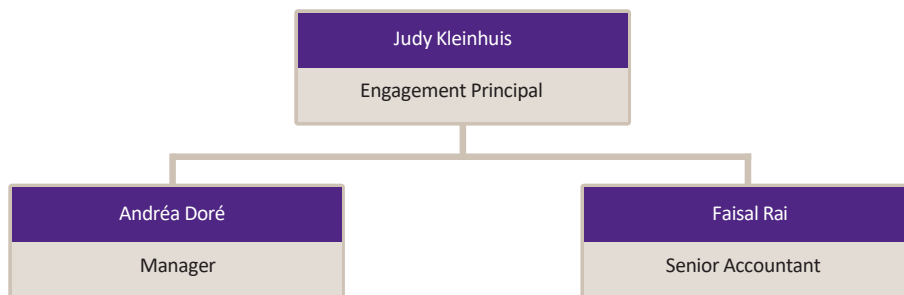
### Roles and responsibilities

As part of our holistic service approach, our team includes sector specialists in audit services. This enables us to think expansively about the Municipality and find ways to help you achieve greater value for fees.

Team member	Contact	Short bio
Judy Kleinhuis Engagement Principal  North Bay	T +1 705 475 6517 E <a href="mailto:Judy.Kleinhuis@doane.gt.ca">Judy.Kleinhuis@doane.gt.ca</a>	As engagement principal, Judy has ultimate responsibility for the Municipality’s overall engagement from planning and execution to communication with Management and Council, to working with you to identify and resolve technical matters.  Judy is a licensed public accountant with CPA Ontario (license number 1-18679).
Andréa Doré Manager  New Liskeard	T +1 705 647 8100 E <a href="mailto:Andrea.Dore@doane.gt.ca">Andrea.Dore@doane.gt.ca</a>	As manager for the Municipality’s audit, Andréa will oversee the audit and provide technical leadership to the audit team, while keeping Judy informed. She has extensive experience managing audits of public sector entities, including various municipalities.
Faisal Rai Senior Accountant  North Bay	T +1 705 475 6021 E <a href="mailto:Faisal.Rai@doane.gt.ca">Faisal.Rai@doane.gt.ca</a>	As senior accountant, Faisal plans and leads the audit team, directing junior team members on auditing techniques and managing complex sections of the audit work. Faisal works closely with Andréa and Judy to identify issues and assist in their resolution.

### Specialist support

Melanie Joseph National Professional Practice Group - PSAS  Mississauga	Melanie offers over 20 years of experience working with public sector entities. As part of our National Accounting Standards group, she interprets accounting standards and the application to new and complex transactions. Melanie will provide technical support to the team throughout the audit.
Kim Toskovich Managing Partner - Northern Ontario Principal, Tax Services  Thunder Bay	Kim is a senior tax practitioner with 30+ years of experience. Her focus is on tax planning and compliance. Kim will be the lead tax support for the engagement and provide services as needed.



# An approach tailored to the Municipality 's needs

We understand that you are looking to partner with a firm that can provide exemplary assurance services and that has experience and insight into your unique operations.

We believe we are that firm. Our mission is to allow you to feel like you can reach out to us to discuss your goals and how to achieve them without feeling like you will be billed for every conversation.

From your RFP, we understand that you are seeking a professional services firm that:

- Delivers high-quality audit services in accordance with Canadian Generally Accepted Audit Standards (GAAS)
- Issues an independent auditor's report on the consolidated financial statements of the Municipality
- Prepares draft financial statements and related note disclosures in accordance with Canadian Public Sector Accounting Standards
- Prepares Financial Information Return (FIR)
- Assists with internal submission of Canada Community-Building Fund on-line submission of revenues and expenditures required by the Association of Municipalities of Ontario
- Assists with internal submission of Form 2 Report on Care and Maintenance Trust Funds required by Bereavement Authority of Ontario
- Advises of weaknesses in internal controls, or other areas of concern noted during the audit, prior to the management letter being issued to Council

- Prepares an annual post-audit management letter, where applicable, on deficiencies identified, including business advisory and other matters including suggestions for improvement
- Delivers an audit findings report that outlines the audit approach, key areas of focus, and work performed
- Presents financial statements and audit results at the Council meeting
- Will serve as a resource and be available for consultation on accounting and related matters throughout the fiscal year

We look forward to meeting your needs and more as we work through these important assignments over the coming years.

Doane Grant Thornton has provided services to various public sector organizations in the province, allowing us to gain a deep understanding of the complex and evolving business environment you are currently operating within. Our understanding of the current and future environment will be used to develop an impactful and value-added audit. Your audit must be efficient and effective and the right approach should give you value for money. To ensure you receive an impactful audit, we will deliver:

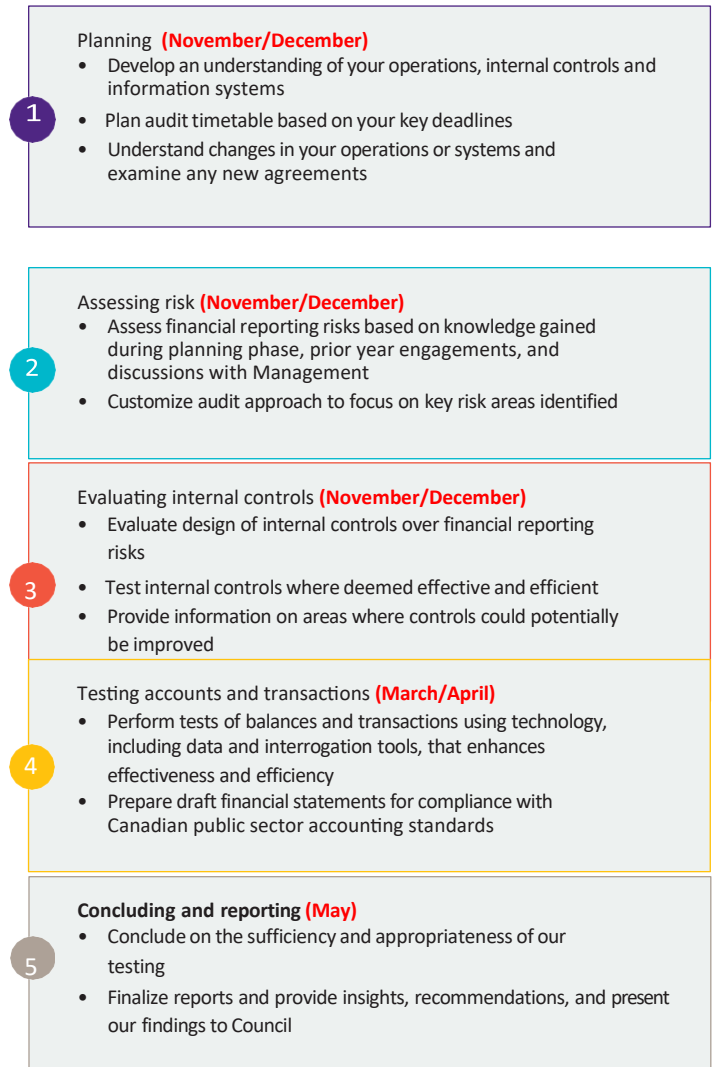
**A risk-based methodology.** Doane Grant Thornton’s risk-based methodology is practiced by more than 32,000 auditors worldwide and is designed to provide thorough and comprehensive audit services. Our proprietary software prioritizes efficiency and accuracy as we work to deliver high-quality, sustainable audit services that meet the needs of clients across diverse industries and sectors.

**An approach customized to you.** Our methodology provides the framework, but we have further customized the framework for the public sector based on our experience. It is then specifically tailored to you reflecting the best practices we have learned from similar clients across the country.

**Ongoing communication.** During the audit and throughout the year ongoing communication allows us to be proactive in thinking about your audit and in keeping your team (including those charged with governance) informed about our audit and any significant findings essential to building a trusting relationship.

**A holistic viewpoint.** In addition to an experienced core engagement team, we can rely on the expertise of our colleagues in tax and advisory, as well as our national and international network, to provide peer reviews and objective viewpoints. This combination of experience enables us think more expansively about the Municipality and offer suggestions for process improvement and new ways of thinking.

A high-level overview of our five-phased approach to your audit is presented. A detailed description can be found in [Appendix II](#)



### Approach to municipal engagements

There are few things these days that Canadians demand more from their government than transparency and accountability. At Doane Grant Thornton, we understand that our public sector clients have always operated in an environment of heightened public accountability for the prudent use of public resources, and the integrity of financial reporting with respect to the management and utilization of those public resources. Municipalities must strive to satisfy the demand of their residents in an environment of constant change, full of expected and unexpected social, economic, and political activity.

Our firm prides itself on a long history serving large governmental and quasi-governmental organizations, including municipalities, schools, governmental departments, and healthcare providers, among others. Nationally, we have worked with a variety of municipalities and public sector clients and will bring this expertise to this assignment. For more than 40 years, Doane Grant Thornton has assisted over 300 public sector clients in Canada alone.

### Communicating during the audit

The lines of communication are always open. We commit to helping identify, address, and resolve issues in a timely and collaborative manner.

You expect to be kept in the loop, so you're not surprised later. During our audit, we'll be in constant contact with your team. This means you'll know what's happening, and we'll be able to act and make decisions based on "real-time," versus a snapshot of our earlier discussions.

Other ways we continue to help you avoid surprises:

- During audit planning, we agree on time frames for deliverables and schedule our work accordingly
- Throughout the audit, we maintain a detailed list of action items, and circulate it on a regular basis
- At least weekly, we meet with your Management team to share our work status and findings to date
- Working directly with your people, we offer advice to help them prepare for issues before they occur
- Prior to issuing our management letter, we provide a draft version for review and input

Discuss risk assessment matters such as fraud risk, compliance with laws and regulations, and internal controls. We extend this to other business and operational risks impacting the Municipality as identified during our audit. The feedback is then used to help tailor our approach.

### Keeping management updated

We also maintain:

- Regular meetings and conference calls with Management throughout the year, to discuss changes to the business, continuing matters, and other matters relevant to the scope of our work
- Regular, formal, or informal meetings with Management, to review changes to the business or concerns that may impact future reporting
- During fieldwork, regular meetings with Management to:
  - Provide updates on our work status and identified issues and resolutions
  - Review action items including outstanding deliverables from management
  - Have real-time discussions on accounting and auditing matters well in advance of reporting deadlines

This same approach underpins our communication with key Management. With a centralized team leading the resolution of issues, those with final responsibility for the audit opinion coordinate between the audit team and Management.

