



# Building on a solid foundation

Corporation of the  
County of Essex  
External Audit Services

January 23, 2025





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January 23, 2025

The Corporation of the  
County of Essex

RE: External Audit Services

We are honoured to serve the Corporation of the County of Essex (the County), and would be proud to continue to do so as we hope our letter demonstrates. Because of our history together, we have insights into your operations that took years to build, and that no other firm can provide. This means we can identify and mitigate key risks, deliver relevant and valuable insights, and minimize disruption to you. KPMG is the only firm with this proven track record with the county, and we would like to continue providing this value to you for many years to come.

We will continue to bring our extensive experience working with the public sector across Canada, particularly in Windsor-Essex, bringing you insight into best practices, strategies and current issues. But most importantly, with KPMG, there is no transition, and that represents real savings in time and effort for your finance staff, Council, and ultimately the citizens you represent.

Thank you for the opportunity to show why KPMG continues to be the best choice for the County and our ability to meet your current and evolving audit needs. KPMG would like to continue to serve as auditors of the County, and look forward to continuing the conversation in the next phase of the process. If you have any questions regarding our proposal or require additional information, please contact us.

Sincerely,



**Cynthia A. Swift, CPA, CA**  
Lead Engagement Partner

519 521 3520 | [caswift@kpmg.ca](mailto:caswift@kpmg.ca)

# Executive summary

## Avoid unnecessary transition

KPMG has been **at your side** through the past ten years, and we are **eager to continue** our involvement with the County to assist you as **auditors and advisors going forward**.

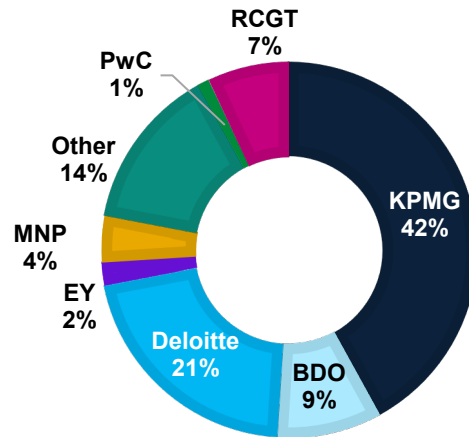


Our **history together** has allowed us to gain unique insights into your operations that are **unmatched by any other firm**, and we are **eager to continue** delivering this value to you in the years ahead.



KPMG is the **leading auditor of Ontario municipalities**, accounting for more than \$13 billion in annual revenues – **more than any other firm**.

FY2021 - CANADIAN LARGEST MUNICIPALITIES MARKET SHARE (BY MUNICIPALITY REVENUES)



KPMG's has a **dedicated National Public Sector Network**, with over **200** partners and professionals nationwide, focuses significantly on providing **value through audit** services.

**First** of the Big Four to move toward a **cloud-based audit tool** – KPMG Clara, allowing KPMG professionals to tap into advanced technologies that **bring clients greater insights** into risks and anomalies for their business.



At KPMG, we are proud that our culture has been recognized by many organizations, including:

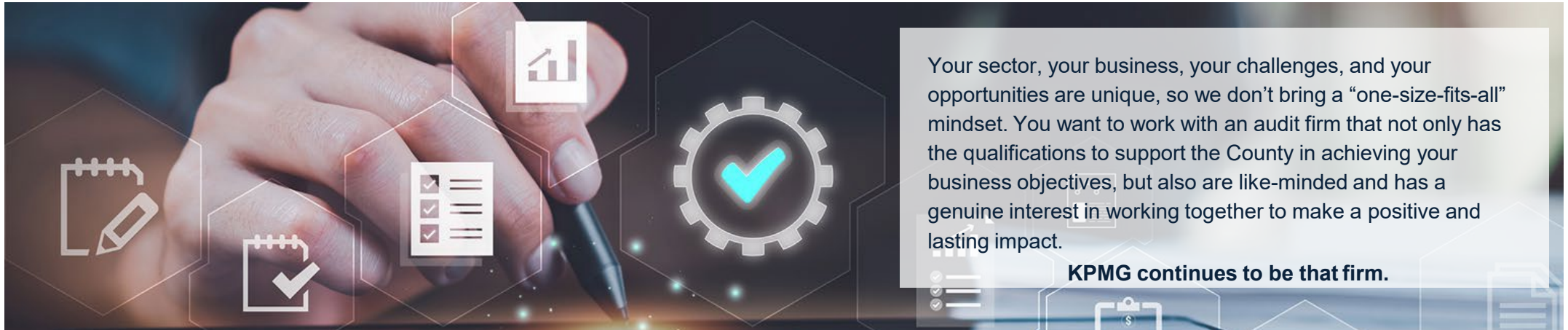
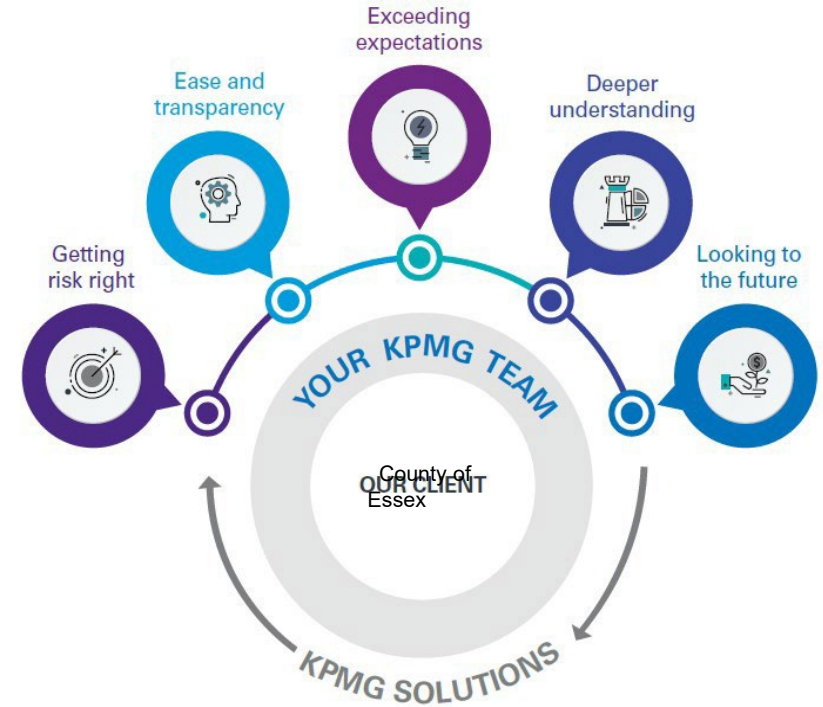


# Scope clarity

Working together, the County has seen how we utilize advanced technology and engage exceptional professionals to conduct efficient, insightful audits tailored to your industry and operations. Our approach focuses on raising pertinent questions at the right time, bringing relevant issues to your attention promptly, and minimizing disruption to your operations, all while continuously improving and adding value to your audit.

Our experience with the County, means that we understand what you need:

- An audit of the financial records and statements of The Corporation of the County of Essex, Essex-Windsor Solid Waste Authority and Essex County Library Board, which is limited to expressing an opinion on the financial statements.
- Before each fiscal year-end, we will meet with your management to define a schedule of joint activities.
- Prepare a draft audit letter outlining concerns and recommendations for the internal accounting and operating controls, as needed.



# No one understands you better

KPMG has been by your side during recent public sector challenges. We aim to continue this support as the County tackles future obstacles, particularly by enhancing internal controls and reducing extensive audit procedures. We are eager to continue our involvement with the County as auditors and business advisors for years to come.



# Active sector involvement

To provide exceptional client service to all of our municipal clients, we have formed a cohesive team of professionals that work in strong collaboration. Our Public Sector practice includes individuals dedicated to meeting the needs of local governments and who, in their efforts to better serve government entities, focus all of their professional activities on working with civil servants. KPMG demonstrates considerable support of the public sector through active participation in such municipal organizations as:

- Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO)
- Canadian Association of Chiefs of Police (CACCP)
- Canadian Government Executive
- CCAF
- Institute of Governance
- Municipal Information Systems Association (MISA)
- Municipal Service Delivery Officials (MSDO)
- Ontario Municipal Engineers Association (MEA)
- Public Policy Forum
- Public Sector Accounting Board (PSAB)
- The Association of Municipalities of Ontario (AMO)
- The Canadian Institute of Chartered Accountants (CICA)
- The Government Finance Officers Association (GFOA)
- The Institute of Public Administration of Canada (IPAC)
- The Municipal Finance Officers Association