### Quality control

At Doane Grant Thornton, we have extensive policies and procedures related to quality control. Technical quality control begins in the field with each staff member's detailed work reviewed by the designated engagement supervisor as the work proceeds. By completion of the engagement, the files and financial statements are reviewed as follows:

- Comprehensive review by the audit senior, ensuring the planning, execution and file wrap-up have been completed in accordance with firm standards
- General review by the audit manager, addressing key audit/accounting issues, professional standards and file quality
- Engagement principal review, covering significant matters and conclusions; scrutiny of audit file, noting key areas and quality; discussions with engagement manager; and review of financial statement presentation

Doane Grant Thornton also has a National Quality Control Program consisting of a formal system of peer reviews. Our peer review process is designed and administered by our Professional Standards team. Offices are normally reviewed once every three years. Reviews are carried out by teams of practice partners and senior managers, under the leadership of one of our Professional Standards partners. The objectives of our peer review program include assessing and reporting on the firm's policies and sharing knowledge amongst partners and staff.

**Staying informed**

With the help of our dedicated National Accounting Standards team, we will carefully monitor developments in relevant accounting standards, and help you to stay abreast of changes that may impact you. We are happy to explain the implications of accounting developments as they arise and help you address them effectively.

The Municipality will gain an early understanding of everything—from new rules and requirements to areas of advancement in reporting. Your engagement team is well-versed in providing audits to the public sector. Public sector organizations come with a unique set of requirements for accounting and financial reporting. Doane Grant Thornton’s accounting standards team has practical, public-sector experience and in-depth knowledge of Public Sector Accounting Standards (PSAS). Our experts have worked extensively with all types of public-sector entities, including federal, provincial and local governments, First Nations, government partnerships, and government organizations.

Doane Grant Thornton is on the front line of the standard-setting process to ensure your interests are heard. We present issues to the Canadian Public Sector Accounting Board’s (PSAB’s) Public Sector Accounting Discussion Group, which offers a public forum to discuss issues that arise in Canada when applying PSAS. Your engagement team will keep you informed of the latest developments and assist with any of your assurance or accounting advisory needs.

In addition, we publish and distribute regular thought leadership on current sector trends and issues. While growth is usually understood as revenue or service delivery, it can also include organizational maturity, expansion, and improved financing terms. We seek to address the challenges in our sector-specific publications.

## References

The individuals below represent organizations with similar needs to the Municipality. We encourage you to contact them to verify our value.

### Reference #1

---

Township of Perry

Kim Seguin  
Treasurer

T +1 705 636 5941

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### Reference #2

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Township of Armour

John Theriault  
Deputy-Clerk-Deputy-Treasurer/Administrator

T +1 705 382 3332 ext. 106

---

### Reference #3

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Township of McMurrich/Monteith

Cheryl Marshall  
Clerk/Treasurer

T +1 705 685 7901

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# Fees and expenses

## Cost effective and efficient

Our culture is based on a client-first mind-set, providing responsive and in-depth service at a highly experienced level. We do not aim to minimize costs by providing lower levels of client service or less experienced staff. We believe that our high level of client service and depth of experience provides value for money to our clients. Our fees have been set with a long term view of continuing a meaningful partnership with the Municipality and has been set for the work as we understand it. If the work is more than we have quoted for then we will revisit our quote with Management. However, should our work effort be overestimated

we will bill the lesser of the quote and the actual time incurred. This will be discussed and agreed to with the Municipality's Management in advance.

We have put together a fair and transparent fee estimate to perform the scope of services outlined below. Our proposed fee is largely driven by the amount of work we expect to be needed in order to sufficiently address the areas of risk; however, if after reviewing our proposed fee, you feel that we have inappropriately estimated the amount of work effort required, we welcome discussion to fully comprehend your fee expectations.

### Proposed fee (in Canadian dollars)

Audit component	2024	2025	2026	2027 **	2028 **
Audit of Municipality (consolidated)	\$22,000	\$23,500	\$25,000	\$26,500	\$28,000
Preparation of financial statements and note disclosures	\$3,000	\$3,200	\$3,400	\$3,600	\$3,800
Preparation of Financial Information Return (FIR)	\$3,000	\$3,200	\$3,400	\$3,600	\$3,800
Assistance with internal submission of revenues and expenditures for Canada Community-Building Fund for filing with AMO	\$1,300	\$1,350	\$1,400	\$1,450	\$1,500
Assistance with internal submission of Form 2 Report on Care and Maintenance Trust Funds with BAO	\$200	\$210	\$220	\$230	\$240
TOTAL before administrative fees	\$29,500	\$31,460	\$33,420	\$35,380	\$37,340
Administrative fees (at 9%)	\$2,655	\$2,831	\$3,008	\$3,184	\$3,361
<b>Total before HST disbursement (see notes on page 15)</b>	<b>\$32,155</b>	<b>\$34,291</b>	<b>\$36,428</b>	<b>\$38,564</b>	<b>\$40,701</b>

**\*\* Due to the highly volatile and unpredictable market in which we operate, the fees for 2027 and 2028 are only estimates and will be reviewed once the 2026 audit has been completed to assess market trends in existence at that time.**

## Hours

Our estimate of hours for the financial statement audit has been broken down between the level of staff assigned.

Description	Principal	Manager	Senior Accountant	Accountant	TOTAL
Planning	2	2	14	1	19
Assessing risk	2	2	4	0	8
Evaluating internal controls	1	1	2	0	4
Testing accounts and transactions	2	8	25	40	75
Concluding and reporting	5	5	15	25	50
<b>TOTAL</b>	<b>12</b>	<b>18</b>	<b>60</b>	<b>66</b>	<b>156</b>

**Notes**

- Our proposed fees are based on delivering our audit services remotely. Should the Municipality wish to adopt a hybrid model with on-site days for audit execution (comprised of 2 team members), travel time and related travel disbursements are estimated at \$1,200 per day (before HST) and these costs would be added to the above quoted fees
- Our annual audit fees contemplate provision for advice on routine matters for no additional cost throughout the course of a fiscal period. In circumstances where there are significant non-recurring transactions arising (e.g. restructurings, change in accounting standards, etc.) requiring substantial analysis and audit efforts, we'll communicate with management as appropriate to ensure estimated fees are agreed to in advance to the extent possible
- Our fees do not include fees relating to additional audit procedures that will be required in connection with the Municipality's adoption of new accounting and reporting requirements under the following Public Sector Accounting Standards that will become effective for the Municipality's fiscal years ending on December 31, 2024 and later:
  - PS 3400 Revenues
  - PS 1000 Financial statement concepts, Section 1201 Financial Statement Presentation, and PSG-8 Purchased intangibles
  - PS 3160 Public Private Partnerships
  - PS1202 Financial Statement Presentation
- Audit fees relating to the adoption of these new accounting standards will be based on the level of audit work required based on the level of documentation and analysis management completes in preparation for the respective audits
- If there is a significant change in the nature and/or volume of the Municipality's operations or there may be a significant change in Canadian accounting standards and/or Canadian auditing standards issued by CPA Canada during the term of this agreement, we will redefine the scope of the engagement, and develop a mutually agreeable fee arrangement prior to commencing additional or new work. This will include identifying role responsibilities to minimize audit costs
- This proposal and fee quote is subject to acceptance of standard engagement terms in writing by both parties and is not binding until such written agreement is obtained

**Assumptions**

- Our proposed fee has been prepared based on our experience providing services to other organizations of similar nature and size. We assume:
  - The assignment does not involve significant or extensive accounting work (i.e. assuming fewer than 10 journal entries)
  - Year-end reconciliations, worksheets, together with the agreed supporting schedules for audit, are available on commencement of the audit
  - Key personnel are available during normal business hours throughout the audit to address queries and respond to additional requests for information in a timely manner
  - ***In the event that the time required to perform the audit is less than originally anticipated and the audit costs are less than those quoted above, we are committed to sharing these savings with the Municipality***

Role	Hourly rate (excluding HST)
Partner/Principal	\$400-\$560
Senior Manager	\$350-\$390
Manager	\$220-\$330
Senior Accountant	\$170-\$210
Accountant	\$110-\$160

**Acceptance of the agreement/commitment**

This proposal is being submitted in advance of our completion of certain customary engagement acceptance procedures. Our acceptance of your appointment of Doane Grant Thornton as your accountants and advisors is conditional upon the satisfactory completion of these procedures as applicable.

If selected as the successful proponent, the same terms and conditions as noted in our audit engagement letter would form the starting place for the negotiations between Doane Grant Thornton and the Municipality.

We have included a sample engagement letter in Appendix V as proposed amended terms to address the indemnification condition noted in Section 3.4 on page 3 of the Municipality's RFP document.



# Conclusion

## So why choose Doane Grant Thornton?

At Doane Grant Thornton, we understand the challenges you face in the public sector, but we also know that each municipality is very unique in its own right. So, instead of coming with ready-made answers, we'll ask intelligent questions, engage you in wider business discussions, and then we'll listen. As your advisor, we have and will continue to invest significant time getting to know you, your strategy, and your future goals so that we can better align your Doane Grant Thornton team and our services to help you achieve those goals.

We will continue to provide you with day-to-day advice, where our prime concern will be to help you, as opposed to how much we can bill you. Every dollar matters, and it's important that your auditor and advisor be able to deliver a quality experience at a cost-effective price. In addition to the experienced engagement team members proposed, the Municipality will have access to our national team of public sector experts who specialize in a variety of services. A few relevant areas of expertise we provide include:

### Feedback process

Our independent Client Experience Measurement (CEM) program helps us understand what's important to you, and uncover any issues that face-to-face meetings with your engagement team can potentially miss.

The Municipality will have the opportunity to provide candid feedback on our team's performance and overall experience with Doane Grant Thornton. This feedback is shared with your engagement team, and a plan is set to quickly and effectively act on what you tell us.

### We create useful networking opportunities

We host a series of well-attended seminars aimed to help improve best practices of public sector organizations. Far beyond simple financial reporting updates, we address a range of topical sector issues and invite you to be part of the discussion.

### Proactive updates and guidance

Our dedicated national accounting standards team monitors — and appropriately challenges — developments in relevant assurance and accounting standards, so you don't have to. Our standards specialists publish formal updates in advance of proposed or emerging changes to standards, which are passed directly onto you. We explain their implications and help you address them effectively.

We share practical solutions and holistic sector insights. We publish and distribute regular [thought leadership](#) on sector trends and issues. While growth is usually understood as revenue or service delivery, it can also include organizational maturity, productivity, and quality.

At every level of Doane Grant Thornton, our people will work to create an experience for the Municipality that is personalized, focused on your goals, and positioned to help you achieve success. Our team, processes, tools and systems are aligned to ensure we deliver a different kind of client experience. By closely listening to you and evaluating your needs, we build a better client relationship. Our team has the right experience to guide you toward success with your goals — big or small — because your success is our success.

Your engagement team is committed to bringing the Municipality an exceptional client experience — not just through occasional touchpoints, which many in our industry believe to be enough — but throughout your entire journey with Doane Grant Thornton. We meet with you in advance of our project to listen and discuss your expectations. We develop a customized service plan according to your timing and communication preferences. These are just a few of the ways we provide a collaborative experience.

**Transparency and communication**

We clearly outline the services you are receiving for the money you are paying — nobody wants to be surprised by a bill they receive. We communicate with you clearly and often, keeping us on the same page about expectations and deliverables.

**A senior-led philosophy**

We believe in being approachable and accessible — our principals, partners, and senior managers are more available to ensure our team is responsive to your needs. The proposed engagement principal, Judy Kleinhuis, works to deliver first class service.

**Agility and capability**

We are the perfect size to meet your full range of business needs, now and in the future. We are large enough to provide a full complement of services but have structured ourselves so that we don't get bogged down by lengthy internal decision-making processes.

**Responsibility**

No dropped balls here. We want to earn your trust. We deliver high-quality audit and tax services from an award-winning employer-of-choice, and the bench strength of local and national dedicated specialists.

**High value for fair fees**

We will always look for ways to help you achieve maximum value from our firm for the fees that you pay. We provide you with day-to-day advice, where our prime concern is to help you, as opposed to how much we can bill you. Every dollar matters, and it's important that your business advisors be able to deliver a quality audit experience, at a cost effective price.



Cohesive member firm structure/geographic reach



Global risk and quality processes



Multi-disciplinary perspective



Significant industry experience and resources



Right-sized and pragmatic solutions



Focused cost control/flexibility



High levels of senior-led attention



Full time public policy group advocating for the public sector



Direct access to robust national office resources

# Appendix I:

## Resumes



## Judy Kleinhuis

CPA, CA

Principal, Assurance Services

Role: Engagement Principal

Judy has been in public practice for over 30 years and has significant audit and internal controls review experience. She is a Licensed Public Accountant and leads the assurance services practice in Doane Grant Thornton's North Bay and New Liskeard offices.

Judy is the Professional Standards Principal for the Northern Ontario business unit. She is also a member of the firm's Professional Excellence Engagement Review program.

Judy has served clients in a variety of sectors, specializing in not-for-profit and public sector entities. She is currently the principal for various public sector entities, including:

- Village of Burk's Falls
- Town of Kearney
- Township of Perry
- Township of McMurrich/Monteith
- Township of Armour
- Municipality of Shuniah
- Lindsay Weld Centre for Children
- Temiskaming Native Women's Support Group

In addition to the financial statements audits listed above, Judy has been involved in numerous special assignments:

- Internal controls review for an Ontario government Ministry over the revenue, purchasing and payroll transaction cycles
- Internal audit outsourcing engagement for an Ontario government ministry

- Specified procedures audit for an Ontario government ministry in connection with the transfer of responsibility for services to municipal governments
- Forensic review for a not-for-profit housing agency
- User needs analysis relating to new financial application software solution for a local health agency
- A general computer controls review for a local hospital
- A computer security assessment for a credit union providing internet banking services

### Professional qualifications and memberships

- Chartered Professional Accountant, Ontario
- Chartered Accountant, Ontario
- Qualified as a Certified Information Systems Auditor in 2004
- Compliant with firm's mandatory PD requirements (40 hours per year) and attendance at all accounting and assurance learning events relevant for her role

### Community involvement

- Treasurer and Director, NECO Community Futures Development Corporation
- Audit Committee member, Near North District School Board
- Past Director and Vice-Chairperson, North Bay Police Services Board
- Past Director and Treasurer, North Bay & District Humane Society
- Past Assistant Coach, North Bay Youth Soccer Club



## Andréa Doré

CPA

Manager, Assurance Services

Andréa has over 6 years of public practice experience and has experience providing audit and assurance services to various clients in the not-for-profit and public sectors, as well as the manufacturing, solar and private sector.

Andréa is currently the manager for various public sector entities, including:

- Village of Burk's Falls
- Town of Kearney
- Township of Perry
- Township of McMurrich/Monteith
- Township of Armour
- Lindsay Weld Center for Children
- Temiskaming Native Women's Support Group

### Professional qualifications and memberships

- Chartered Professional Accountant, Ontario
- Bachelor of Business Administration, Accounting specialization, Laurentian University
- Honours Bachelor of Arts and Science degree, Management specialization
- Compliant with firm's mandatory PD requirements (40 hours per year) and attendance at all accounting and assurance learning events relevant for her role

### Community involvement

- Past Community Volunteer, Free tax clinic, Sudbury and Timmins
- Past Vice President of Finance, Northern College Student Association



## Faisal Rai

MMPA

Senior Accountant, Assurance Services

Faisal has several years of public practice experience and has provided audit and assurance services to numerous clients in the not-for-profit and public sectors.

Faisal is currently the senior accountant for various public sector entities, including:

- Town of Kearney
- Township of Perry
- Township of McMurrich/Monteith
- Township of Nipigon
- Township of Dorion
- Superior North Catholic District School Board
- Lindsay Weld Centre for Children
- Children's Centre of Thunder Bay

### Professional qualifications and memberships

- Registered Student, Chartered Professional Accountants, Ontario (successfully completed all qualification exams)
- Master of Management & Professional Accounting, University of Toronto
- Bachelor of Commerce, University of Guelph
- Compliant with firm's mandatory PD requirements (40 hours per year) and attendance at all accounting and assurance learning events relevant to his role

# Appendix II:

## Detailed approach

# Detailed approach

## 1. Planning

Planning is the first and most important phase and critical to a successful audit. Developing an understanding of the Municipality's operations and future growth strategies enables us to create a truly optimized audit plan.

The first step is an initial planning meeting with key members of your team, with the following objectives:

- Identify roles and responsibilities of the Municipality and Doane Grant Thornton teams
- Discuss general business including performance against KPIs, changes in structure, areas of concern, likely audit and accounting issues, prior-year issues, and management letters
- Agree on timing for key audit fieldwork visits
- Agree on protocol for communications
- Agree on deadlines for deliverables
- Arrange other important meetings (e.g., key process owners, IT specialists)
- Provide an update on recent and upcoming technical accounting standards
- Discuss the use of management and/or auditor experts

## 2. Assessing risk

Before any detailed procedures are performed, we evaluate your operating environment and internal controls structure to assess financial reporting risks. We review the financial reporting implications arising from your strategic goals and business plans. We also consider factors such as:

- Sector and industry trends
- The Municipality's financial condition
- Legal and regulatory environment
- IT systems that support financial reporting
- Emphasis placed by Management on a positive control environment
- Related-party transactions
- Overall design of the entity and financial reporting controls

## 3. Evaluating internal controls

To develop an audit strategy, professional standards require us to obtain an understanding of the entity and its environment, including its internal controls. We begin this process by evaluating controls at the entity level that relate to financial reporting.

This assessment includes aspects of your control environment, risk assessment, monitoring, information systems, and financial reporting processes. We also obtain an understanding of controls over financial reporting activities such as the recording and processing of transactions.

We use this understanding to:

- Identify the types of misstatements that could occur
- Evaluate the internal control deficiencies that may increase the risk of material misstatement
- Design internal control testing strategies, where such an approach would be appropriate

Based on this evaluation, we identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls.

## 4. Testing accounts and transactions

Our approach includes interim and year-end testing. We request your input on these risks and any other areas of concern that Management identify.

Based on our knowledge of the Municipality and our experience with similar organizations, we expect to perform a combination of substantive tests of details and analytical procedures, such as:

- Confirmation of balances or transactions
- Testing high-value, unusual and other key items and items selected through sampling routines
- Recalculation, inspection, and observation procedures
- Analytical procedures, including data analytics, trend, ratio, and reasonableness tests

## 5. Concluding and reporting

At the conclusion of our engagement, we organize a closing meeting, as needed, to discuss:

- Significant findings from the audit
- Our observations on the quality and acceptability of the accounting principles
- Updates on regulatory matters, accounting, and auditing standards
- Practical comments on how you can enhance your internal controls

### Client requirement list

We provide a draft list of information, analysis, reconciliations, etc. we would like to receive on our first day of fieldwork for maximum efficiency. We explain why each item is needed and respond to any requests for clarification.



# Appendix III:

## A to Z services

# A to Z services

## **Assurance services Assurance and other services**

Financial statement audit  
 Review engagements  
 Compilation engagements  
 Agreed-upon audit procedures  
 Compliance and other attestation engagements  
 Service organization reporting and internal controls audit

## **Business risk**

Enterprise Risk Management (ERM)  
 Internal audit (Co-sourcing and Outsourcing)  
 Certification — Certification - SOX/52-109/Internal Controls over Financial Reporting  
 Specialty assurance - System organization control report (SOC)  
 Service organization controls report  
 Payment Card Industry (PCI) assessment and reporting  
 IT governance and general controls reviews  
 IT due diligence and effectiveness reviews  
 System selection process

## **Accounting advisory**

IFRS, ASPE, ASNPO, PSAS, US GAAP  
 Pension plans and benefits  
 Complex accounting transactions

## **Tax services**

### **Tax planning and compliance**

Corporate reorganizations Asset transfers Amalgamations and wind-ups  
 Corporate share capital restructuring  
 Annual planning and compliance services for both taxable and tax exempt entities  
 Tax due diligence on M&A transactions

### **Indirect tax**

Audit support, defence and management  
 Health checks (compliance and recovery reviews)

## **Global mobility services**

### **For organizations**

Tax compliance and advisory services  
 Strategic assignment planning Cost management and budgeting  
 Coordination of global compliance and advisory services  
 Global compensation, pension and benefit planning

### **For employees**

Arrival and departure briefings and compliance  
 Assistance with assessments and audits  
 Tax equalization and protection reconciliation  
 Knowledge of the overall impact of their assignment on their tax lives

### **US corporate tax**

#### **Planning**

Tax structuring of US expansion  
 Permanent establishment and nexus studies  
 US tax minimization planning  
 US acquisition planning and due diligence  
 US capital structure planning  
 FATCA advisory and implementation  
 Audit defence — both IRS and state

#### **Compliance**

Preparation of US federal and state tax returns (corporate and partnership)  
 Preparation and review of US tax provisions  
 Preparation of US withholding tax forms

### **International tax**

#### **Inbound**

Determine whether activities in Canada create a taxable nexus  
 Structuring both new and existing Canadian investments  
 Establishment of exit strategies  
 Management of withholding tax  
 Repatriate structures from Canada  
 Canadian operations or acquisitions  
 Navigate compliance matters

## **Outbound**

Taxation of foreign earnings before repatriation to Canada  
 Repatriation  
 Acquisitions and divestitures  
 Reorganizations Compliance

### **Research and development, government incentives**

SR&ED claims  
 Digital media tax credit claims  
 Other government grants, loans, and incentives  
 Program compliance and documentation support  
 Audit defence and dispute resolution