## A public sector practice, dedicated to delivering value

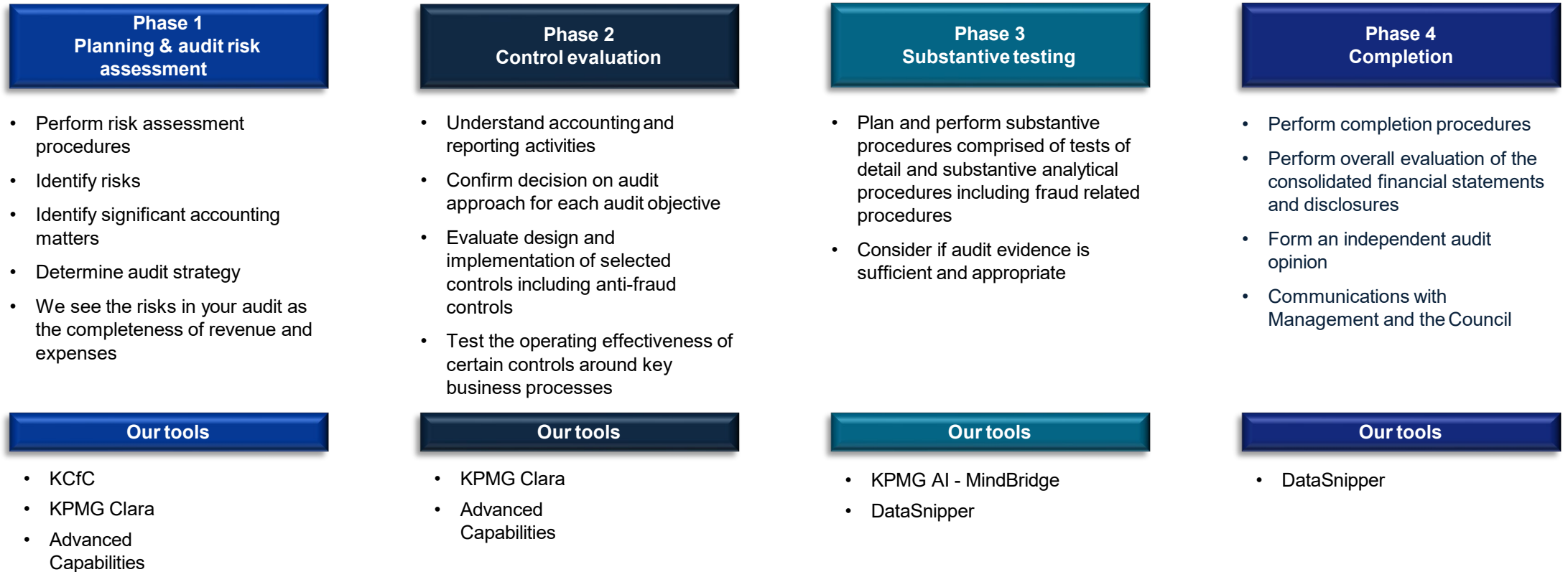
At KPMG, we place a high priority on keeping abreast of industry issues and trends so that we can provide our clients with the best possible advice. We believe that the ongoing development of our people is critical to the quality of our services and require all partners and staff to attend annual technical and accounting updates.

KPMG has a nationwide practice of partners and other professionals committed to serving the public sector including municipalities. Their in-depth knowledge and experience enable us to provide clients with insights firmly grounded in understanding the business challenges of the current economic environment. Complemented by access to a network of specialists and contacts as needed.



# Insights driven through efficiency

KPMG's audit program employs advanced techniques in auditing internal controls, including general and application-level computer controls, and statistical sampling. The effectiveness of these controls is evaluated based on their application, consistency, and the individuals applying them. The extent of testing depends on the control's frequency, type, and the expectation of control deviations. KPMG's audit innovations and technology solutions are integrated into their global audit platform, KPMG Clara, which is crucial to their four-phased Audit Approach.



# Audit Innovation: The Future Now

**We prioritize your preferences and needs in our audit process.** Our audit senior and field staff are on-site at your location for most of the audit fieldwork, ensuring efficient and effective completion of the audit engagement. This approach also enhances our communication with you.