### **Transfer pricing**

Plan tax-efficient international business structures  
 Price related party transactions, including providing support in respect of interest rates used on intercompany funding arrangements  
 Implementation of pricing policies in your financial systems  
 Prepare Master File/Local Life contemporaneous documentation  
 Navigate international tax audit disputes and Competent Authority matters with tax authorities, including seeking double taxation relief  
 Post-merger integration of transfer pricing policies  
 Migrate intellectual property offshore

### **Advisory services**

#### **Restructuring**

Formal corporate insolvency filings  
 Turnaround and Restructuring  
 Viability and Financial reviews  
 Division I and Division II proposals  
 Ordinary personal bankruptcy  
 Summary personal bankruptcy

#### **Transactions**

### **Mergers, acquisitions and divestitures**

Capital advisory

Liquidity analysis  
 Management buyouts  
 Recapitalizations

### **Financial Modeling and Analysis**

Financial modeling  
 CFO services Budget preparation Decision analytics  
 Transaction advisory services  
 Buy-side financial due diligence and quality of earnings  
 Sell-side due diligence & quality of earnings  
 Integration & separation services  
 Integrated due diligence (Includes tax, HR, operations & supply chain, internal control, cybersecurity and IT, Background investigations, synergy assessments)

### **Valuations**

Estate planning  
 Business valuations  
 Litigation Matrimonial disputes Tax planning  
 Personal injury and loss quantification

### **Forensics**

Fraud investigations  
 Background checks  
 Digital forensics (data and analytics)  
 Anti-bribery and corruption consulting  
 Internal audit  
 Anti-money laundering and regulatory consulting  
 CARE & Whistleblower hotline services  
 Damage quantifications  
 Forensic audit/accounting  
 Expert services

# Appendix IV:

## Certificate of insurance

# Certificate of Insurance

## Ref. No.: 017

**Broker :** Aon Reed Stenhouse Inc. Re: Professional Liability Insurance  
1000, rue De La Gauchetière Street West  
Suite 2400  
Montréal, Québec H3B 4W5

**Holder:** To Whom It May Concern

Insurance as described herein has been arranged on behalf of the Insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

**Insured** Grant Thornton LLP, Doane Grant Thornton LLP, CapServCo Limited Partnership and subsidiaries and others as more fully described in the Policy

### Coverage

Professional Liability	Insurer:	Underwriters at Lloyd's, London and various Insurance Companies		
	Policy #:	PSACO2400958		
	Effective:	February 1, 2024	Expiry:	February 1, 2025
	Limit of Liability	\$5,000,000		
	Policy may be subject to the applicable retention and a general aggregate and other aggregates where applicable as stated in the policy.  The Insurer will endeavour to provide 30 days written notice of cancellation/termination to the addressee except that statutory or policy conditions (whichever prevails) will apply for non-payment of premium.			

### Contract Endorsement:

With effect from 12:01am Local Standard Time 1st October 2024 the name of the INSURED as stated in RISK DETAILS, is amended from Grant Thornton LLP (Canada) to Doane Grant Thornton LLP (Canada). It is also understood and agreed that Grant Thornton LLP (Canada) will be considered an Additional Assured under this policy and any subsidiaries, past or present directors, officers and employees will be afforded coverage under this Policy, subject to its terms, conditions, exclusions and limits of liability.

This certificate constitutes a statement of the facts as of the date of issuance and are so represented and warranted only to Grant Thornton LLP. Other persons relying on this certificate do so at their own risk.

**Dated:** Sept 5, 2024

**Aon Reed Stenhouse Inc.**

Sinduja Varatharasa, Vice-President

# Appendix V:

## Sample engagement letter

Date

The Corporation of the Municipality of Temagami  
7 Lakeshore Dr.  
Temagami, ON P0H 2H0

Attention: Laala Jahanshahloo, CAO/Treasurer

Dear: Ms. Jahanshahloo:

Thank you for appointing Doane Grant Thornton LLP (“Doane Grant Thornton”, “we”, “us”, or “our”) to perform the audit of the consolidated financial statements and other related services for The Corporation of the Municipality of Temagami (the “Municipality”, “you” or “your”) for the year ending December 31, 2024 (collectively, the “Services”). The purpose of this letter and the attached [Schedule A](#) (the “Engagement”) is to outline the nature of the Services and the terms under which you are engaging us to perform those Services.

### **Objective, scope and limitations**

You have requested that we audit the consolidated financial statements of The Corporation of the Municipality of Temagami, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. We are pleased to confirm our acceptance and our understanding of this Engagement by means of this letter agreement.

Our audit will be conducted with the objectives of obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The sole purpose of the Engagement is for us to conduct an audit of the Municipality pursuant to the requirements of the statute pursuant to which the Municipality is formed.

The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

Requests for additional services may arise while we are performing the Services that are specifically identified in this Engagement, including general business advice. The provision of additional services by us does not relieve management of their responsibility for determining what actions the Municipality should take and performing adequate research and/or due diligence in relation to their decisions, including obtaining separate formal written advice from us in relation to complex or significant matters. Unless covered under a separate engagement letter, this Engagement will cover any such additional services we provide you, which will be billed at our standard hourly rates for the type of services requested. Notwithstanding anything to the contrary herein, we shall bear no responsibility in the event that management makes significant decisions on the basis of advice provided by us that is not formal written advice (for greater certainty, e-mail does not constitute formal written advice for the purposes

## Our responsibilities

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the auditor in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the consolidated financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

## Management's responsibilities

Our audit will be conducted on the basis that the Municipality's management and those charged with governance acknowledge and understand that they have responsibility:

- a) for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards;
- b) for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; and
- c) to provide us with:
  - i. Access to all information of which the Municipality's management is aware, that is relevant to the preparation of the consolidated financial statements such as records, documentation and other matters;
  - ii. Additional information that we may request from the Municipality's management for the purpose of the audit; and
  - iii. Unrestricted access to persons within the Municipality from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from the Municipality's management and those charged with governance written confirmation concerning representations made to us in connection with the audit. Those representations will include:

#### Financial statements

- a) communicating that all management's responsibilities, as set out in the terms of this Engagement, for the preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards have been fulfilled; in particular, responsibility for ensuring that the consolidated financial statements are fairly presented;
- b) communicating its belief that significant assumptions used in making accounting estimates, including those measured at fair value are reasonable;
- c) acknowledging that all events subsequent to the date of the consolidated financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed;

#### Completeness of information

- d) providing us with and making available complete financial records and related data, and copies of all minutes of meetings of Council and committees of Council;
- e) acknowledging that all transactions have been recorded and are reflected in the consolidated financial statements;
- f) providing us with information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
- g) providing us with information relating to any illegal or possibly illegal acts, and all facts related thereto;
- h) acknowledging that all related party relationships and related party transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards;

#### Fraud and error

- i) the design and implementation of internal controls to prevent and detect fraud and error;
- j) an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud;
- k) providing us with information relating to fraud or suspected fraud affecting the Municipality involving:
  - i. management;
  - ii. employees who have significant roles in internal control; or
  - iii. others, where the fraud could have a material effect on the consolidated financial statements;
- l) providing us with information relating to any allegations of fraud or suspected fraud affecting the Municipality's consolidated financial statements communicated by employees, former employees, analysts, regulators, or others;
- m) communicating its belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. A list of the uncorrected misstatements will be attached to the representation letter;

#### Recognition, measurement and disclosure

- n) providing us with its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements;
- o) providing us with any plans or intentions that may affect the carrying value or classification of assets or liabilities;



- p) providing us with an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with Measurement Uncertainty, CPA Canada Public Sector Accounting Handbook – Section 2130;
- q) acknowledging that no subsequent events occurred that require adjustment to the accounting estimates and disclosures included in the consolidated financial statements.
- r) providing us with information relating to claims and possible claims, whether or not they have been discussed with the Municipality's legal counsel;
- s) providing us with information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Municipality is contingently liable;
- t) providing us with information on whether or not the Municipality has satisfactory title to assets, liens or encumbrances on assets, and assets pledged as collateral;
- u) providing us with information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements;
- v) providing us with information concerning subsequent events; and

#### Written confirmation of significant representations

- w) providing us with written confirmation of significant representations provided to us during the Engagement on matters that are:
  - i. directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; and
  - ii. not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate, to the Engagement.

The Municipality's management agrees to make available all requested working papers any accompanying other information in time to allow for the audit to be completed within the proposed timeframe. In addition, the Municipality's management agrees to inform us of any factors or circumstances that come to their attention during the period from the date of the auditor's report to the date consolidated financial statements are issued that may impact the consolidated financial statements; including their disclosures.

It is agreed that for any electronic distribution of your consolidated financial statements and our report thereon, the Municipality's management is solely responsible for the accurate and complete reproduction of the consolidated financial statements and our report thereon.

While the report may be sent to the Municipality electronically by us for your convenience, only the signed (electronically or manually) report constitutes the Municipality's record copy.

If the Municipality's management intends to publish or otherwise reproduce our report (or otherwise make reference to Doane Grant Thornton LLP) in a document(s) that contains other information (including in a document(s) that will be used in connection with a public offering of securities), the Municipality's management agrees to (a) provide Doane Grant Thornton with a draft of such document(s) to read, and (b) obtain our approval for inclusion of our report in such document(s), before the document(s) are finalized and distributed. The Municipality's management also agrees that if our name is to be used in connection with the consolidated financial statements, it will attach our auditors' report when distributing the consolidated financial statements to any third parties. The Municipality's management agrees to provide us with adequate notice of the preparation of such document(s).

We look forward to full cooperation from your staff during our audit.

#### Non-audit services directly related to the audit

We will assist the Municipality's management in the preparation of the consolidated financial statements and related note disclosures. However, the Municipality's management remains at all times responsible for the preparation and fair presentation of the Municipality's consolidated financial statements in accordance with Canadian public sector accounting standards.

## Reporting

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

### INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Municipality of Temagami

#### Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Temagami (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of Temagami as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

North Bay, Canada  
Date

Chartered Professional Accountants  
Licensed Public Accountants

The form and content of our report may need to be amended in the light of our audit findings.

### Fees

Our fees will be based on our proposal dated January 31, 2025. Fees are based on the time required by the individuals assigned to perform the Services defined herein. Individual hourly rates vary according to the degree of responsibility involved and experience and skill required.

Any fee estimates by Doane Grant Thornton take into account i) the agreed-upon level of preparation and assistance from your personnel; and ii) the hourly rates for our professionals that will be providing the Services. Doane Grant Thornton undertakes to advise the Municipality's management on a timely basis should this preparation and assistance not be provided, or should any other circumstances arise which cause actual time to exceed that estimate.

### Other services

In addition to the audit of the Municipality's consolidated financial statements, we will also assist the Municipality's management with the following unaudited schedules:

- preparation of Financial Information Return (FIR)

- preparation of internal submission of Canada Community-Building Fund on-line submission of revenues and expenditures required by the Association of Municipalities of Ontario
- preparation of internal submission of Form 2 Report on Care and Maintenance Trust Funds required by Bereavement Authority of Ontario

However, the Municipality's management remains at all times responsible for the accuracy and completeness of these unaudited schedules.

Depending on the nature and significance of requests for additional services, we may issue a separate engagement letter to cover the additional services and/or provide a fee estimate before we invest significant professional time in providing the additional services. As noted above, in the absence of such a separate engagement letter, the provisions of this Engagement shall apply to the additional services, which will be billed at our standard hourly rates for the types of services requested unless otherwise specified in a fee estimate.

### **Municipality consent to production**

The Municipality hereby acknowledges that we may from time to time receive requests or orders from professional (provincial institutes) or other regulatory or governmental authorities (including the Canada Revenue Agency) to provide them with information and copies of documents in our files including working papers and other work-product relating to the Municipality's affairs. The Municipality consents to us providing or producing, as applicable, these documents and information without further reference to, or authority from, you.

When a regulatory authority requests access to our working papers and other work-product relating to the Municipality's affairs, we will, on a reasonable efforts basis, refuse access to any document over which the Municipality has expressly informed us at the time of delivery that the Municipality asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Canadian Chartered Professional Accountants pursuant to its statutory authority in which event the Municipality expressly consents to such disclosure. The Municipality must mark any document over which it asserts privilege as privileged and inform us of the grounds for the Municipality's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).

We may also be required to provide information relating to the fees that we collect from the Municipality for the provision of audit services, other accounting services and non-audit services, and the Municipality consents to the disclosure of that information as may be required by the regulatory authority.

The Municipality agrees to reimburse us, upon request, at our standard billing rates for our professional time and expenses, including reasonable legal fees, incurred in dealing with the matters described above.

### **Release and indemnification**

You agree to release, indemnify and hold harmless Doane Grant Thornton, its affiliates and their respective directors, officers, partners, principals, employees, consultants and contractors from any and all claims, liabilities, costs and expenses (including any and all legal expenses incurred by Doane Grant Thornton) arising out of or based upon:

- a) any misstatement or omission in any material, information or representation supplied or approved by you;
- b) any third party claim relating to or arising out of this Engagement; or
- c) any other matter related to or arising out of this Engagement, except to the extent finally determined to have resulted from the negligence, wilful misconduct or fraudulent behaviour of Doane Grant Thornton.

### **Limitation of liability**

In any action, claim, loss or damage arising out of the Engagement, you agree that Doane Grant Thornton's liability will be several, and not joint and several and you may only claim payment from Doane Grant Thornton of its proportionate share of the total liability based on its degree of fault as finally determined. Any action against us must be commenced on or before the date which is the earlier of i) eighteen months from the completion of the

Services; and ii) the date by which an action must be commenced under any applicable legislation other than limitation legislation.

The total liability assumed by Doane Grant Thornton, whether to you or any other party, for any claim, loss or damage arising out of or in connection with the Engagement, regardless of the form of action, claim, loss or damage be it tort, contract or otherwise, shall in no event exceed the aggregate of the professional fees paid to Doane Grant Thornton for the Services. In addition, Doane Grant Thornton shall not under any circumstances be liable for any special, indirect or consequential damages, including without limitation, lost profit or revenue, or similar damages.

### Standard terms and conditions

This letter and our standard terms and conditions attached as [Schedule A](#), shall form the basis of the Engagement.

### Survival of terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

### Acceptance of engagement letter

Please confirm your acceptance of this Engagement by signing below and returning this letter to us.

We are proud to serve you and we appreciate your confidence in our work. If you have any questions about the contents of this letter, please raise them with us.

Yours sincerely,  
Doane Grant Thornton LLP

The services and terms as set forth in this letter are agreed to.

### The Corporation of the Municipality of Temagami

By:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

## Schedule A

### Terms and conditions

Except as otherwise specifically stated in the Engagement, the following general terms and conditions apply to and form part of the Engagement.

**Responsibilities** – Doane Grant Thornton shall use all reasonable efforts to complete the Services within the time-frame, if any, stipulated in the Engagement. Doane Grant Thornton shall not be liable for failures or delays in performance of the Services that arise from causes beyond its control, including the untimely performance by the Municipality of its obligations and responsibilities as set out in the Engagement.

In addition, Doane Grant Thornton reserves the right, in whole or in part, to decline the performance of any Service(s) if, in the sole discretion of Doane Grant Thornton, the performance of any of the Services may cause Doane Grant Thornton to be in violation of any applicable law, regulations, professional standards or obligations or which may otherwise result in damage to Doane Grant Thornton's reputation.

**Information and announcements** – The Municipality shall cause to be provided or provide Doane Grant Thornton with all material information in its possession or control or to which it has access and such other information as Doane Grant Thornton deems relevant for the purposes of the Engagement. The Municipality shall also provide where applicable, access to its directors, officers or professional advisers as required to complete the Services. The Municipality undertakes that if anything occurs after the supply of any such information or documents which would render same inaccurate, untrue, unfair or misleading it will promptly notify Doane Grant Thornton and take all such steps as Doane Grant Thornton may require to correct such information or documents.

Unless otherwise contemplated or permitted by the Engagement, any advice, reports (including the audit report), compiled or reviewed financial statements, discoveries, information or opinions, whether written or oral, rendered or provided by Doane Grant Thornton to the Municipality (and/or its affiliates) ("Deliverables"), or any communications between Doane Grant Thornton and the Municipality (and/or its affiliates) in connection with the Engagement may not be disclosed to any third party without the prior written consent of Doane Grant Thornton with the exception of any applicable Canadian taxing authorities and the Municipality's financial institution. Any Deliverables shall be solely for the benefit of the Municipality and not for the benefit of any third party and may be relied upon only for the purpose for which the Deliverable is intended as contemplated or defined within the Engagement. Doane Grant Thornton recognizes no responsibility whatsoever, other than that owed to the Municipality as at the date on which the

Thornton, for any unauthorized use of or reliance on any Deliverables. Unless otherwise expressly provided for within the Engagement or upon written consent of Doane Grant Thornton, no Deliverables shall be used or relied on by the Municipality as expert evidence or included as evidence in any litigation or court proceeding. Notwithstanding any term within the Engagement and by way of an exception to this paragraph, nothing within the Engagement shall prohibit the disclosure by the Municipality or Doane Grant Thornton to any person or to the Minister of National Revenue, or the Quebec Minister of Finance as applicable, of the details, including the tax treatment or structure of any transaction or series of transactions, contemplated by the Deliverables, if the transaction or series or transactions would be, or would otherwise be if not for this exception, i) a reportable transaction or an avoidance transaction, as defined by subsection 237.3(1) of the *Income Tax Act* (Canada) ("ITA"), or a series of transactions including an avoidance transaction under which a tax benefit to the Municipality results or would result but for section 237.3(1) of the ITA; ii) a notifiable transaction as defined by 237.4(1) of the ITA; iii) a confidential transaction under section 1079.8.6 of the *Taxation Act* (Quebec) ("TA"); or iv) any other type of reportable tax avoidance transaction or similar type of transaction requiring disclosure to a taxing authority as defined by any other applicable legislation or regulations.

The Municipality acknowledges that the Services will involve analysis, judgement and other performance from time to time in a context where the participation of the Municipality or others is necessary, where answers often are not certain or verifiable in advance and where facts and available information change with time. Accordingly, the Municipality agrees that the evaluation of the Services provided by Doane Grant Thornton shall be based solely on Doane Grant Thornton's substantial conformance with any standards or specifications expressly set forth within this Engagement and applicable professional standards, and any claim of non-conformance (and applicably of such standards) must be clearly and convincingly shown. Unless the Municipality or Doane Grant Thornton agree otherwise in writing, Doane Grant Thornton shall have no responsibility to update any of the Services or Deliverables after their completion, and any such updates will be billed at Doane Grant Thornton's then current hourly rates.

**Independence** – In the event, the Municipality is (i) an entity that is registered with the United States Securities and Exchange Commission; or (ii) an affiliate of a registrant, and a provision(s) contained within the Engagement would be prohibited by, or impair the independence of, any member firm of Grant Thornton International Ltd ("Grant Thornton International") under any law or regulation applying to the Municipality, such provision(s) shall not apply to the Engagement to the

extent that is necessary to avoid the prohibition against or impairment of the referenced independence of the respective Grant Thornton International member firm.

**Independent contractor** – Doane Grant Thornton shall provide all services as an independent contractor and nothing in this Engagement shall be construed as to create a partnership, joint venture or other similar relationship with the Municipality or any other party. Neither the Municipality nor Doane Grant Thornton shall have the right, power or authority to obligate or bind the other in any manner.

**Subcontracting** – The Municipality agrees that Doane Grant Thornton may authorize, allow or require its affiliates and contractors to assist in the performance of the Services and to share in Doane Grant Thornton's rights under the Engagement, including any protections available thereunder, provided that such party(ies) shall commit (as applicable) to be bound by the obligations set forth in the Engagement.

**Grant Thornton International Ltd** – Doane Grant Thornton is a Canadian member of Grant Thornton International Ltd., a global organization of member firms in over 100 countries. Member firms are not members of one international partnership or otherwise legal partners with each other. There is no common ownership, control, governance, or agency relationship between member firms.

**Assisting Firms** – Unless otherwise stipulated within the Engagement, this Engagement is with Doane Grant Thornton. In the course of providing the Services, we may at our sole discretion, draw upon the resources of or subcontract a portion of the Services to another entity (including a partnership) which may carry on business under the name which may include within its name "Grant Thornton" or be another member firm of the worldwide network of Grant Thornton International Ltd. member firms (hereinafter "GTIL Member Firms").

Unless a GTIL Member Firm is directly contracted by you to provide any of the Services which are subject to this Engagement, the provision of those Services remain the responsibility of Doane Grant Thornton and the Municipality agrees that it will not bring any claim, whether in contract, tort (including negligence) or otherwise against any GTIL Member Firm in respect of this Engagement or the Services defined herein. In these circumstances, any GTIL Member Firm that deals with you for the purpose of completing the Services does so on behalf of Doane Grant Thornton. The provisions of this clause have been stipulated for the benefit of GTIL Member Firms. GTIL Member Firms will have the right to rely on this clause as if they were parties to the Engagement and will have the right (subject to the discretion of the courts) to a stay in proceedings if you bring any claim against any GTIL Member Firms in breach of this clause.

**Non-solicitation** – The Municipality agrees that it shall not solicit for employment or hire any of the partners, principals, employees or consultants of Doane Grant Thornton who are involved in the performance of the Services during the term of the Engagement and for a period of twelve (12) months thereafter.