Our business is unique in that our employees work in many different locations, sometimes on the same day. In 2021, we officially moved to a **hybrid work environment**, allowing us to keep a **reduced environmental impact** while also empowering our employees and clients to enjoy **more flexibility; improve service; utilize technology** to seamlessly work between various locations; and **reduce overall travel expenses** for clients.

KPMG has invested significantly in the tools and infrastructure necessary to serve our clients efficiently and effectively. Further, our professionals have received training on leading practices in conducting meetings on various platforms.

## STAFFING PLAN

We understand the effort required for your audit, eliminating guesswork and extra time charges.

Level	Partner	Senior Manager / Manager	Staff / Senior Accountants
Estimate of hours to complete the audit	18	30	152

As the **largest** audit firm in **Windsor**, KPMG is equipped to deliver consistent, high-quality audit services to the County.

We prioritize open communication and will **consult with you before finalizing any team changes** due to new hires, transfers, promotions, or leaves.

Our commitment is to ensure **minimal impact** on your operations and to **maintain a team with strong public sector knowledge and experience**, which is crucial for your audit.

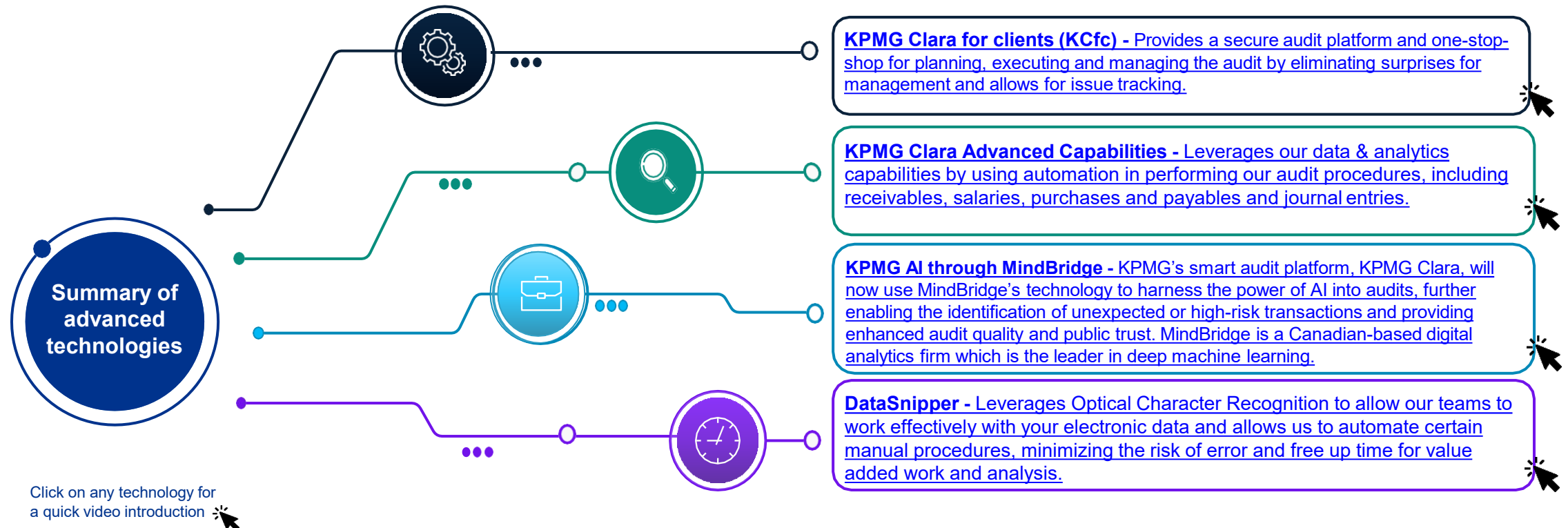




# Innovation in the audit

Building upon our sound audit quality foundations, we are making significant investments to drive consistency and quality across our global audit practices. We've committed to an ongoing investment in innovative technologies and tools for engagement teams, such as KPMG Clara, our smart audit platform. The KPMG team commits to passing on the benefits of these investments through innovative audit technology. We are the firm that will innovate with you.

Our philosophy is to gradually roll out these tools in collaboration with the County, taking into account technological constraints and/or the distribution of work with your team. Our innovative technology enhances the quality and effectiveness of the audit. Following are a list of some of the tools we can use to make the audit process efficient and effective for our clients.



# Audit quality framework

For the County, identification of risks continues to be the first step in providing you a quality audit. Our highly experienced team will continue to ensure that key audit risks are identified early and the appropriate audit procedures are in place to address them in an effective and timely manner. We firmly believe that thoughtful and appropriate planning up-front is the key to quality throughout the audit process. As you are aware, our team is fluent in your industry so that you have the best resources at the table, from start to finish.

To ensure every partner and employee concentrates on the skills and behaviors needed to deliver an appropriate, robust and independent opinion, we have developed a global Audit Quality Framework. This framework is a key foundation of our internal risk management techniques and depends on the active participation of KPMG personnel who are required and trained to adhere to risk management and quality control policies and procedures - at all times.

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Performance of effective and efficient audits

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Recruitment development and assignment of appropriately qualified personnel.

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Clear standards and robust audit tools

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Commitment to continuous improvement

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Progressive review of engagement status compared to the work plan and budget.

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Maintenance of a client relationship that helps to ensure early notification of any client concern with the project team's performance on the engagement.

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Commitment to technical excellence and quality service delivery.

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Regular discussions and meetings with the project team.

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Regular review of the engagement work papers. KPMG also conducts annual quality performance reviews on selected engagements to help determine performance rewards and incentives for both our business units and professionals.

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Documented review of all correspondence, reports and other project outputs.



# Experience, like no other

KPMG is a recognized leader in auditing local governments, with extensive experience in the public sector and a strong commitment to working with municipal governments across Canada. We have a significant presence in the municipal space, serving 42% of the top 100 municipalities in Canada by revenue.

Our Southwestern Ontario offices provide audit and auxiliary services to a wide range of municipal clients, demonstrating our local, provincial, and national expertise. Our team is known for its attention to detail, transparent resolution of technical matters, and extensive knowledge of Public Sector Accounting Standards and the Ontario Municipal Act. Clients highlighted in **bold** are clients the County's proposed team.

## REFERENCED PROJECTS

Satisfied clients are the strongest endorsement of the technical skills, experience, and high quality of service that our team delivers. We will continue to deliver this same level of service to the County. We are proud of our professional track records and urge you to verify the commitment and capabilities of our professionals and the firm, with the references below.

For each of these references, we have conducted the main audit of financial statements, as well as financial statements for various operating entities. We have provided guidance on the application of PSAS on complex transactions, implementation of new accounting standards, and other advice as needed.

Organization	Services performed	Years of service
Amherstburg, Town of	A, Ad	8
Cambridge, City of	A, Ad	2
Centre Wellington, Township of	A, Ad, T	10+
Chatsworth, Township of	A	1
<b>Essex, County of</b>	<b>A, Ad, T</b>	<b>25+</b>
<b>Essex, Town of</b>	<b>A, Ad</b>	<b>4</b>
Greater Sudbury, City of	A, Ad, T	10+
Guelph, City of	A, Ad	5
Halton Hills, Town of	A, Ad, T	10
Halton, Region of	A, Ad, T	20+
Hamilton, City of	A, Ad	9
Huron, County of	A, T	7
Kincardine, Municipality of	A, Ad	7
Kitchener, City of	A, Ad, T	10+
<b>Lakeshore, Municipality of</b>	<b>A, Ad</b>	<b>10</b>
<b>Lasalle, Town of</b>	<b>A, Ad</b>	<b>50+</b>
Lincoln, Town of	A, Ad, T	50+
London, City of	A, Ad, T	20+
Middlesex, County of	A, T	10+
Milton, Town of	A, Ad, T	15
Mississauga, City of	A, Ad, T	20+
<b>Windsor, City of</b>	<b>A, T</b>	<b>50+</b>

**Legend:** A – Audit, Ad – Advisory, T – Tax



# The best of all of us

There's a lot to be said for going with those you know. You know with us the County gets the power of a strong team who are experienced on the ins and outs of your business. And you know that our teams work very well together with.

All of our team members are active members in KPMG's Public Sector practice and are fully familiar with the body of authoritative literature relevant to the County. Further, our core team members will be supported by subject matter specialists that will be available to provide support in specific, relevant areas of the audit and tax matters.



## Cynthia A. Swift

*Lead Engagement Partner*

Cynthia will continue to lead the County's audit, ensuring seamless service, adherence to standards, and strategic direction for the team.