**Confidentiality** – All information which Doane Grant Thornton receives from the Municipality or the Municipality's directors, officers, agents, advisors or counsel in connection with the Engagement and which is for the time being confidential ("Confidential Information"), will be held in strict confidence, provided that Doane Grant Thornton shall be free to, without the requirement to seek any further consent or authorization from the Municipality, make disclosures (a) as a result of any applicable law or regulation (including any disclosure, notification or other reporting obligation under the *Income Tax Act (Canada)*, *Taxation Act (Quebec)* or any other applicable legislation), court or other order binding upon it, under the laws of, or pursuant to any governmental action (including requests and orders), regulatory requirement, or professional standard obligations (including disclosure to a provincial institute of chartered professional accountants); (b) of such information to any professional advisers, consultants and contractors, including GTIL Member Firms it may consult in connection with the Engagement and the performance of the Services; and (c) as set out in the Engagement.

Doane Grant Thornton may disclose Confidential Information to GTIL Member Firms for the purposes of fulfilling its professional obligations to manage conflicts of interest and to maintain auditor independence. Confidential Information may also be disclosed as part of compliance reviews or to implement standardized performance measurement, client relationship management and documentation systems within the global Grant Thornton network. The Confidential Information disclosed may include ownership information and information about related entities and such information may be stored, processed and accessed from locations outside of Canada.

Notwithstanding anything to the contrary contained within the Engagement, Doane Grant Thornton shall not be obligated to treat as confidential, or otherwise be subject to any restrictions on use, disclosure or treatment as contained within the Engagement, of any information disclosed by the Municipality which, (i) is rightfully known by Doane Grant Thornton on a non-confidential basis prior to its disclosure by the Municipality; (ii) is independently developed by Doane Grant Thornton without reference to or use of the Municipality's Confidential Information; (iii) is or later becomes publicly available without violation of the Engagement; or (iv) is lawfully obtained by Doane Grant Thornton from another party.

**Working papers/reports** – The advice or opinions of Doane Grant Thornton, including all materials, reports, information, data, and work created, developed or performed by Doane Grant Thornton during the course of the Engagement (“the Doane Grant Thornton Materials”) shall belong to Doane Grant Thornton, with the exception of final tax returns, original contracts, other documents of title held to the Municipality's order and any documents the return of which the Municipality has stipulated, on or prior to their release to Doane Grant Thornton (the “Municipality Materials”). Notwithstanding the foregoing, (i) Doane Grant Thornton may retain a copy of the Municipality Materials (including Confidential Information) as required by Doane Grant Thornton, in its sole discretion, to meet any obligations imposed by professional standards; and (ii) nothing shall require the return, erasure or destruction of back-ups made in accordance with Doane Grant Thornton's document-retention procedures.

**Conflict of interest** – Doane Grant Thornton, its associated entities and GTIL Member Firms are involved in a wide range of financial advisory activities out of which conflicting interests or duties may arise. Within Doane Grant Thornton, its associated entities and GTIL Member Firms, practices and procedures are maintained to restrict the flow of information and thereby manage or assist in managing such conflicts in a proper manner. Nothing within this Engagement will be interpreted to preclude Doane Grant Thornton, its associated entities and GTIL Member Firms from engaging in any transaction or representing any other party at any time or in any capacity, provided that Doane Grant Thornton shall not, knowingly provide services to another party under circumstances which would place Doane Grant Thornton in a direct conflict of interest during the term of the Engagement without the Municipality's prior written consent. In the event Doane Grant Thornton becomes conflicted, as determined in its discretion, Doane Grant Thornton shall be permitted, but not obligated to, terminate this Engagement without any additional liability to the Municipality, upon fourteen (14) days prior written notice.

**Access to and disclosure of information** – Doane Grant Thornton is committed to the protection of personal information. During the course of planning, performing and reporting the result of the Services, Doane Grant Thornton, its employees, partners, contractors, consultants, and GTIL Member Firms may need to obtain, use and disclose Municipality information (including Confidential Information and personal information) in the possession of, or under the control of the Municipality. The Municipality acknowledges this potential use and/or disclosure and agrees that it is responsible for obtaining, where required under applicable law or regulation, a court order or consent from any third party in order to permit Doane Grant Thornton, its employees, partners,

contractors, consultants, and/or GTIL Member Firms, to access, obtain, use and/or disclose Municipality information (including Confidential Information and personal information) accessed by us or provided to us by the Municipality or a party authorized by the Municipality for the purposes of completing the Services, and/or other disclosure so defined within the Engagement or for those additional purposes as more fully explained within Doane Grant Thornton's privacy policy, as it may be amended from time to time and available at [www.doanegrantthornton.ca](http://www.doanegrantthornton.ca).

**Electronic communication** – Doane Grant Thornton and the Municipality may need to electronically transmit confidential information to each other and to other entities engaged by either party during the Engagement. Electronic methods include, but are not limited to telephones, cellular telephones, electronic mail and facsimiles. These technologies provide for a fast and convenient way to communicate. However, all forms of communications have inherent security weaknesses and the risks of compromised confidentiality cannot be eliminated. Notwithstanding the inherent risks, the Municipality agrees to the use of such electronic methods to transmit and receive information (including confidential information), between Doane Grant Thornton and the Municipality and between Doane Grant Thornton and outside specialists, contractors or other entities engaged by either Doane Grant Thornton or the Municipality. The Municipality further agrees that Doane Grant Thornton shall not be liable for any loss, damage, expense, inconvenience or harm resulting from the loss, delay, interception, corruption or alteration of any electronic communication due to any reason whatsoever.

The Municipality also agrees that Doane Grant Thornton professionals shall be authorized to connect their computers to the Municipality's IT network, subject to any specific restrictions the Municipality provides to Doane Grant Thornton. Connecting to the Municipality's IT network or the internet via this network, while at the Municipality's premises, will be primarily for the purpose of conducting normal business activities, and those relating to the completion of the Services.

**Expenses** – If applicable, the Municipality will reimburse Doane Grant Thornton for all reasonable out-of-pocket expenses incurred by Doane Grant Thornton in entering into and performing the Services, whether or not it is completed, including but not limited to, travel, telecommunications costs, fees and disbursements of other professional advisers, and other disbursements customary in engagements of this nature. Normal administrative expenses are charged on the basis of a percentage of professional costs. The administrative fee is equal to 9% of the total professional fees invoiced during the Engagement. All other out-of-pocket expenses will be charged at cost as incurred by Doane Grant Thornton.



**Taxes** – All fees and other charges payable to Doane Grant Thornton do not include any applicable federal, provincial, or other goods and services tax or sales tax, or any other taxes or duties whether presently in force or imposed in the future. All sums payable to Doane Grant Thornton hereunder shall be paid in full without withholding or deduction.

**Billing** – All invoices issued by Doane Grant Thornton hereunder are due within 30 days of the invoice date. Interest will be charged on all overdue accounts at a rate of 1.5% per month (18% per annum) until paid. Fees paid or payable to Doane Grant Thornton under this Engagement are non-refundable and shall not be subject to set-off. Unless otherwise directed by Doane Grant Thornton, all fees, expenses and other sums will be billed and payable in Canadian Dollars.

**Termination** – Either the Municipality or Doane Grant Thornton may terminate the Engagement upon fourteen (14) days prior written notice to the other party. In addition to the foregoing, Doane Grant Thornton may also terminate the Engagement in the event of a breach of any term of the Engagement by the Municipality which is not cured by the Municipality within ten (10) days of receipt of written notice as to the breach. Upon termination for any reason, the parties shall return each other's confidential information, except that Doane Grant Thornton may retain one copy for its working papers and one copy of the Municipality Data may also be retained by Doane Grant Thornton even if same may contain confidential information of the Municipality. In addition to its rights of termination provided herein and notwithstanding anything to the contrary in the Engagement, Doane Grant Thornton shall also have the right (i) upon five (5) days prior written notice to the Municipality, to suspend or terminate its Services in the event the Municipality fails to pay Doane Grant Thornton any amount due to it under the terms of the Engagement; or (ii) immediately upon written notice to the Municipality, terminate its Services in the event Doane Grant Thornton discovers any information which Doane Grant Thornton determines, in its sole discretion, may affect its reputation, integrity or independence. In the event of termination, the Municipality agrees to compensate Doane Grant Thornton for all time expended and costs incurred up to and including the date of termination.

**Severability** – Each provision of this Engagement is severable and if any provision (in whole or in part) is or becomes invalid or unenforceable or contravenes any applicable regulations or laws, the remaining provisions and the remainder of the affected provision (if any) will not be affected.

**Assignment** – No assignment shall be made by either party of their respective obligations under this Engagement without the prior written consent of the other party.

**Publication** – Under no circumstances without the express prior written consent of Doane Grant Thornton, shall the Municipality disclose, release, use, make reference to, or quote Doane Grant Thornton's name, logo or any Deliverable (whether written or verbal) within any press release, press conference, website update, media release or any other form of public disclosure ("Disclosure Document") other than for litigation purposes, but only to the extent and in the manner that such use is contemplated by the Engagement. In the event the Municipality wishes to seek Doane Grant Thornton's consent as required by the Engagement, the Municipality shall provide to Doane Grant Thornton a copy of such Disclosure Document for prior approval, which approval may be unreasonably withheld. As aforementioned, notwithstanding the terms of this paragraph, the Municipality is not prohibited from disclosing details, including the tax treatment or structure of any transaction, if the transaction or series of transactions would be, or would otherwise be if not for this exception, i) a reportable transaction or an avoidance transaction, as defined by subsection 237.3(1) of the ITA, or a series of transactions including an avoidance transaction under which a tax benefit to the Municipality results or would result but for section 237.3(1) of the ITA; ii) a notifiable transaction as defined by 237.4(1) of the ITA; iii) a confidential transaction under section 1079.8.6 of the TA; or iv) any other type of reportable tax avoidance transaction or similar type of transaction requiring disclosure to a taxing authority as defined by any other applicable legislation or regulations.

**Municipality representations, warranties and covenants** – The Municipality represents, warrants and covenants to Doane Grant Thornton that:

- a. the execution, delivery and performance of the Engagement has been duly authorized and does not, and with the passage of time, will not conflict with or violate any contractual, statutory, common law, legal, regulatory or other obligation by which the Municipality is bound; and
- b. the Engagement is the legal, valid and binding obligation of the Municipality, enforceable in accordance with its terms.

**Doane Grant Thornton representations, warranties and covenants** – Doane Grant Thornton represents, warrant and covenants to the Municipality that Doane Grant Thornton will provide the Services described within the Engagement in a professional and competent manner. Doane Grant Thornton makes no other representation or warranties and explicitly disclaims all other warranties and representations whether expressed or implied by law, usage of trade, course of dealing or otherwise.

**Surviving provisions** – The Municipality's obligations in respect of confidentiality, payment of fees and expenses, limitation of liability and Release and

Indemnification as outlined within the Engagement and these terms and conditions shall survive termination of the Engagement.

**Governing law and forum** – The Engagement, including these terms and conditions shall be governed by and construed in accordance with the laws of the Province in which the Engagement was signed by Doane Grant Thornton.

**Other matters** – The failure of either party to insist on strict performance of the Engagement, or to exercise any option herein, shall not act as a waiver of any right, promise or option, but the same shall be in full force and effect. No waiver of any term or provision or of any breach or default shall be valid unless in writing and signed by the party giving such waiver, and no such

waiver shall be deemed a waiver of any other term or provision or any subsequent breach or default of the same or similar nature.

**Complete agreement** – This Engagement, including these terms and conditions and any schedules, sets forth the entire understanding of the parties relating to the subject matter hereof and supersedes and cancels any prior communications, understandings, and agreements between the parties. This Engagement may not be amended or modified except in writing between the parties and shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

SAMPLE



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Request for proposal  
Municipal Auditing Services

The Corporation  
of the  
Municipality of Temagami

RFP #2024-01

*Kemp Elliott & Blair* L.L.P.

**CHARTERED PROFESSIONAL ACCOUNTANTS**

January 13, 2025

Members of Council  
Laala Jahanshahloo, CAO/Treasurer  
The Corporation of the Municipality of Temagami  
7 Lakeshore Drive, P.O. Box 220,  
Temagami ON P0H 2H0

Dear Sirs/Madams:

**Re: RFP 2024-01: Consulting Services for External Audit – Municipality of Temagami**

We are submitting our proposal to serve as auditors of the Corporation of the Municipality of Temagami (“the Township”) for the five year period beginning with the audit period of December 31, 2025.

Firm Profile and experience

Kemp Elliott & Blair LLP is a single office, small public accounting firm located in New Liskeard, Ontario. It is licensed by CPA Ontario to provide assurance services. The firm was established in the 1940s and has been continuously servicing the Timiskaming District since that time.

The firm has six partners who are Chartered Professional Accountants. All partners are members in good standing with Chartered Professional Accountants of Ontario. Three of the partners have a valid Public Accounting License while the other partners do not provide assurance services and do not require a license. We also have two senior staff that have an accounting designation. Other staff of the firm include five senior staff (with over twenty years of experience in public accounting) and eight junior staff.

One of our greatest assets is our vast knowledge and experience with audits in the municipal sector. Our firm’s experience includes audits for 18 municipalities in the Cochrane and Timiskaming area.

Other audit clients include: Temiskaming Municipal Services Association, two local family health teams, the Timiskaming Health Unit, three non-profit housing corporations, five local daycare centres and several other non-profit and charitable organizations.

Our firm also prepares personal and corporate tax returns, preparation of financial statements with various reports (Compilation, Review Engagement and Audit), provides bookkeeping services and consulting services as required by our wide range of client types.

With the exception of the Town of Latchford, the Township of Larder Lake, the Township of McGarry and the Township of Matachewan, we have provided audit services for these 18 municipalities and their predecessors (some amalgamations have occurred) for over 40 years. Latchford and Matachewan have both returned to us after approximately five years with another audit firm. Our long-standing record with these organizations is proof of our commitment to providing quality service with our clients' best interests in mind.

We do all the work required to ensure we have met the professional requirements to express an audit opinion on the financial statements. We also provide assistance to our municipal clients with finance, budgeting, bookkeeping/accounting issues and systems as requested. For all of our municipal clients, we prepare the Financial Information Return (FIR) required by the Ministry of Finance.

For the past several years, our office has provided municipal budgeting courses as well as courses for new councillors, which would be offered to the Township at reduced rates. We also host a periodic gathering/seminar for all clerk-treasurers (at no cost) to discuss various items of common concern and provide an update on any new accounting pronouncements.

We work with our clients to provide them with services they want and need.

This letter confirms that Kemp Elliott & Blair LLP meets all mandatory requirements to provide audit services to the Township and is eligible to submit the attached proposal.

We believe we can provide the Corporation of the Municipality of Temagami with the required audit services and other filings to meet their requirements.

We are always available for discussion and look forward to working with you.

Yours very truly,

KEMP ELLIOTT & BLAIR LLP

A handwritten signature in black ink, appearing to read 'SA', written over a horizontal line.

Steven Acland, CPA, CA  
Partner

Kemp Elliott & Blair LLP  
Chartered Professional Accountants

Proposal for Audit Services for  
The Corporation of the Municipality of Temagami

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### Audit approach, techniques and procedures

We use a risk-based audit approach. For each financial statement item and its related system, we assess the risk that a material misstatement could occur. The extent of those risks will determine the design and performance of the substantive audit procedures required to bring the risk of material misstatement to an acceptably low level. This approach will ensure we have met professional requirements and allow us to express an appropriately worded audit opinion.

The benefits to the municipality of this approach are:

- Audit work is directed more towards high-risk areas and less work is done in areas where risk is low. It requires a thorough knowledge of the organization and reduces audit time. This ensures audit staff resources are used effectively and aids in keeping our fee to a minimum.
- Audit plans are prepared in advance, enabling us to provide management with a full review of our audit approach. This review ensures a co-ordinated effort, no overlap and minimal disruption.
- Involvement of the partner early in the planning stage, throughout the audit and available at any time.
- A review of all areas of the audit process in which we can utilize the assistance of the municipality's staff.
- More emphasis is placed on understanding the systems which results in constructive management comments on control weaknesses we may find.
- Responsive, timely and high-quality service.
- Complete and accurate communication in which we bring issues and opportunities to your attention.

Our firm has a System of Quality Management and a Quality Management Manual that details our quality control procedures for our staff and partners. Our SOQM and the manual are reviewed by CPA Ontario every three years during our practice inspection. The Manual is also updated and reviewed with staff at an annual training session.

### Proposed reporting to management and council

Before the audit is complete, draft financial statements are provided to the treasurer for review. A meeting between the engagement partner and management can be scheduled at the request of the treasurer. Once approved by the treasurer, the engagement partner presents the financial statements to council for approval. A management letter is provided to council which discusses an overview of the financial statements and any issues encountered during the audit. A separate management letter is provided to the treasurer to deal with accounting issues and improvements to internal controls (if necessary).



### Schedule / work plan

Two to three staff will be assigned to the audit (depending on scheduling, timing and availability of staff). Interim audit work usually takes place in November to alleviate the time required during the audit. Audit field work would be scheduled for early to mid-March with a projected meeting date (and audit report date) of April. Field work can take anywhere from three to twelve days depending on staff assigned to the audit and issues encountered during the audit.

Delays may occur in the event of extenuating circumstances that are beyond the control of the audit team. Expected delays will be brought to the treasurer's attention in a timely fashion.

In the event extraordinary circumstances are discovered during the audit which would require additional audit work, a meeting between the engagement partner and management (or council if required) would be scheduled to discuss a timeline as well as additional fees (if any) to ensure proper completion of the engagement in a timely and cost-effective manner. Some additional time may be required in the first year as the audit team becomes familiar with the Township's processes, accounting system and staff.

Municipal staff will need to be available to answer questions and provide additional information as requested. A detailed list of items required prior to the interim audit work and the audit field work will be provided to Municipal staff several weeks in advance. The firm's junior staff will be available to pull invoices and do other tasks required by the senior staff to limit the time required by the Municipality's staff. Again, additional time may be required by Municipal staff in the first year as the engagement team familiarises themselves with the accounting system, filing system, location of records and staff.

An estimate of the hours for the audit of the Municipality is as follows:

Partner	30 hours
<ul style="list-style-type: none"> <li>- Review and assistance to senior staff with planning the audit and determining the required audit procedures.</li> <li>- Review of the internal control and accounting system, examination and valuation of test results.</li> <li>- Supervise and review of the year-end audit working papers and any adjusting journal entries required.</li> <li>- Review of staff working papers.</li> <li>- Preparation of the financial statements and various supporting schedules.</li> <li>- Examination of year-end reports and formal issuance of the financial statements and independent auditors' report.</li> </ul>	
Senior staff	150 hours
<ul style="list-style-type: none"> <li>- Planning the audit and determining the required audit procedures.</li> <li>- Examination of internal control systems and performing required audit tests and procedures.</li> <li>- Preparation of year-end audit working papers and adjusting journal entries, subject to approval.</li> <li>- Assist in preparation of year-end financial statements and supporting schedules.</li> <li>- Supervision of junior staff.</li> <li>- Attendance at annual meetings.</li> <li>- Prepare management letters and other communications to council and staff as required.</li> </ul>	

Junior staff

150 hours

- Performing required audit tests and procedures.
- Preparation of year-end working papers and adjusting journal entries, subject to approval by senior staff.

### Preparation and filing of the Financial Information Return (FIR)

The senior staff members prepare the FIR financial schedules at the time the audit is completed. Financial information from the District of Nipissing Social Services Administration Board and the Health Unit (HU) are required to complete the FIR which is usually received in June (too late to meet the May 31<sup>st</sup> deadline). Assuming we have DNSSAB and HU information, FIRs are filed by the August 31<sup>st</sup> deadline. The partner reviews the FIR before it is submitted to the Treasurer for review and final submission to the Ministry of Finance. Municipal Performance Measurement Program (MPMP) schedules are provided by the Treasurer since we are not able to obtain statistical information required to complete the schedules.

### Fees and expenses

Our quotation for fees to be charged for the fiscal year 2024 are as follows (exclusive of HST):

	2024	2025	2026	2027	2028
Municipal audit and accounting services as per RFP	<b>\$42,000</b> <sup>1</sup>	\$39,500 <sup>2</sup>	\$40,700 <sup>2</sup>	\$41,900 <sup>2</sup>	\$43,150 <sup>2</sup>
Preparation of Financial Information Return (FIR)	\$ 2,050	\$ 2,150	\$ 2,250	\$ 2,350	\$ 2,450

### First year audit <sup>1</sup>

A first-year audit requires additional procedures compared to recurring audits due to the establishment of initial balances and understanding the client's internal control environment. This involves a thorough review of prior year financial statements, and gaining a comprehensive understanding of the entity's operations, accounting systems, and key risks. We must also gather additional documentation and interview staff more extensively in the first year. These additional procedures are essential for establishing a solid foundation for future audits, hence the result in higher initial fees.

### Travel costs

We understand the importance of budget management. Therefore, **no additional disbursements for travel** are charged to the municipality under normal circumstances.

### Efficiency savings <sup>2</sup>

We are committed to providing a cost-effective audit. Any efficiencies we achieve during the process will be passed on to you through a **reduction in the quoted audit fee**.

### Advisory services

Our yearly audit fee includes staff assistance for a reasonable number of accounting and auditing questions and inquiries from the municipality. To ensure efficient and equitable service delivery,

we will monitor the time spent on client requests. If the time spent on such requests significantly exceeds what is considered normal for clients of similar size and complexity, we will discuss this with the municipality and explore potential adjustments to the audit fee or alternative service arrangements. Special training sessions that fall outside the scope of normal audit procedures will be billed separately based on our hourly rates. We will discuss and agree upon the scope and associated costs of any such training with the treasurer in advance.