## Kevin Macchio

*Audit Senior Manager*

Kevin will continue to manage the daily audit activities, supervise field work, handle information requests, participate in creating a tailored audit approach, and review working papers prepared by the team.



## Bailey Church

*Accounting Advisory Partner*

Bailey Church currently serves as Chair of the PSAB Task Force on Public Private Partnerships, which is developing an accounting standard for the reporting of public private partnerships in the public sector.



## S. Bruce Peever

*Public Sector Advisory Partner*

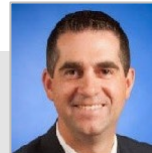
Bruce is a leading authority who specializes in public sector service delivery and transforms public services with a focus on governance design, financial analysis, and economic development.



## Karen Grogan

*Forensics Partner*

Karen will advise on managing fraud risks from an operational and governance perspective for the County, as and when needed.



## Rob Clayton

*Public Sector Leader and Lean Services Partner*

Rob oversees KPMG's audit processes, aids with financial reporting, and advocates for fiscal responsibility to ensure organizational stability and effectiveness.



## Elliot Culligan

*Technology Risk Consulting Partner*

Elliot utilizes technology-based controls using the County's systems and incorporates KPMG's data and analytics techniques for efficient and effective audits.



# A team you trust

As you have experienced first hand, Cynthia and Kevin, utilize their vast experience and understanding of the County's specific circumstances to conduct effective audits that surpass expectations.



## Cynthia A. Swift, CPA, CA

Lead Engagement Partner

519 521 3520 | [caswift@kpmg.ca](mailto:caswift@kpmg.ca)

Public Accounting License #: 1-19532

**Role:** As audit partner in charge of your KPMG service team, Cynthia will continue to ensure our service delivery is as seamless as possible and that our team meets your expectations. Cynthia is a well-seasoned municipal auditor and will act as your single point of contact to address enquiries from the County. She will lead KPMG's audit of the County's financial statements, and all other audits as requested. Cynthia will provide overall direction for the KPMG audit team and make certain that both KPMG and Canadian audit standards are followed throughout our audit engagement.

**Specialized skills:** Cynthia is an Audit Partner in our Windsor office with over 30 years of public sector experience. Cynthia is involved in the audits of a number of small to large clients including areas of local government, hospitals and not-for-profits and works with PSAB accounting principles on a regular basis.

Cynthia is the Chair of the Windsor office Social Impact Committee which has a mandate to oversee the firm's investments in supporting local community organizations and charities, and the engagement of our staff in making a positive impact in our community. She also participates in the KPMG NPO Collaboration network with other Canadian partners and managers that provide NPO and PSAB services.

**Education:** BMath, University of Waterloo

**Client experience:** Corporation of the County of Essex, Town of Essex, Town of Amherstburg, Municipality of Lakeshore, Town of Tecumseh and City of Windsor and all related Agencies, Boards and Commissions.



## Kevin Macchio, CPA, CA

Audit Senior Manager

519-251-5247 | [kmacchio@kpmg.ca](mailto:kmacchio@kpmg.ca)

**Role:** Working closely with Cynthia, Kevin will coordinate the activities of our audit staff and the day-to-day management of the audit. He will supervise staff field work, including delegating and managing requests for information. He will also participate in the development of the detailed tailored audit approach, as well as review the audit working papers prepared by the engagement staff.

**Specialized skills:** Kevin, a senior manager at our Windsor office, has over 7 years of experience in audit and accounting advisory services for various sectors. He has been part of the County engagement team for four years and manages the local Data & Analytics program. His experience at KPMG includes performing independent assurance procedures under supervision, including documentation, testing, and evaluation of controls and processes. He has also conducted interviews with key staff to support financial statement audits. Kevin's audit experience encompasses services and advice in areas such as internal controls over financial management, financial statement preparation, accounting standards interpretation and research, policy monitoring, costing analysis, and other accounting or financial management services.

**Education:** MAcc, University of Waterloo

**Client experience:** City of Windsor, Windsor-Essex Regional Chamber of Commerce, Windsor-Essex Children's Aid Society and its Foundation, County of Essex, Town of Tecumseh, United Way/Centraide Windsor-Essex County, Habitat for Humanity Windsor-Essex, and University of Windsor.