#### Multi-year engagement

While our proposal outlines fees for a five-year period, we maintain the option to reassess our capacity to continue the engagement after the first year. This provision allows us to address any unforeseen circumstances that may impact our ability to provide consistent, high-quality service, such as significant staffing changes. To ensure transparency and facilitate planning, an engagement letter will be presented to the council for review and signature well in advance of each fiscal year.

#### Insurance coverage

Attached is the firm's professional liability insurance certificate which includes \$5 million in coverage per occurrence. (See Schedule 3)

## Schedule 1 - Current municipal audit engagements

Please feel free to contact any of our current clients as references.

- |  |  |
|--|--|
| 1. Township of McGarry<br>Engagement partner: Steven Acland<br>Contact: Karine Pelletier<br>(705) 634-2145 | 27 Webster St., PO Box 99<br>Virginiatown, ON P0K 1X0<br>KPelletier@Mcgarry.ca |
| 2. Township of Brethour<br>Engagement partner: Steven Acland<br>Contact: Steve McEntyre<br>(705) 647-1712  | PO Box 537<br>Belle Vallee, ON P0J 1A0<br>brethour@parolink.net                |
| 3. Township of Casey<br>Engagement partner: Steven Acland<br>Contact : Krystle Seymour<br>(705) 647-5439   | RR #2, Site 9-2<br>New Liskeard, ON P0J 1P0<br>harlytwp@parolink.net           |
| 4. Township of Coleman<br>Engagement partner: Danielle Girard<br>Contact: Chris Oslund<br>(705) 679-8833   | RR #1<br>Cobalt, ON P0J 1C0<br>coslund@colemantownship.ca                      |
| 5. Town of Cobalt<br>Engagement partner: Danielle Girard<br>Contact: Steven Dalley<br>(705) 679-8877       | PO Box 70<br>Cobalt, ON P0J 1C0<br>sdalley@cobalt.ca                           |
| 6. Township of Evanturel<br>Engagement partner: Danielle Girard<br>Contact: Lisa Daley<br>(705) 544-8200   | PO Box 209<br>Englehart, ON P0J 1H0<br>lisadaley@evanturel.com                 |
| 7. Township of Gauthier<br>Engagement partner: Danielle Girard<br>Contact: Dianne Sayer<br>(705) 568-8951  | PO Box 65<br>Dobie, ON P0K 1B0<br>townshipofgauthier@hotmail.com               |
| 8. Township of Harley<br>Engagement partner: Steven Acland<br>Contact: Krystle Seymour<br>(705) 647-5439   | RR #2, Site 9-2<br>New Liskeard, ON P0J 1P0<br>harlytwp@parolink.net           |
| 9. Township of Harris<br>Engagement partner: Steven Acland<br>Contact: Anita Herd<br>(705) 647-5094        | RR #3, Site 4-96<br>New Liskeard, ON P0J 1P0<br>harris@parolink.net            |

## Schedule 1 - Current municipal audit engagements - continued

- |  |  |
|--|--|
| <p>10. Township of Hilliard<br/>Engagement partner: Danielle Girard<br/>Contact: Vaughn Finch<br/>(705) 563-2593</p>           | <p>PO Box 12<br/>Hilliardton, ON P0J 1L0<br/>twphill@parolink.net</p>            |
| <p>11. Township of Hudson<br/>Engagement partner: Steven Acland<br/>Contact: Krystle Seymour<br/>(705) 647-5439</p>            | <p>RR #2, Site 9-2<br/>New Liskeard, ON P0J 1P0<br/>harlytwp@parolink.net</p>    |
| <p>12. Township of James<br/>Engagement partner: Danielle Girard<br/>Contact: Myrna Hayes<br/>(705) 678-2237</p>               | <p>PO Box 158<br/>Elk Lake, ON P0J 1G0<br/>elklake@ntl.sympatico.ca</p>          |
| <p>13. Township of Kerns<br/>Engagement partner: Steven Acland<br/>Contact: Krystle Seymour<br/>(705) 647-5439</p>             | <p>RR #2, Site 9-2<br/>New Liskeard, ON P0J 1P0<br/>harlytwp@parolink.net</p>    |
| <p>14. Township of Larder Lake<br/>Engagement partner: Steven Acland<br/>Contact: Crystal Labbe<br/>(705) 643-2158</p>         | <p>69 Fourth Ave<br/>Larder Lake, ON P0K 1L0<br/>crystallabbe@larderlake.ca</p>  |
| <p>15. Town of Latchford<br/>Engagement partner: Steven Acland<br/>Contact: Jaime Allen<br/>(705) 676-2416</p>                 | <p>PO Box 10<br/>Latchford, ON P0J 1N0<br/>jallen@latchford.ca</p>               |
| <p>16. City of Temiskaming Shores<br/>Engagement partner: Steven Acland<br/>Contact: Stephanie Leveille<br/>(705) 672-3363</p> | <p>PO Box 2050<br/>Haileybury, ON P0J 1K0<br/>sleveille@temiskamingshores.ca</p> |
| <p>17. Village of Thornloe<br/>Engagement partner: Danielle Girard<br/>Contact: Trish Addison<br/>(705) 563-8303</p>           | <p>PO Box 2050<br/>Earlton, ON P0J 1E0<br/>thornloe@outlook.com</p>              |
| <p>18. Township of Matachewan<br/>Engagement partner: Danielle Girard<br/>Contact: Cheryl Swanson<br/>(705) 565-2274</p>       | <p>PO Box 177<br/>Matachewan, ON P0J 1M0<br/>clerktreasurer@matachewan.ca</p>    |

## Schedule 2 - Engagement Team

### **Engagement Partner**

Steven Acland, B.A. Accounting, CPA, CA is a partner of the firm and has been a CPA, CA for 26 years. He has worked in public accounting for over 30 years and is currently the engagement partner for 10 municipal audits including the City of Temiskaming Shores.

### **Other partner resource**

Danielle Girard, B.A. Accounting, CPA, CA is a partner of the firm and has been a CPA, CA for 17 years. She has worked in public accounting for 20 years and is currently the engagement partner of 8 municipal audits.

### **Senior Staff**

Julie Tobler, B.A. Accounting, CPA, CGA has over 20 years of experience in public accounting and has been working on municipal audits since the beginning of her career. She is currently the senior staff for four municipal audits.

Remi Loranger, B. Engineering Sc., CPA has over 3 years of experience with our firm and has also worked on municipal audits since the beginning of his career. He is currently the senior staff for three municipal audits.

### **Junior Staff**

Garett Silesky has been with the firm for five years and has assisted senior staff with audit testing and procedures since he started working at our firm.

Justin Mackewn has recently joined the firm and has assisted senior staff with audit testing and procedures since he started working at our firm.

Anita Walkingshaw has been with the firm for over 15 years and has assisted senior staff with audit testing and procedures since he started working at our firm.



**DECLARATIONS**

POLICY NUMBER: PSM0040001131

UNIQUE MARKET REFERENCES: B087523C9N5047  
B087523C9N5051  
B1743ONEST2366368

THE INSURED: Kemp Elliott and Blair LLP

ADDRESS: 3-883317 Ontario 65  
Temiskaming Shores, ON P0J 1P0  
Canada

THE UNDERWRITERS: Underwritten by certain Lloyd's underwriters and other insurers

NAME OF LICENSED CANADIAN INTERMEDIARY: BrokerLink Inc

THE INCEPTION DATE: 00:01 Local Standard Time on 25 Jun 2024

THE EXPIRY DATE: 00:01 Local Standard Time on 25 Jun 2025

BUSINESS ACTIVITIES: ACCOUNTING SERVICES

LEGAL ACTION: Worldwide, but Canada only in respect of INSURING CLAUSE 7

TERRITORIAL SCOPE: Worldwide, but Canada only in respect of INSURING CLAUSE 7

RETROACTIVE DATE(S):

Professional Liability: 25 Jun 2013

Legal Expenses: 25 Jun 2024

REPUTATIONAL HARM PERIOD: 12 months

INDEMNITY PERIOD (CYBER AND PRIVACY cover only): 12 months

WAITING PERIOD: 8 hours

OPTIONAL EXTENDED REPORTING PERIOD: 12 months for 100% of applicable annualized premium

APPROVED CLAIMS PANEL PROVIDERS: Dolden Wallace Folick  
Fasken Martineau  
Kivu Consulting  
Crowdstrike  
Cytelligence  
Symantec

CLAIMS MANAGER: CFC Underwriting Limited  
Please report all new claims to:

Unique Market Reference No. B087523C9N5047, B087523C9N5051, B1743ONEST2366368  
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## DECLARATIONS

### INSURING CLAUSE 1: PROFESSIONAL LIABILITY

#### ALL SECTIONS COMBINED

Aggregate limit of liability: CAD5,000,000 in the aggregate

#### SECTION A: ERRORS AND OMISSIONS

Limit of liability: CAD5,000,000 each and every claim, including costs and expenses

Deductible: CAD25,000 each and every claim, including costs and expenses

#### SECTION B: BREACH OF CONTRACT

Limit of liability: CAD5,000,000 each and every claim, including costs and expenses

Deductible: CAD25,000 each and every claim, including costs and expenses

#### SECTION C: SUB-CONTRACTOR VICARIOUS LIABILITY

Limit of liability: CAD5,000,000 each and every claim, including costs and expenses

Deductible: CAD25,000 each and every claim, including costs and expenses

#### SECTION D: CONTINGENT BODILY INJURY AND PROPERTY DAMAGE LIABILITY

Limit of liability: CAD5,000,000 each and every claim, including costs and expenses

Deductible: CAD25,000 each and every claim, including costs and expenses

#### SECTION E: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

Limit of liability: CAD5,000,000 each and every claim, including costs and expenses

Deductible: CAD25,000 each and every claim, including costs and expenses

#### SECTION F: POLLUTION LIABILITY

Limit of liability: CAD5,000,000 each and every claim, including costs and expenses

Deductible: CAD25,000 each and every claim, including costs and expenses

#### SECTION G: REGULATORY COSTS AND FINES

Limit of liability: CAD5,000,000 each and every claim, including costs and expenses

Deductible: CAD25,000 each and every claim, including costs and expenses





SECTION H: DISHONESTY OF EMPLOYEES

Limit of liability:	CAD5,000,000	each and every claim, including costs and expenses
Deductible:	CAD25,000	each and every claim, including costs and expenses

SECTION I: PAYMENT OF WITHHELD FEES

Limit of liability:	CAD5,000,000	each and every claim, including costs and expenses
Deductible:	CAD25,000	each and every claim, including costs and expenses