# Fee assumptions

**Our fees are not based on hours, but on the value and experience we bring to the audit.** Changes to our fees will only occur based on important operational changes to the County (if any) that impact our audit, new or unexpected accounting or audit issues, and inflation. Our fees are based on your existing operations and will be adjusted if a change in your structure occurs, or new accounting or auditing standards are established. We will review and discuss our fees with you annually and will also work with you to continuously improve the effectiveness and efficiency of our audit

The following factors could cause a change in our professional fees:

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

## Additional costs

- As a local audit, disbursements or expenses for travel are not expected.
- Bank confirmation fees will be charged on a cost-recovery basis.
- Our professional fees are subject to a 7% charge to cover information technology infrastructure costs and administrative support.



# Annual fees

Our philosophy in serving the County is to provide an **efficient, high-quality audit** emphasizing **continuous improvement** and **innovative technologies**. Although, we have worked to improve the efficiency of our services to allow us to mitigate cost increases for the past number of years, we must increase our fees to **reflect the investment in our people and technology to continue improving our service offerings**, as well as inflation. Furthermore, the County’s remarkable growth in scale and complexity over the past half-decade stands testament to our relentless pursuit of supporting your growth while minimizing the financial impact of our services. We want you to see the value of KPMG and don’t want fees to be an obstacle. **We always present our best price for the value an audit with KPMG provides.**

Changes to our fees will only occur based on important operational changes to the County, if any, which impact our audit or review, new or unexpected accounting or audit or review issues, and inflation. In general, should the County’s operations not change and no special issues arise, our estimate assumes that our fees would increase by only an inflationary factor.

We’ve completed the annual fee table below:

Description	2025	2026	2027	2028	2029
County of Essex	\$34,000	\$35,000	\$36,000	\$37,500	\$39,000
Essex-Windsor Solid Waste Authority	\$17,000	\$18,000	\$19,000	\$20,500	\$22,000
Essex County Library Board	\$6,000	\$6,500	\$7,000	\$7,500	\$8,000
Sun Parlor Home Residents’ Trust Fund	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400
<b>TOTAL</b>	<b>\$58,000</b>	<b>\$60,600</b>	<b>\$63,200</b>	<b>\$66,800</b>	<b>\$70,400</b>

**Having been through the fee process with us before, you know how we handle it so nothing will come as a surprise.**

*Costs related to travel, meals, long-distance telephone calls, courier services, printing, photocopying, postage, out of pocket expenses etc. are to be included in the pricing below. Any costs not included are to be separately identified.*

There will be additional fees based on time incurred in anticipation of the implementation of any new accounting standards (i.e., PS 3400 Revenue in 2023), which we will always discuss with you in advance of beginning any related work. This also applies to the application of any other new accounting standards in our five-year tenure through fiscal years ending 2025-2029 and their ongoing cost. The fees quoted above cover all activities related to the audits, including audit reports and any attendance required at meetings of Management and Council.



# Special services

We want you to be completely comfortable in calling us at any time on matters without feeling that “the meter is running”. Day-to-day phone calls for questions and to discuss the County’s matters of interest and emerging issues will not be billed to the County. This allows for the kind of communication and level of collaboration that are essential to highly productive client-auditor relationships. **We expect and look forward to providing advice from time to time on accounting and reporting issues as they arise, without charge, as part and parcel of providing top quality day to day service.**

For assignments outside of our normal audit engagement, we will discuss the scope and timing with you and agree on a reasonable fee before starting the work. **We normally discount our standard hourly rates for our public sector audit clients, depending on the timing, required resources and complexity of the work.** If something you ask us to do results in extra costs, we will always alert you in advance, discuss with you the work involved and agree on an equitable fee

The following represents the 2025 rates for any services outside of the annual audit:

Name of person assigned	Title & Role	Hourly Rate
Cynthia A. Swift	Lead Engagement Partner	\$400
Kevin Macchio	Audit Senior Manager	\$280
	Audit Manager	\$200
	Audit Senior	\$175
	Staff Accountant	\$125



Should services of our other professionals be required, following are the non-audit hourly rates:

Non Audit Personnel Category	Standard Rates	Proposed Rate \$/Hr
Partner	\$970	\$375 - \$600
Senior Manager	\$740	\$280 - \$500
Manager	\$500	\$190 - \$400
Senior Accountant	\$385	\$140 - \$250
Staff Accountant	\$270	\$90 - \$180







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KPMG International and its related entities provide no client services. No member firm has any authority to obligate or bind KPMG International, any of its related entities, or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

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